



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 5th July 2023

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Present:

Ms J. E. Roland, Deputy Bailiff and Presiding Officer

Law Officers

M. M. E. Pullum, K.C. (H.M. Procureur)

People's Deputies

S. E. Aldwell	J. P. Le Tocq
C. P. A Blin	M. P. Leadbeater
A. H. Brouard	D. J. Mahoney
Y. Burford	A. D. S. Matthews
T. L. Bury	L. J. McKenna
A. Cameron	C. P. Meerveld
D. de G. de Lisle	N. G. Moakes
H. L. de Sausmarez	R. C. Murray
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J. F. Dyke	C. N. K. Parkinson
S. P. Fairclough	R. G. Prow
S. J. Falla	L. C. Queripel
P. T. R. Ferbrache	P. J. Roffey
A. Gabriel	H. J. R. Soulsby
J. A. B. Gollop	G. A. St Pier
S. P. Haskins	A. W. Taylor
M. A. J. Helyar	L. S. Trott
A. Kazantseva-Miller	S. P. J. Vermeulen
C. J. Le Tissier	

Representatives of the Island of Alderney

Alderney Representatives S. Roberts and E. A. J. Snowdon

The Clerk to the States of Deliberation

S. M. D. Ross, Esq. (States' Greffier)

Absent at the Evocation

Deputy N. Inder, (*relevé à 10h 37*)

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States of Deliberation

The States met at 10.35 a.m.

[THE DEPUTY BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

EVOCATION

CONVOCATION

The States' Greffier: Billet d'État X of 2023. To the Members of the States of the Island of Guernsey I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday, 5th July 2023, immediately after the States of Election convened for 9.30 a.m. to consider the items listed in this Billet d'État which have been submitted for debate.

The Deputy Bailiff: Good morning everyone. Deputy Inder, do you wish to be relevé?

Deputy Inder: I do, madam.

The Deputy Bailiff: Thank you. Members, if you wish to remove your jackets please do so.

Statements

STATES' TRADING SUPERVISORY BOARD

General update –

Statement by the President of the States' Trading Supervisory Board

The Deputy Bailiff: Can I invite the President of the States' Trading Supervisory Board to give the general update.

Deputy Roffey: Thank you, madam.

Aurigny's financial performance has been a recurring theme since the STSB was first formed. When this Assembly agreed to recapitalise the airline in 2021, it came with a firm assurance that there was a clear strategy and plan to turnaround the airline's fortunes, under a new chair and chief executive. This included a target to break even within five years.

The airline is delivering on that undertaking. Based on performance during the first half of this year, Aurigny is on track to achieve, if not better, its forecast for a modest operating profit in 2023.

While Jersey and Isle of Man's air connectivity has contracted post-pandemic, the Bailiwick's has seen a significant increase – with Aurigny providing either scheduled or charter flights to 42 destinations last year. Air passenger volumes in the Bailiwick have recovered better than most other ports in the Common Travel Area and between 2019 and 2022 the average fare increased by just 1.7% compared to RPI of 12%.

The airline had its highest ever annual turnover last year, and the cost of the Alderney PSO was reduced by 36.3% relative to 2019. Improved fleet utilisation has increased productivity both in terms of staff and aircraft, and last year Aurigny had the best punctuality rate of any UK-based carrier. From an environmental standpoint, last year its aircraft used 1.4 million litres of fuel less than in 2019, reducing its carbon footprint by more than 10%.

This performance is all the more remarkable, coming as it has against the backdrop of all the COVID disruption and the ongoing effect that has had on travel.

Nevertheless, passenger numbers overall at both the Harbours and Airport were still down by a quarter last year, compared to pre-pandemic levels. The financial impact of that is being keenly felt at Guernsey Ports, at a time when the business is also having to address historic under-investment in its infrastructure.

Guernsey Ports has had to rely on significant financial support from general revenue to cover its trading losses over the past three years. As well as having reduced income, the Ports Holding Account, which traditionally funded routine capital investment, was depleted entirely when travel was suddenly and severely curtailed due to COVID.

While it is expected to be better than budget, Guernsey Ports' deficit will again be around £6 million in 2023 and could be as high as £7.8 million next year if the target for capital investment is achieved at current income levels.

That situation clearly cannot continue indefinitely. The Ports business must not be a drain on an already very squeezed public purse. Now the pandemic is over, the Ports have to adapt to what is, at least for the time being, the new normal. The STSB has therefore initiated a comprehensive review of revenue and expenditure.

It is being done with assistance from officers of Policy & Resources, meaning the review is conducted using the States' own resources, while still having the benefit of robust, independent scrutiny and a fresh perspective.

I stress that this is not all about raising charges. We anticipate the route to financial stability requires a combination of approaches. It will require efficiency savings, as well as exploring new revenue opportunities, and there may be a case for some targeted general revenue support, where a specific requirement is identified.

For example, if we had to raise charges at Guernsey Airport to a level that might deter passenger numbers, there may be an argument for government to provide some level of grant, in recognition of the wider economic benefits. That would be a policy decision for the States, and this review will help to inform that thinking.

However please be under no illusion. If the Ports are to become financially self-sufficient again, they will have to act more commercially, particularly where fees and charges are concerned. All current tariffs are therefore being reviewed to identify where additional revenues can reasonably be achieved.

That is likely to have the most immediate impact in reducing the forecast trading deficit for next year. Efficiencies are also being sought and new revenue opportunities identified, which will be an ongoing process. While those benefits may take longer to realise, they will make a significant contribution to a financially stronger Ports business.

I shall not prejudge the outcome of the review, but if States' Members wish to see the Ports on a more sound financial footing, then I hope we will have your support when we return to the Assembly by the end of the year with our proposals for fees and charges.

Likewise for the other States-owned trading operations, which also have financial challenges, including the long-term effects of the pandemic, and inflationary pressures due to Brexit and the

war in Ukraine. These events have disrupted markets, impacted supply chains, and driven up the cost of fuel and materials.

75 For an infrastructure business like Guernsey Water, such disruption has a major impact. It has seen increases in the cost of energy, labour and chemicals, but most of all in capital and asset maintenance projects. This higher than planned expenditure, combined with below inflation tariff rises over the last four years, contributed to a trading deficit in 2022.

80 Guernsey Dairy also has an ongoing trading deficit. It too has been impacted by the rising cost of materials, at the same time as having to manage the long-term reduction in demand for liquid milk, with the increased cost and inefficiency associated with maintaining an ageing facility and equipment that has reached the end of its expected life.

85 Whatever the current challenges, the trading operations are expected to operate commercially. In the commercial world no business is able to sustain losses indefinitely. With that in mind, in preparing their budget submissions for 2024, each of our businesses has been tasked with identifying how they plan to eliminate any trading deficit and generate sufficient surpluses to meet their long-term funding requirements.

They have been told to seek efficiencies and cost reductions within their operations, ensure charges are fair and reasonable, and consider where services are no longer affordable or essential – such as was demonstrated earlier this year in closing the Island's remaining recycling bring banks. We have tasked each trading business with identifying a scenario where they achieve a break even position next year. Alternatively we have also asked them for a plan for recovery over three years, which may be more achievable. These proposals will then be considered by the STSB before finalising the 2024 budgets.

95 Although it has not been entirely immune to the financial pressures that have impacted other trading operations, States' Works has not been affected to the same extent and has continued to generate a reasonable surplus. Its greater challenge in recent years has been the extremely tight labour market, which unfortunately has not improved. That has led it to withdraw from some activities, but on a positive note it has provided employment to a number of Rabey's staff after the company went into liquidation.

100 Moving on to capital projects. Following the decision of the Assembly last December, the design for the Alderney Airport refurbishment has been progressed and following engagement with potential construction contractors we have a shortlist of five who are being invited to tender. We are on course to appoint a contractor at the start of 2024 and commence work in the spring. It is vital that we meet this timescale, to ensure we do not miss the window to carry out these essential works next year.

On the potential for a new marina in St Peter Port, the concept scheme that has been developed by the project team is very impressive, and received positive feedback when the results of the initial studies were published last November. If the potential economic benefits that have been identified can be realised, such a development could present a very real opportunity for Guernsey.

110 We are mindful that such a project would represent a massive investment, over and above what Guernsey Ports can justify based purely on the extra income it would generate from mooring fees. It will require some additional funding, which in the current financial environment we understand is going to be extremely difficult for the States itself to provide.

115 I would stress it should not be considered in the same category as schools or the Hospital, because a new marina would be a significant source of income, to help repay the initial investment over time, and with a potential long-term economic boost to the island as a whole. That said, it is difficult to see how the States could provide the necessary investment at this point.

120 We are therefore exploring other possible funding options, which could include a mix of private and public funding. The outcome of those investigations will help inform the policy letter that we now propose bringing to the Assembly sometime after the debate on the capital portfolio review.

We also hope to bring a policy letter to the States before the end of this year seeking approval for much-needed repairs to the bridge linking Castle Emplacement to Castle Cornet and the breakwater. The current structure is at the end of its life, and while it provides no operational benefit

125 to the harbour, the bridge clearly does have a wider importance. We therefore hope that with States approval we will be in a position to also carry out these works next year.

On a less positive note, we are still frustrated by the lack of progress in resolving what to do with the Island's inert waste. The Longue Hougue land reclamation site is expected to be full around the end of this year, and we are preparing to begin stockpiling material there, potentially for several years.

This will have a visual impact, it will incur millions of pounds in double handling costs, and it will prevent a large area of Longue Hougue from being used for any other activities, for the foreseeable future. This situation is far from ideal so we would urge E&I and P&R to bring proposals to the States at the earliest opportunity.

135 Questions have been raised following previous updates about the remuneration of directors of the States-owned trading companies. In January we published full details of pay for the non-executive directors of our incorporated trading companies, who have full fiduciary responsibility, and operate in highly regulated environments. Benchmarked against comparable roles in Jersey and the Isle of Man, their remuneration is considered extremely good value for the States of Guernsey.

140 I should also acknowledge the contribution of the business advisers who sit on the STSB sub-committees for the unincorporated trading operations, who bring a great deal of commercial experience, *pro bono*.

We have now consulted the boards of the incorporated companies, to establish how we might also provide greater transparency around the remuneration of their executive directors. The setting of director remuneration is a matter for the board of each company, but as the shareholder the STSB does receive this information, in confidence. That includes details of bonuses, performance related elements, and the associated targets. Therefore as a matter of course, we already interrogate these arrangements, as is appropriate.

150 While the STSB is broadly supportive of some greater transparency, it is not as simple as just publishing the pay of each individual. Not least because we all live in a small community, and generally expect some degree of personal privacy. If we want to attract people of the right calibre to take these important and high profile roles, we should expect to afford them that same consideration.

155 So rather than disclosing the detailed pay arrangements for individuals, we propose that in future the STSB will publish an annual report outlining the governance arrangements of each of the incorporated companies and include in that banded remuneration for all the executive directors. This mirrors the approach adopted in the States of Guernsey Accounts for States employees. We believe this will provide greater transparency and strikes an appropriate balance between the confidentiality that individual employees should reasonably expect, and any legitimate public interest.

160 Finally, I would like to acknowledge the contribution that our outgoing non-States member Stuart Falla has made to the work of the STSB almost since its inception in 2016. He was one of the first two non-States members to be appointed by the States, and helped shape what was then a completely new Committee.

165 He has since served under three presidents, and has given his time generously and enthusiastically, both in his role on the STSB and also as chair of the Guernsey Ports Board and the Dairy Management Board, in what have been extraordinary times for both those businesses. We have benefited immensely from his considerable experience, and the same passion he has brought to the many other community roles he has held over the years.

170 Stuart will stand down when a successor is appointed by the States, which we expect to be in September. I am sure all in the Assembly will join me in thanking him for all his hard work, dedication and commitment to the States-owned trading operations.

The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, madam.

I wonder whether Deputy Roffey could outline for us the implications for the Ports, or the harbours in particular, of the absence of a strategy for the future of harbour operational requirements which appear now not to be likely until the next States term. What are the implications and particularly, of course, what are the cost implications.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: I have to say we find it incredibly damaging and frustrating, not only because, in a broad sense, the States need to give a direction so that all sorts of things start moving in the right direction but we are losing out on income-generating opportunities because we are not able to offer the sort of long-term leases for the land-side parcels of land that would encourage investment, significant capital investment, not by taxpayers' money but private investors who would then expect a long-term lease in order to justify that.

We are having to wait until the development plan for a Harbour Action Area has been completed before we can move down that direction. So, yes, we have lost out big-time on many opportunities and I know the Ports Board find this incredibly frustrating and the sooner the States can make a decision, even if it is not the decision that the STSB wants, even if it is polar opposite, as soon as we have some direction we can then start moving forward.

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, madam.

On the same sort of theme, the President mentioned in his update a reference to Ports. I have seen and been made aware of the parlous state of some of the harbour areas and I recall in the Future Harbours debate in June 2021 that £31 million was requested to maintain the harbours. Given that this is critical national infrastructure that brings in our food, goods and hydrocarbons, how does STSB plan to maintain and improve on this critical national infrastructure?

Thank you.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: It is an incredibly important question and I said in my opening statement the ports are currently in a trading deficit. We could have done what the States traditionally do in that situation and stop investing in the capital infrastructure. We have not done that, in fact, we have cranked it up. We are improving our capacity, not just money, physical capacity of staffing to deliver investment and we are currently up to around £4 million a year.

We intend to move that up still further over the few years ahead. That is why we need to actually generate the income to facilitate that because otherwise we are just adding to the toxic legacy we have been left of underinvestment and we are determined not to do that and therefore it will be important that the States support us in raising sufficient revenues to invest properly in our Ports, not just the Harbour but also the Airport as well.

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, madam, and thank you to the President for his interesting update.

Bearing in mind his comments about efforts to act commercially and, as part of the considerations that we are all on committees required to make relating to savings, revenue and potential services commission, what thoughts have the Board, if any, given to privatising some or part of our Ports and Airport operations?

The Deputy Bailiff: Deputy Roffey.

230 **Deputy Roffey:** None at all. We have however given very serious thought to commercialising them and making them a bit like Guernsey Electricity or Aurigny or Guernsey Post, run by a commercial board, and I would be opposed to privatisation, I have to say, and I cannot imagine, unless we massively recapitalise them, any investors being particularly interested but, if a future States wanted to, they would have to be commercialised first.

235 We are working with P&R to look at what the logistics would be of commercialisation but not just that, also how we could possibly rearrange all of the States-owned businesses at the moment to get better synergy. If the STSB, if you imagine it as a group, there is no reason why the current businesses should stay demarcated the way they are at the moment. There may well be economies of scale, of actually bringing some of them together, so we are looking at how we can reduce cost but, if we are talking about flogging off the Airport and the Harbour, no, that is not on our agenda.

240 **The Deputy Bailiff:** Deputy Queripel.

245 **Deputy Queripel:** In his Statement the President spoke of a review of the Ports. With that in mind, there is a concern, occasionally expressed by some members of the community, that there are too many chiefs and not enough Indians working at our harbours so can the President tell me if reviewing the current staffing levels at our harbours will be included in that review to establish once and for all whether or not current staffing levels are appropriate and proportionate.

250 **The Deputy Bailiff:** Deputy Roffey.

255 **Deputy Roffey:** I think that chiefs and Indians remark is always made about everything the States do everywhere and I have to say that harbours, as far as going back to investment question before, has suffered by not having enough chiefs with the actual ability to control capital investment programmes and deliver them so I say yes, of course, everything is up for review but the premise of the question, that there are lots of chiefs and not enough Indians, sometimes there are not enough Indians but that is mainly because of recruitment difficulties and things like electricians and people that we need in this climate, not because the staffing structure is wrong.

260 But, yes, everything is open to be examined and we will look at every post to see whether or not it is justified.

The Deputy Bailiff: Deputy Inder.

Deputy Inder: Thank you, madam, and thank you, Deputy Roffey, for your update.

265 *The Leopardess* acts as Sea Fisheries and Customs' patrol vessel. She has recently had her operating licence withdrawn. She cannot, today, go out. Was there a reason that STSB had not identified that as a risk. It does not look like by Deputy Roffey's face he is even aware of it and the other question is why was STSB not informed and, if they were informed, why did they not have the courtesy to inform the sponsoring Committees of Home Affairs and Economic Development who has responsibility for sea fisheries and customs patrols?

270 Thank you.

The Deputy Bailiff: Deputy Roffey.

275 **Deputy Roffey:** My understanding from the Harbourmaster is that *The Leopardess* is able to continue in operation with certain adjustments. I will make sure if the Harbourmaster has not communicated as clearly as he should have done with the Committee for Economic Development I will take that up and make sure it happens.

280 **The Deputy Bailiff:** Deputy de Lisle.

Deputy de Lisle: Thank you, madam.

We need to commend the work of Aurigny management in turning around the airline on to a sound financial footing. Can we expect continued direct periodic flights overseas into Europe and the beginnings perhaps of a regular scheduled service into France?

285

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Thank you to Deputy de Lisle for complimenting the turnaround. I have to say, it has been exaggerated in some quarters. Aurigny did not make £6 million last year. On a trading level they had a big accounting gain which is not actually a cash gain. It actually made a very modest trading loss although well ahead of that recovery plan. We hope it will make a trading profit next year.

290

As to the two specific questions from Deputy de Lisle, the first one, yes, we can expect to continue to have one-off rotations into Europe. They provide a modest positive cash gain to Aurigny. As for a direct link to France I hope so and I know that Aurigny is in talks with Economic Development at the moment about the possibility of doing just that.

295

The Deputy Bailiff: Deputy Cameron.

Deputy Cameron: Thank you, madam.

300

Whilst I greatly appreciate how proceeds of lottery tickets and scratch cards contribute to good causes, such as subsidising the running of Beau Séjour, could the President of STSB please address the growing popularity of higher denomination scratch cards and their potential impact on individuals who struggle to afford them?

Considering the dopamine-induced cravings triggered by the thrill of scratching off the silver surface, which can lead to compulsive purchasing, I am curious about how STSB evaluates responsible gambling, especially when these scratch cards are on sale to individuals under the influence of alcohol in our licensed premises.

305

Thank you.

310

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Dealing with that last point first, I think there are about 17 licensed premises that are now retail points and none of them are particularly heavy sellers of scratch cards. It is convenience stores, overwhelmingly, where these are sold. I share some of Deputy Cameron's concerns but, having said that, STSB has not invented the fact that we are going to run a Guernsey lottery and have scratch cards.

315

We have been given that duty by the States. If they feel uncomfortable about that source of income then tell us to cease it and they will have to come up with other ways of funding Beau Séjour and other good causes and whatever else.

320

On the question of problem gambling, I think on the back of every ticket and at every retail point the number of the helpline is there. I know our Lottery Officer works regularly with the charity, the agency, that is set up to help and I know from our Lottery Officer that he would happily talk to any Deputy of this Assembly that has concerns but will you fully overcome that?

325

Some addictive personalities will spend more than they can reasonably afford on scratch cards but, short of trying to sell as few as we possibly can by putting people off, which I do not think is what we have been charged to do by this Assembly, I really do not see how we overcome that conundrum.

330

The Deputy Bailiff: Deputy Le Tissier.

Deputy Le Tissier: Thank you, madam.

Would the President of the STSB agree with me that the Airport has a role in visitors flying in to Guernsey to make a good impression and in that context would he agree that some of the minor maintenance issues could be sorted out very quickly, such as the rusty walkway which just needs a coat of paint or the screens in baggage reclaim that have stopped working?

Thank you.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: I wish we had the money to sort them out quickly. I look forward to Deputy Le Tissier's support when we come up with a more realistic scale of charges in order to invest properly in our ports.

The Deputy Bailiff: Deputy Haskins.

Deputy Haskins: Thank you, madam.

Can the President please update the Assembly on the actions and implications in terms of costs and impact on the waste figures due to the charity GO no longer having their previous local re-use contracts at the waste recycling site?

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: The financial impact is not very great at all. It was not taken away from them. It sounds from the question like it was. They say that basically it was so dominating their time that they felt that they were not able to do their primary activities so, with sadness from our point of view, we have had to put in a different arrangement but, in terms of finances on the actual Guernsey Waste as a whole, it is minimal.

Actually, the finances of Guernsey Waste are looking far better than have been projected but that is a bit of an illusion because, at the moment, we are able to put all of the inert waste revenues into the general pot whereas if and when we get on to actually developing a new site for inert waste, which we must do, then maybe, we will have this argument with P&R maybe at the time, but maybe some of that income will be diverted at which point we will be back into a deficit situation.

The Deputy Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you, madam.

The total deficit for the ports financial year is over £4 million. This is entirely driven by the Airport operating deficit. Could the President give us an update on the Airport master plan project and what kind of benefit it is likely to deliver in the short and medium financial terms. Thank you.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: It is quite right that we are stripping out the various work streams under the master planning exercise into short term what will stack up short-term and deliver better returns. Those are very actively being considered at the moment. At the same time we obviously need to look at the medium- to long-term because you do not want to do anything that sterilises what we may want to do with the Airport in five or 10 years' time.

Opportunities for a land-side income, the very nature that we go through our Airport usually in an hour, as opposed to about three hours in the UK, does reduce that but we still must absolutely maximise it and it may require redesign to some extent of the interior of the terminal in order to actually make that happen. We have to weigh up very carefully the capital cost of doing these things, together with the likely increased revenue that we are going to get but it is a really active work stream at the moment.

385 **The Deputy Bailiff:** Deputy Inder.

Deputy Inder: Thank you and Deputy Roffey with my second question. STSB's ports are losing millions. Deputy Roffey himself has always been a supporter of paid parking. In light of those losses and given that North Beach, Crown Pier, Albert, Salerie and the Castle Emplacement are under his
390 control and command, why has he not identified those as revenue streams and just got on with it?

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: We have looked at those revenue streams with envy, to be honest. I am afraid
395 the Deputy is completely wrong. We do have responsibility for maintaining some of those areas but we do not have control over them. If the States give us control over them we will introduce paid parking on these absolute prime areas of real estate in a heartbeat, the same as we do at the Airport, and that will help to mitigate the losses at the ports very considerably. We have made that clear time and again.

400 **The Deputy Bailiff:** Deputy Oliver.

Deputy Oliver: Thank you.

I understand that the ports needs actually quite a lot of work doing to them and it is not just a
405 coat of paint. When you are talking about the bridge over and a number of other things that do need repairing urgently is there any plan to actually, while looking at repairing, to actually enhance them and to make them better or to expand them or is it just repair?

The Deputy Bailiff: Deputy Roffey.
410

Deputy Roffey: It is effectively a replacement rather than a repair and we are looking at the options and we will look at the options particularly with any preferred tenderer because, we hope, it is a once in a generation opportunity and obviously costs will play a part but so will the utility of that bridge. As I say, we will be bringing a policy letter to the States so all that detail will be set out.
415

The Deputy Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Thank you, madam.

The Ports rely heavily on landing fees and passenger numbers and are scheduled, I believe, to
420 make a £6 million loss this year. At the Airport passenger arrivals are 20% down on pre-COVID 2019. Can I ask the President, in light of this, what he and his committee are doing to attract more passengers through the Airport.

Thank you.

425 **The Deputy Bailiff:** Deputy Roffey.

Deputy Roffey: As I said in my opening Statement, the recovery of passenger numbers at Guernsey Airport is ahead and better than other comparable areas but it is still stubbornly slow. We are seeing a marginal increase this year compared with last year. Last year it was back to somewhere
430 between 75% and 80%.

What are we doing to attract? Actually, the best way to attract people would be to offer, I guess, low fares. The only way to offer low fares would be to discount landing fees which would make that £6 million heavier. So, in some ways, it needs a broader discussion with P&R about the economic benefits to the Island as a whole of increasing passenger numbers and whether there should be, in
435 the same way that other territories, as in Jersey although they will not admit how much they

subsidise their low-cost carriers by, do so in order to keep prices down. That is a conversation that can be held.

I think we have to finish this exercise we are doing now which will finish in the next few weeks. When we come forward to the States this year with that plan I think that that sort of thinking will spread out from that.

The Deputy Bailiff: Deputy Matthews.

Deputy Matthews: As the President mentioned during his speech the closure of the recycling bring banks and in the past it created a fairly modest annual saving for what some people feel is a disproportionate impact, if savings can be made elsewhere will any consideration be given to reopening any bring banks or providing any other facilities that might be thought more convenient for people to access.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Nobody regretted the closing of the bring banks more than I did. I found it a hateful decision but look at our accounts that we are going to debate later this month. It is not a question of 'you can save a bit elsewhere. Reinstate them', we need to make sure that we make all the savings we can in order that the States-owned trading entities are not a burden on the taxpayer so I am afraid, 'Look after the hundred-thousands and the millions will look after themselves', so I cannot see that we will be reinstating the bring banks any time soon.

The Deputy Bailiff: Deputy Mahoney.

Deputy Mahoney: Thank you.

I am disappointed to see another year of losses for the Dairy. P&R have been waiting for over six months for an overdue report on the viability of the dairy industry in Guernsey so my question is has STSB seen that yet, being in charge of the Dairy, and if not does he have any visibility on when we might be seeing that report.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: No, we have not seen it and, yes, we are keen to see it as soon as possible. In some ways the two issues should be, if you are running a purely commercial dairy, we would pay the farmers what we think we can afford to pay after charging a reasonable amount to the consumer and any shortfall in their viability would be picked up under the exercise as Deputy Mahoney describes. In the reality there is a close inter-reaction between the two and we are really keen to see what that report has to say.

I have to say on the Dairy that people have said the cost of a new dairy is significant and it is but it would save well north of £1 million a year in operating fees. We have asked experts in the field to estimate how much we would just have to spend on new equipment over the next few years to keep going where we are and it looks like it is a minimum of £11 million without those operating savings. So there really is a question of whether that is an efficient use of money or whether it is penny wise and pound foolish and that conversation is one that I think will need to be had by this Assembly.

The Deputy Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you, madam.

The President mentioned several times that the issue of the lack of decision on inert waste is creating huge potential problems to Guernsey Waste. Could the President make it very clear to the

Assembly where the bottlenecks are, whether this work stream is included in the Government Work Plan and what is the President prepared to do if action is not taken this political term by respective committees to resolve this situation. Thank you.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: My understanding, and I am talking slightly third party, the last Assembly decided their preferred site was Longue Hougue South, however, that would have required a planning enquiry, that sits in the responsibility of E&I, but they need money in order to progress it and I understand that P&R decided that they were not going to release that money, partly because some of their members believe that Les Vardes would be a better site for inert waste. I may be wrong on that, that is my understanding from the STSB point of view.

To be honest, I do not really care. We have to take it through the door and put it somewhere and at the moment we are going to pile it up on Longue Hougue South. That valuable reclaimed land that should be there for industry and so on, will not be available. We will have a huge cost of double-handling, maybe £8 million, and it is going to look awful so please will the responsible committees crack on and give us a solution.

The Deputy Bailiff: Deputy Inder, then Deputy Gollop and then Deputy de Sausmarez and then we will close questions.

Deputy Inder: Thank you.

Just to reference to the Dairy question previously, Admiral Park, the builders managed to put up a hotel, an office block, a car park, a restaurant and do all the ground works for around £32 million. Deputy Roffey, in response to the letter seemed to say, 'It does not matter about the price: we need to get on with it' and the question has to be asked of Deputy Roffey, and the rest of STSB, the last figure we had was around £36 million for a Europrofile shed and a shedload of stainless steel inside it.

Does he ever put any challenge in at all? Does he not see that there is potentially a problem with the structure of government and the procurement that says you can put a massive site on Admiral Park, a hotel, a car park, a restaurant and an office block for £32 million but this Government cannot put a dairy up for less than £36 million. Something is wrong. Does he agree?

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: I have no idea what policy letter he is referring to, however, to try and compare a food production facility with a car park or a hotel is totalling misleading. A lot of it, probably about 50% of the cost of the project would be, as I have just signalled, £11 million probably just to replace some of the equipment in the current dairy. It is equipment-based plus the very high finishes that need to be made. Of course we are challenging. We are challenging all the time. We have to try and get something through this Assembly.

We are exploring other potential providers at the moment what they might be able to build a dairy from but, to be honest, it does not really matter whether it is £15 million or £30million. At the moment we are in the pipeline with no prospect of building a new dairy and I really worry that we are going to throw a lot of good money after bad in investing heavily in the current site which, incidentally, is a valuable site that could be handed over to HSC for far better purposes.

The Deputy Bailiff: Deputy Gollop.

Deputy Gollop: Yes, some of us have attended excellent presentations on maybe a dream of a new Victor Hugo centre that may attract extra people through our Ports but one of the repercussions will be a loss perhaps of the post office that is currently adjacent to the Tourist

540 Information and it is the most central post office in town and also a Bureau de Change. Does Trading Assets have plans to encourage the Post Office to retain a town centre outlet for both tourists and locals.

The Deputy Bailiff: Deputy Roffey.

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Deputy Roffey: We are certainly not going to try and become the Board of Directors of the Post Office which is a commercialised company with its own Board of Directors, however, on behalf of the shareholder, of course, we try to make sure they have a presence in the parts of the Island where it is most needed, including St Peter Port. The nature of post offices and the business they do has changed markedly over the last 20 years and that creates challenges. The Post Office is not profitable at the moment and they have to be very mindful of the commerciality of everything they do.

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The Deputy Bailiff: Deputy de Sausmarez.

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Deputy de Sausmarez: Thank you, madam.

I am just building on Deputy Kazantseva-Miller's question. I thank the President for his explanation as far as it went. I think his description, his summary, of some of those historic bottlenecks were accurate. Would he agree that E&I have been working very closely with STSB on this particular issue, and I think he would probably confirm that E&I have been pushing ahead as much as possible, as quickly as possible, but the latest set of bottlenecks is in fact to do with some of the procurement processes around the contractors.

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But would he also confirm that STSB is aware that that work is on track to be delivered in the form of a policy letter to this Assembly this year and that E&I is incredibly keen to make a joined-up decision which takes into account some of the wider factors that P&R have flagged in their reticence to push forward with the planning enquiry for Longue Hougue South. Thank you.

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The Deputy Bailiff: Thank you, Deputy Roffey.

Deputy Roffey: We are sort of aware in the margins, I guess, I know that certainly Guernsey Water have been involved in the discussion over Les Vardes and its future and that is due to be determined but I do not know personally, I think Les Vardes would be a crazy site for an inert waste so let us assume that is not going to happen. That still does not take us any further forward but if Deputy de Sausmarez is telling me that the policy letter will tackle all of that and resolve it then hallelujah and thank you for that contribution.

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The Deputy Bailiff: Thank you.

TRANSPORT LICENSING AUTHORITY

**General update –
Statement by the President of the Transport Licensing Authority**

580 **The Deputy Bailiff:** I will now ask Deputy Gollop, as the President of the Transport Licensing Authority, to give an updating Statement.

Deputy Gollop: Thank you, Madam Deputy President.

585 Hopefully, I will not have 20 minutes of questions. To begin with, I would like to reiterate what I have explained in previous statements and that is that the duties and responsibilities of the Transport Licensing Authority are limited to the determination of applications for air route licences.

Under the quasi-open skies policy approved by the States, a Guernsey Air Transport Licence is only required by airlines that operate routes that are designated as lifeline route and the Alderney and Gatwick routes were originally designated as lifeline routes.

590 In June 2021, the Committee for Economic Development made Regulations designating the Southampton route as an additional lifeline route and the airlines operating that route have air transport licences.

595 The Authority has received no other applications in respect of lifeline routes since my last Statement but I would add that we continue to monitor all relevant issues in the situation and we are also aware that some legislation that was never implemented, Ro-Ro Sea Ferries (Guernsey) Law 2016 would have given us power over designated shipping lines but that has never actually been implemented, that Law.

600 **The Deputy Bailiff:** Thank you, Deputy Gollop.
Any questions?
Deputy Vermeulen.

Deputy Vermeulen: Thank you, madam.

605 Could the President consider and give me his considered view on whether he feels he has the right airlines on the right routes carrying the maximum amount of passengers or could an alternative airline, for instance, carry more, a big name airline, if they were given Gatwick?

Thank you.

610 **The Deputy Bailiff:** Deputy Gollop.

615 **Deputy Gollop:** That is an interesting question. It is not part of our mandate because we do not have a Transport Minister or Transport Committee, as I would like to see, a senior Government issue. I have personal views that are similar to Deputy Vermeulen in that it would be nice and good for the Island, apart from green issues maybe, if we had more passengers and more tourists but I have to, as the Law Officers know, remain very neutral about whether I support a particular air carrier either present or potential. So I cannot answer any questions about Aurigny or any other airline that serves the Island.

620 **The Deputy Bailiff:** Deputy Oliver.

Deputy Oliver: Thank you, madam.

Can the President advise how many licences that he has actually granted this term, please?

625 **The Deputy Bailiff:** Deputy Gollop.

Deputy Gollop: We had a meeting recently, I am just thinking. As I recall, other Members may put me right, Vice-President, Deputy de Lisle, there were two. I think there is a residual Air Freight Licence that a carrier runs that is not the States-owned airline and we also met to determine when Economic Development, led by Deputy Inder, made Southampton but not the Jersey route a lifeline. We had some work to do in regulating what amounts to a joint operation of the service by Blue Islands and Aurigny and that application had to go in.

But one Member has already asked about links to France and other parts of Europe, which I certainly would like to see, but they are not part of the Law and not part of our mandate.

The Deputy Bailiff: Deputy Mahoney.

Deputy Mahoney: Thank you, madam, and I thank Deputy Gollop for the updates, the briefest one we have had, I suspect.

In the two and a half years of this term perhaps he could advise the Assembly how many meetings the TLA have actually had and does he accept that we are where we are and really that the TLA has had its day, perhaps, and its function could just be subsumed within ED or some other Committee of his choice?

Thanks.

The Deputy Bailiff: Deputy Gollop.

Deputy Gollop: I have had my day maybe, no.

We have only had to my knowledge four meetings including an induction meeting. Our first team included Deputy Le Tissier and he was substituted, Deputy McKenna. We had representation from Alderney as well. We only meet when we need to meet which I suppose is good. Our meetings never last longer than half an hour which is probably good as well but it is disappointing that we appear to achieve nothing but we are not a doing committee, nor are we a policy-making committee, we are a minor regulator. Deputy Mahoney and other Members should be pleased it is so cheap compared to other regulators. We do not even have a budget. *(Laughter)*

The Deputy Bailiff: Thank you, Deputy Gollop.
Deputy Vermeulen.

Deputy Vermeulen: Thank you.

As a minor regulator, when granting the airline the routes, do you have concerns or do you consider the amount of passenger numbers they can carry?

The Deputy Bailiff: Deputy Gollop.

Deputy Gollop: Yes, also, in response to the previous question too, we only existed for the last eight years precisely because it was felt that the previous Committee to Deputy Inder's Economic Development, Commerce & Employment got too close to the airline industry and that there could have been judicial review but I was on the first Committee which did go through judicial review over a different sort of airline situation. So it was a real risk and that is why we exist.

Whether we should have five politicians who effectively are slightly gagged and at least have to be careful what we say is one question. Would I like to see more air passengers? Yes. We have open skies on the most obvious routes that are potential for growth. The lifeline routes are regulated precisely because we do not want to see chaos and it has to be said, my previous President, the late and great Deputy Paint, he was also focused on issues regarding the taxpayer because we had to balance the generosity of giving licences willy-nilly to considerations of financial restraint. We did not want to see further losses at that time.

The Deputy Bailiff: Deputy St Pier.

680 **Deputy St Pier:** Thank you, madam.

Deputy Gollop has provided a good explanation as to why the TLA was taken out of Commerce & Employment in 2016 but does he agree with me, in response to Deputy Mahoney's question about the future of the TLA, that it is probably awaiting the delivery of an holistic air and sea policy which this States tasked Policy & Resources with and, until we have sight of that, the future of the TLA is likely to remain in doubt?

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The Deputy Bailiff: Deputy Gollop.

Deputy Gollop: I would agree with Deputy St Pier and Deputy Roffey's views about the frustration about the sea ports situation. We need a holistic policy. I personally believe we would do better with more of semi-executive model where you did not separate doing and policy and regulation politically. It does not work. There are six Committees involved with this whole area so that would be my view really on that and I would also like to see us get on with Ports and actually doing the work that we heard earlier about improving the Ports as an entry point and an economic enabler.

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The Deputy Bailiff: Deputy Inder.

Deputy Inder: I am going to try this question but I am happy for you, madam, to consider it out of scope but I did wonder, it is just in response to that last question, with Deputy Gollop as a member of SACC, given the problems that he is addressing, I wonder if this is being fed into the long-awaited wonder-if-we-will-ever-see Machinery of Government.

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The Deputy Bailiff: Deputy Inder, as you foreshadowed, I do not think that is to do with the mandate of Deputy Gollop as Transport Licensing Authority President.

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Any more questions? Thank you, Deputy Matthews.

Deputy Matthews: I just wondered if Deputy Gollop had given any thought to the role that the Transport Licensing Authority could play in the future in regards to any other forms of transport, such as regulating the bus routes or other transport other than airlines.

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The Deputy Bailiff: Thank you. Deputy Gollop.

Deputy Gollop: Both me and Deputy Matthews sit on Living Streets, a charitable organisation. In respect of Deputy Inder, I am a member of SACC but at the end of the last States we were very clear that we would probably wind up and we would have a short future but there was a view that maybe open skies would change and the new SACC Committee, which I sat on and recused myself, decided it was not a priority to wind us up.

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On the issue Deputy Matthews pertains to, I personally would love to regulate bus routes and taxis and ferries and I would probably change things at Environment but what would be the point of us just licensing bus drivers and taxi operators and not dealing with the policy issues? You do not want to separate those two. You would end up with further confusion so it starts, as Deputy Inder said, ground up and the Machinery of Government. We made some odd moves five or six years ago and I think we are paying the price now for a degree of inefficiency.

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The Deputy Bailiff: Thank you, Deputy Gollop. I think that brings us to the end of questions in relation to the Statement of Deputy Gollop.

Questions for Oral Answer

COMMITTEE FOR HEALTH & SOCIAL CARE

Fertility services – Development to improve access in response to demand

730 **The Deputy Bailiff:** We now turn to questions from Deputy Gollop, first in relation to the Committee for Health & Social Care.

735 **Deputy Gollop:** Thank you very much to Deputy Brouard. As part of business as usual and supporting both family life, gender equality goals and population growth will free or affordable fertility services be developed and enhanced according to demand?

The Deputy Bailiff: Thank you.
Deputy Brouard.

740 **Deputy Brouard:** Thank you, madam.
Health & Social Care already funds a range of fertility services for Islanders and this provision is set out in Policy G1029. This is an established policy and complies with NICE clinical guidance and in its approach to surgical interventions and drug therapy for those who live with identifiable conditions which impede fertility.

745 Service provision in the Bailiwick includes diagnostic tests to understand the cause of infertility, medical and surgical interventions for various diagnoses, HSC also fund off-Island to and from Southampton for IV treatment or the equivalent value and provide prescriptions on the approved white list.

750 Under Policy G1029 HSC does not provide any treatments that are not supported by NICE or any artificial means of fertilisation or private fertility treatment. Given the current financial challenges and the ever-increasing demand on the budget for Health & Social Care it would be extremely difficult to fund any significant new service enhancements beyond what is currently provided under Policy G1029, although this will be kept under review going forward. Thank you.

755 **Deputy Gollop:** I thank the President for his answer and for perhaps the positive areas that have moved forward but my question is now Health & Social Care also combine the travel arrangements ESS once administered would there not now be the situation where Health & Social Care are financing travel for people but who are not eligible for the treatment so they have the air transport finance but not the treatment.

760 **The Deputy Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you.
HSC, for those people who are going for IVF, will fund transport to Southampton or the cost-equivalent if they are going elsewhere to receive treatment. Thank you.

765 **The Deputy Bailiff:** Deputy St Pier, your supplementary question.

Deputy St Pier: Thank you, madam.
Deputy Brouard referred to Policy G1029. Is he aware whether that policy has been reviewed since the States passed a number of extant Resolutions in relation to population which we are obviously seeking to encourage greater local reproduction?

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The Deputy Bailiff: Deputy Brouard.

775 **Deputy Brouard:** The detailed piece of work was completed in the previous term in 2019 and it was re-presented to our Committee in February 2021. We keep it under review but there has been no substantive change since the decision of the States to look at possibly increasing the Island's population by 300 per annum.

780 **The Deputy Bailiff:** Deputy Matthews, your supplementary question.

Deputy Matthews: Thank you, madam.

785 Would the President agree with me that, given that Guernsey is the only location in the British Isles that currently does not fund IVF cycles, that the Committee would very much like to be able to do this but we are constrained by our financial pressures and our budget, much of which is due to demographic pressure. Given that fertility treatment helps that to go in the opposite direction, as part of supporting people to start families in general, is there something of a special case to be made by the States to fund this treatment?

790 **The Deputy Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you for the question.

795 It is obviously, from Health & Social Care's point of view, we would love to be able to fund further treatments, not only this particular issue of IVF, but also there are many other treatments that we would very much like to fund and it literally comes down to the appetite for us, as a States' body, as to whether we wish to fund them. We have many members in this Assembly who are looking for smaller government and lower taxes but the reality is that, to fund IVF off-Island, will be a fairly expensive extra provision for us to do and I do know this personally. I have had experience of the system.

800 **The Deputy Bailiff:** Deputy Haskins.

Deputy Haskins: Thank you, madam.

805 Whilst I understand the Committee has considered the immediate impact and financial implications, has the Committee given any consideration to the longer financial implications of a reducing birth rate?

The Deputy Bailiff: Deputy Brouard.

810 **Deputy Brouard:** We have not sat as a Committee and discussed recently the financial benefits to the Island of increasing the fertility rate using this particular IVF. There are other routes that are probably just as effective but, I am sorry, we have not actually done that calculation.

The Deputy Bailiff: Deputy Soulsby.

815 **Deputy Soulsby:** Thank you, madam.

820 I would like to know whether the President would be willing to publish the paper that was presented to, as he rightly says, the previous Committee and presented to his Committee. It might need to be summarised to some extent but I think it might well be useful for Members to actually get more clarity on the decisions being made.

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Certainly, I am happy to take that back to our Committee and ask them to see if that can be released. Some of the data will be slightly out of date with regard to some of the costing etc. because that has changed and we are very short of support for our Committee so I do not want to really have to re-do the whole paper but, as much as we can release, we will with any provisos of where we think some of the figures may need some more work. Happy to take that back to our Committee.

The Deputy Bailiff: Any further supplementary questions? Deputy Gollop, would you like to pose your second question?

Deputy Gollop: Thank you, and hopefully I have two supplementaries too. I am thanking Health & Social Care again.

The Medical Specialist Group has a fertility team of six consultant fertility services gynaecologists. They work closely with Wessex Fertility Ltd providing non-contract services relating to in vitro fertilisation, commonly known as IVF. Does Health & Social Care acknowledge there is both demand and inequitable access to these services?

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

In vitro fertilisation may be an option for people experiencing fertility difficulties and HSC acknowledges that the current policy means that they can only do so on a privately funded basis. As above, Health & Social Care does provide financial assistance with the cost of off-Island travel for those accessing IVF and for prescriptions on the white list, however, measuring demand with the current policy in place is challenging as those who might make use of fully funded or part-funded subsidised access to IVF in financial terms are not going to do so currently and some people will make their own arrangements.

HSC has taken steps to ensure that what it does provide under policy G1029 is equitable and this policy has provisions for same sex couples and couples who otherwise cannot have normal intercourse.

Whilst the Committee is very conscious of the practical, emotional and financial effects of infertility on couples we would, of course, wish to be in a position to enhance this service area. Discussions around such development and their funding cannot happen in isolation. This needs to take into account the pressures and demands that are felt across health and social care as well as the wider States of Guernsey revenue pressures. The Committee *for* Health & Social Care welcomes the GWP work stream in respect of sustainable health and care as it is simply impossible to fund everything in the Bailiwick.

The Deputy Bailiff: Your first supplementary question.

Deputy Gollop: Yes, modern figures, think Jersey and elsewhere, indicate the average of first child born of a woman is now 31 years old, the first child for the mother. As we are seeing, understandably, later births and people getting together due to careers and other challenges, does Health and Social Care believe that their role in facilitating births needs to change?

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: I do not think our role necessarily needs to change. We will provide the services as best we can with the budget that we are given. If we are given an increased budget and we then determine that this particular area is one where we will get substantial benefit for the community as a whole then, obviously, we will do so but there are many challenges in Health & Social Care and IVF is just one particular one.

875 If we had another £2 million, £3 million, £4 million, £5 million would it necessarily go into this area? I am not so sure but if we had even more funding then obviously we can provide any service that the Islands want providing we can find the resources to be able to do so. It is a very difficult thing to do, Deputy Gollop. As I said, sustainable healthcare, it is just simply impossible for us to fund everything on the Island and with the States' accounts under the pressure that they are I think
880 it is going to be a very difficult challenge.

The Deputy Bailiff: Your second supplementary question, Deputy Gollop.

Deputy Gollop: Your response to my question makes clear the Committee's support of gender
885 equality and equality for same sex couples and so on. Would the President though acknowledge that maybe not everybody who is eligible for support is coming forward because that appeared to be part of the answer that the provisions that are made for couples with limited means are not necessarily being taken up. So will the Committee advertise their services more to ensure that what is at least provided is achieved?

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The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: I think it is pretty well-known of the services we do provide and anyone can go to their doctor and, if they are having difficulties with becoming pregnant, then that can be
895 looked at and we will help as much as we can, as I said. We have quite substantial provision already. Where we are not in a position at the moment is to provide IVF in particular and I think that is the point I want to make. It is just that one small element, which is a very important one, that we are not able to provide but all the other facilities are available through their GPs, through the hospital and of course through the MSG and the gynaecologists.

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The Deputy Bailiff: Any further supplementary questions? No.

COMMITTEE FOR EDUCATION, SPORT & CULTURE

Herm School –

Trial closure and future provision of education for children from Herm

The Deputy Bailiff: In that case we will turn to Deputy Gollop's question to Education, Sport & Culture. Deputy Gollop.

905 **Deputy Gollop:** Thank you to Deputy Dudley-Owen in Education, Sport & Culture who have got a lot of questions to answer but my first question is will the Education, Sport & Culture President and Committee reconsider their previous decision to effectively close Herm School, bearing in mind that the Education Law Report was withdrawn at the previous States' Meeting without an immediate decision, leaving £166,000 recurring expenditure available to fund the estimated £60,000 to £80,000
910 required to run Herm School?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, madam.
915 I am grateful to Deputy Gollop for his question as it allows me to make two very important points. The first is that the primary driver behind the decision to educate Herm's primary-aged children in Guernsey for a 12-month trial period is not a financial one. It is a decision taken with the children's educational best interests at heart. The second point is that it does not at all follow that

any savings arising from the decision to educate in Guernsey the four children currently attending Herm School would have been diverted to cover costs arising from the new Education Law.

Madam, as planned, we will review the arrangements periodically during the initial trial period.

The Deputy Bailiff: First supplementary question, Deputy Gollop.

Deputy Gollop: Would the President acknowledge though that the delay, perhaps regrettable, of the Education Law will have allowed in the short term at least potentially some possible transfer of budgeted money?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: No, I think in the time that I have allowed I am afraid that would be an over-simplistic and reductive view of the way that we work and the Deputy has to bear in mind that the plans that we were putting forward for the Education Law review were set to work through and a lot of the budgetary items costed within that were to be looked into at a future stage, not an immediate budgetary pressure that would arise on approval of that Law should it have been approved. So, no, I do not agree with what Deputy Gollop is saying.

The Deputy Bailiff: Deputy Gollop.

Deputy Gollop: I understand Education, Sport & Culture very much have at the centre the children's educational best interests at heart but there may a difference of views from children or parents who enjoy the smallness of Herm and the natural beauty to those who prefer a bigger school. Would there be an argument to allow some children from Guernsey to go to Herm School on occasions to make the school a bigger cohort and encourage social integration?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: No, I do not think there would be.

The Deputy Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, madam.

The ESC, Education, seem to have been bent on rationalisation of the primary sector schools over time. The closure of St Andrews' Primary and the St Sampson's Infant School are areas in point and now the Herm School, all of which I have argued strenuously against closure.

Would the President not agree with me that there are advantages for young children being schooled in their local areas and this applies particularly to the Herm School situation where we are dealing with a school off the main Guernsey Island in another island?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you to Deputy de Lisle for giving me the opportunity to clarify some of the points. I will not speak to the closures of the previous schools that he mentioned in other terms but certainly, in regards to the trial of educating Herm children, the very small amount of Herm children that currently attend that school in our town school in Vauvert where they are actually educated once a week anyway, where a number of Herm children are already being educated is predicated that the majority of the decision is around the educational experience that those children are able to access in Herm compared to what they are able to access in a broader setting with broader opportunities and more opportunities for socialisation.

970 Those are the rationales that drive the decision for Herm, not any previous rationales that might have been applied to the closure of St Andrew's or St Sampson's. This is a completely different circumstance and I appreciate what Deputy de Lisle is saying about the locality but the Island of Herm is offshore from Guernsey and travelling over the Russel is part and parcel of life living on Herm.

975 **The Deputy Bailiff:** Deputy Gabriel.

Deputy Gabriel: Thank you, madam.

980 In her recent reply just then the President mentioned that this was a trial. What will be the success or failure criteria for the trial and determine closing or keeping open the school in Herm?
Thank you.

The Deputy Bailiff: Deputy Dudley-Owen.

985 **Deputy Dudley-Owen:** Thank you, that the children's educational experience has been enhanced by the trial of attending full-time at Vauvert.

The Deputy Bailiff: Deputy Ferbrache.

990 **Deputy Ferbrache:** I am drawn to my feet by the President's answer in relation to the question from Deputy de Lisle about socialisation, the bigger the school you get socialisation, but her and her Committee support home-schooling where there is little or no socialisation. How are the two consistent?

995 **The Deputy Bailiff:** Deputy Dudley-Owen.

1000 **Deputy Dudley-Owen:** There is a difference between home education and the opportunities available in a larger population such as being based on Guernsey and the home education, or the education of children in Herm where, if we are putting them in a school environment of mixed ages and, at the moment, there is only four children of mixed primary ages in the junior phase of their education, that those aspects of socialisation with those same four children, day in, day out, is limited compared to if they were able to attend school in Guernsey in Vauvert.

1005 **The Deputy Bailiff:** Any further questions? In that case, Deputy Gollop, I ask you to pose your second question.

1010 **Deputy Gollop:** Would the President of ESC agree that, before announcing Herm School would close, establishing a contract on how the Herm-resident children would be ferried each school day for 40 weeks of the year, should have been a vital and basic requirement bearing in mind the current provider, Travel Trident, does not have an early morning sailing as part of their current sailing schedule. Would the President inform us if a contract has now been signed and with whom and what are the costs involved?

1015 **The Deputy Bailiff:** Deputy Dudley-Owen.

1020 **Deputy Dudley-Owen:** Madam, in considering the 12-month trial to educate Herm children in Guernsey there are a number of possible transport options for the children travelling from Herm to ensure their attendance at school for the 38 weeks of the academic year. It is unfortunate that Herm Island did not mention its intention to cease its own ferry service during our discussions, which have taken place over several months. However, regardless of whether we are planning to bring a small

number of children to Guernsey or to send a teacher to Herm each day, the removal of Herm Island's own ferry service is a decision being worked through.

Discussions are underway and we are confident of a workable solution in time for the new academic year in September. As discussions are ongoing I cannot comment on costs or contracts at this time.

The Deputy Bailiff: Your first supplementary question, Deputy Gollop.

Deputy Gollop: I appreciate why the Committee might not be able to comment on costs or contracts at this time but one view really is it is possible that the cost of a 12-month trial of transport would not be dissimilar to the costs of the current arrangement regarding the school. Will the President try to ensure that those costs are kept as low as possible?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Absolutely, in these fiscally constrained times this Committee has always got an eye on its purse but ensuring the best outcomes and, of course, that would be our first consideration but I would not want to presuppose and I do not think it is advisable for Deputy Gollop to presuppose the cost of any contracts whilst discussions are still ongoing.

The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: Thank you.

Just building on that line of questioning, would the President confirm that the Committee might reconsider the matter of a trial if the costs of transport were to exceed the costs to be saved by undertaking the trial?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Members have to be reminded, madam, that the driver for this particular decision has been based around the educational opportunities for those children and not the cost that is incurred by the States of Guernsey. That is a secondary consideration and that will always come first, before we have an eye to the costs. So I am afraid that I could not guarantee that would be the case for Deputy St Pier as this Committee has to pay due regard to the rights of the child to access educational opportunities as well as safeguarding them through that process.

The Deputy Bailiff: Any further supplementary questions? Deputy Gollop.

Deputy Gollop: I agree that there are costs whichever way you do it but there may well be more than four children in the future and some of the children are quite young, aged four, five, six, seven so are they factors that will be taken into consideration in managing the future, especially in regard to the ferry contract?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, madam.

As I mentioned, the children are all in the junior phase that are currently in the Herm School which means that there are none younger than going into Year 4 at the moment and so that needs to be taken into consideration and, of course, we always keep these matters under review because we are mandated to deliver education for Bailiwick children and that is what we will do and we have to keep the arrangements under constant surveillance to ensure that we are meeting the needs of our community.

The Deputy Bailiff: There are no further supplementary questions. I ask Deputy Gollop to pose his third question.

1075

Deputy Gollop: Thank you very much again, Madam Deputy Bailiff.

ESC have informed the Herm parents a staff member will travel from Guernsey daily on an early boat to fetch the children from Herm and return them later in the day. What are the staff costs involved including any overtime likely to be needed?

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The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: A passenger assistant will be engaged to carry out this role. In many respects this role is similar to that of assistants working with our specialist school transport service. Indicative costs are in the region of £15,000 per annum which already takes into account a degree of overtime if required and have been factored in to our original estimates, as announced on 23rd May 2023.

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The Deputy Bailiff: Any supplementary questions? Deputy Gollop.

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Deputy Gollop: Presumably, this arrangement will also be linked to the frequency and time schedule of the ferry service. Will that be therefore a factor, for example, the time the ferry departs and the rest of it?

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The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Yes, madam.

I must comment at this juncture that I think that Deputy Gollop must credit the Committee with applying common sense to ensuring that arrangements are made that are practical, that are safe and that fit in with the requirements of educating our Bailiwick children.

1100

Several Members: Hear, hear.

The Deputy Bailiff: Any further supplementary questions? No, in that case I ask you to pose question four please, Deputy Gollop.

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Deputy Gollop: As previous ESC statements stated, Herm School will be maintained during the year trial while closing the school. Will the President, Deputy Dudley-Owen, inform us who will be carrying out this maintenance, how often and how much the estimated total cost will be?

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The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Madam, under the Policy & Resources Committee's operating model, the States' property unit is responsible for the maintenance of the building and I have been advised that the average annual maintenance costs linked to Herm School building are circa £4,600.

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The Deputy Bailiff: Your supplementary question, Deputy Gollop.

Deputy Gollop: Bearing in mind the school will continue to exist as a building, in previous times when primary schools have been closed there has invariably been a policy letter from the education department of the day to the States. Will that happen at the end of this trial if the decision is made to make the new arrangements permanent?

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The Deputy Bailiff: Deputy Dudley-Owen.

1125 **Deputy Dudley-Owen:** Thank you.

I think that the Committee would have to take a view on that at the time and discern the temperature of the States and the acceptance of any decision to continue with the closure, as well as being in close consultation with the parents and the schools. It must be borne in mind that the average cost of educating a primary school child in Guernsey is between £5,000 and £6,500 versus the close to £28,000 that it is for a child on Herm.

The Deputy Bailiff: If there are no further supplementary questions I ask to pose question five please, Deputy Gollop.

1135 **Deputy Gollop:** As part of Island life the weather and sailing conditions can be unpredictable in the Russel. Will the President explain what will happen if the Herm children are in Guernsey and, owing to the weather, are unable to get back? Who will take responsibility for the children who are aged maybe upwards from four years old?

1140 **The Deputy Bailiff:** Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, madam.

We anticipate this will be a less than frequent occurrence. On days when the weather is forecast and anticipated to be poor or to deteriorate significantly during the day it may be preferable for the children to remain in Herm, Deputy Gollop, and access learning remotely. This is no different to the current position when the teacher is unable to travel to Herm. The headteacher of Vauvert and a member of the education operations team are currently working with the families in Herm to ensure that there is personalised contingency plan for each child.

1150 In the event of unforeseen weather conditions that might prevent a return to Herm on the same day it is anticipated that some children will stay with relatives, others with friends and some might stay with a staff member. Each family is being individually consulted on this and appropriate checks will be undertaken in all cases. This is no different from the situation that arises with children who are already educated in Guernsey who live in Herm.

1155 **The Deputy Bailiff:** Are there any supplementary questions?
Deputy Gollop.

1160 **Deputy Gollop:** Supplementary there is. I do appreciate that the common sense and the safeguarding from Education, Sport & Culture will apply but the children Deputy Dudley-Owen refers to are usually older, not necessarily, but historically they have been secondary age range so these children might be younger and slightly different provisions may need to be applied.

The Deputy Bailiff: Deputy Dudley-Owen.

1165 **Deputy Dudley-Owen:** In this instance and at the moment there are at Herm School no young children in the infants age, as far as I am given to understand. There are children living in Herm who are younger and parents are making their own arrangements to attend primary school on a regular basis in Guernsey.

1170 Deputy Gollop really must have trust in the Committee that this Committee will ensure that all the appropriate and relevant arrangements are made to ensure that those children have safe passage between the islands on a regular basis. If they are unable to travel then arrangements are in place, with the wonders of technology, for them to continue their learning in a home environment.

1175 **The Deputy Bailiff:** If there are no further supplementary questions Deputy Gollop, would you pose question six.

Deputy Gollop: Thank you.

Would the President and Education, Sport & Culture board agree that small schools can deliver excellent education and are a vital part of island community life to retain diversity and vitality?

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The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, madam.

With only four children of mixed primary age Herm School is considerably less than what we would describe as small in the Guernsey context. The vitality of our schools is not dependent on size but of having a suitably well-trained workforce and an appropriately stimulating curriculum. It is very challenging to deliver the full breadth of the curriculum and a good enough education in such a diminutive school where one teacher is teaching a very small number of children across year groups.

To deliver an excellent education in such circumstances is extremely difficult and often leads to reduced curriculum coverage and insufficient stretch, challenge or support as well as compromised social opportunities.

We must also remember that it is at school ordinarily mix with a wide range of peers. It is where they learn and hone the skills needed to navigate a variety of social situations and are incrementally prepared for a larger secondary school environment.

All of these experiences are very different and, arguably, sub-optimal on Herm School's small scale.

The Deputy Bailiff: First supplementary question, Deputy Gollop?

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Deputy Gollop: Whilst I would agree that the size of that school is very small, would the President agree that the environment of Herm can be beneficial for some children and, indeed, I went to a lecture from an ADHD specialist only the other day that said that some children, for example, with particular needs benefit from mixing with children of different age groups.

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The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you to Deputy Gollop and which is exactly what they will have the opportunity to do in a larger primary environment within the town school that they will be attending on a more regular basis.

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For the 38 weeks of the year that is the academic year, obviously, after school and overnight and during the holidays those children will be able to enjoy the beauty of Herm, the wonderful Island that it is.

The Deputy Bailiff: Deputy de Lisle.

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Deputy de Lisle: Madam, this is a complete travesty in my view. I am particularly concerned that the closure of the Herm Island school is just another service withdrawn from that Island and will affect the continued sustainability of island life on Herm. What compensating services will be provided to Herm to offset this closure?

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The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, madam.

Thank you to Deputy de Lisle for his question. The Committee are putting considerable efforts into supporting the affected families on Herm. This is a trial period for a length of 12 months and obviously the support services that are in place from Vauvert School and the headteacher there, as well as the online resourcing and ongoing support from Education Office, to ensure that those

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1230 children receive the same educational opportunities as those do here in Guernsey and we would not waver from continuing to ensure that those children have access to the best educational opportunities that our children do in Guernsey.

The Deputy Bailiff: Deputy Gollop, your second supplementary question.

1235 **Deputy Gollop:** Herm is a very important part of life in the Bailiwick of Guernsey and as the trial closure of the school arguably threatens the attractiveness in life on Herm and its sustainability for families, have Education, Sport & Culture, in these negotiations, I appreciate on the best interests of the children from their perspective, have they negotiated with Policy & Resources and other bodies who are responsible for Herm's survival?

1240 **The Deputy Bailiff:** Deputy Dudley-Owen.

Deputy Oliver: Point of Order, madam.

1245 I thought all these questions had to be based on the answer of what the President of any Committee, actually, said and it seems to be now the rules have changed that, from your answer of the question, you can just ask anything that is similarly related to it. I just do not understand, I am getting ...

1250 **The Deputy Bailiff:** Deputy Oliver, whilst it is absolutely right the supplementary questions do need to derive from the answer and, inevitably, to an extent, the question. It is my view that these are questions that do come out of the answer that has been given. So, to the extent that this is relevant to her Committee, I would ask that Deputy Dudley-Owen answer the question.

Deputy Dudley-Owen: Thank you, madam.

1255 The Committee is of course charged with the education, in this instance, we are talking about the area that covers our mandate to deliver education services to Bailiwick children, and that is our primary concern here. The recruitment practices or policies of Herm in whether they want to attract families with young children or whether they want to attract single people to work on their Island to service their industry there, is something that we have obviously considered within the making of this decision and, should things change and should there become a viable and vibrant community on Herm which has significantly increased numbers of young children who are needing an education service on Herm that is deemed to be optimal for those children, then, of course, any Committee, this one or any in the future, should pay due regard to that.

1260 Thank you.

1265 **The Deputy Bailiff:** Deputy Blin.

Deputy Blin: Thank you, madam.

1270 Having listened to the President of the ESC explaining and I understand what the reasons are for their education and ability it is that last part I have just heard, talking about the involvement of the families on the island, would the President agree that by taking this action now it is going to make it even more difficult for them to even hold the staff they have got as children will not be able to stay, let alone employ others who are bringing children around the age of four or onwards, meaning that, if there was a delay and more time was given, they would be able to (1) establish more people on the island as the economy increases and (2) have the time to plan to be allowed to do so.

1275 **The Deputy Bailiff:** Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, madam.

1280 I do not necessarily agree with that because one of the families has already taken the decision on educational grounds to withdraw their children from Herm School and to put them into regular education in Vauvert so the attraction is not necessarily predicated around them having a small school provision on the Island.

1285 **The Deputy Bailiff:** Deputy Matthews.

Deputy Matthews: Thank you, madam.

Given that both the question and the answer from the President referred to small schools in general would the President agree with me that, regardless of what may be on offer in terms of facilities at the school, some parents prefer a smaller school such as, for example, single form entry primary schools because they value that and they think that their children might get on better in a smaller school environment than a larger one and is it therefore valuable for the island to continue to be able to offer that facility to parents who might have that preference?

1295 **The Deputy Bailiff:** Deputy Dudley-Owen, and I think this does go to Deputy Oliver's point to an extent, please answer in the context of Herm, which is what the answer was about and what the question was about.

Deputy Dudley-Owen: In the context of Herm we are talking about two sets of parents.

1300 **The Deputy Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: So, conscious of Deputy Oliver's comments following on from the question I asked earlier, in the light of the President's response to these questions the socialisation matter that she mentioned again, and she said its cost is secondary, in relation to that, bearing in mind that these children already go to Vauvert School on a Friday, weather permitting, how is that an element of real concern when you have got a capable teacher who has taught there for years, I understand, and would wish to continue to teach there for years to come? Is that different from where there are instances of home-schooling where there is no socialisation and yet the Committee approve that policy?

The Deputy Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: In this instance, madam, we are not talking about home education which is a completely different concept and a completely different set-up for each individual parent and the flexibility given to those parents around how they socialise their children which is actually, in my experience, very broad in their access to extracurricular activities with large groups of children which is available on-Island here in Guernsey, from sporting fixtures to dancing to craft clubs etc., the children on Herm do not have that access to those larger numbers of children, those greater number of activities on a regular enough basis for them to have an enriched educational experience as we try very hard to offer to our primary and secondary school students here in Guernsey.

The Deputy Bailiff: Deputy Matthews, your second supplementary question.

1325 **Deputy Matthews:** Thank you, madam.

Although the preceding five questions do mention Herm, question six does not actually mention Herm and so I was going to ask the President –

The Deputy Bailiff: I do not want to be picky, Deputy Matthews, but as has been pointed out to you on a number of occasions it is about the response as much as the question so it is the reply that is the key to the linkage of the supplementary questions.

Deputy Matthews: Yes, I was just going to ask what the Committee's approach is to small schools in general?

1335 **The Deputy Bailiff:** Deputy Matthews, I think that does go beyond the reply so Deputy Dudley-Owen can answer it in response to Herm. She is choosing not to respond.
Deputy de Lisle.

1340 **Deputy de Lisle:** On the issue of small schools delivering excellent education, as I understand it, the teacher on Herm is fully accredited and a competent teacher and would not there be, to some degree, a slight on that person's educational delivery that has been afforded to the children of Herm in the past? Have families not complained about this closure because many families surely would prefer the relationship with the teacher that four or five students can provide that additional educational opportunity and progress?

1345 **The Deputy Bailiff:** Deputy de Lisle, that was really two questions in one but, Deputy Dudley-Owen, your response please.

1350 **Deputy Dudley-Owen:** In response to your first question, no, and in response to the second, we continue to work very closely with the stakeholders in Herm, the parents in Herm and relevant parties in Herm to ensure that this is a smooth transition and that we have the least disruption for those families.

1355 **The Deputy Bailiff:** Deputy Queripel, your supplementary question.

Deputy Queripel: Could the President please tell me are there any parents who have decided to home-school their child on Herm since the decision was made and, if so, how will ESC be monitoring that child's development?

1360 **The Deputy Bailiff:** Deputy Dudley-Owen.

Deputy Dudley-Owen: As far as I know there have not been any notifications to home-educate from any of the Herm parents.

1365 **The Deputy Bailiff:** Deputy Blin, your second supplementary question.

Deputy Blin: Thank you.

1370 With the old adage, 'if it ain't broke, why fix it?', is there a reason why the President has decided that this was the time to move the schooling over to Guernsey because allowing it as it was and allowing, as we spoke earlier, the election of the Jurat and I believe it was Deputy Falla talking about the powers of the teaching, location and the relationship, it works there and it was working there. Does that not create a situation where they could be allowed to continue or is this all too late and this will progress anyhow for the trial period?

1375 **The Deputy Bailiff:** Deputy Dudley-Owen.

1380 **Deputy Dudley-Owen:** This is a trial period, madam, we have to record that, it is a 12-month trial period that has been announced and we will evaluate what the outcome of that trial is, whether it has been successful or not successful throughout the period but also at the end and then decide what we need to do. Obviously, that needs to be made in good time so it is in good time for the following academic start of the year.

The Deputy Bailiff: If there are no further supplementary questions that ends question time. Thank you very much everybody.

1385

States' Greffier.

Billet d'État X

ELECTIONS AND APPOINTMENTS

COMMITTEE FOR HOME AFFAIRS

1. Independent Monitoring Panel Re-appointment of Mrs Heather Maugher as a Member and Notification of Resignation of two Members – Propositions carried

Article 1.

The States are asked to decide: -

Whether, after consideration of the Policy Letter entitled 'Independent Monitoring Panel: Re-appointment of Member and Notification of Resignation of Members' dated 17th April 2023, they are of the opinion:-

- 1. To confirm the re-appointment of Mrs Heather Mauger as a member of the Independent Monitoring Panel for a period of four years from 28th January 2023;*
- 2. To note the resignation of Ms Susan Henney as a member of the Independent Monitoring Panel with effect from 7th March 2023;*
- 3. To note the resignation of Mr Denis Le Marchant White as a member of the Independent Monitoring Panel with effect from 27th March 2023.*

The States' Greffier: Article 1, the Committee for Home Affairs – Independent Monitoring Panel Re-appointment of Member and Notification of Resignation of Members.

The Deputy Bailiff: Deputy Prow.

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Deputy Prow: Thank you, madam.

The Committee for Home Affairs seeks to confirm the re-appointment of Miss Heather Major as a Member of the Independent Monitoring Panel for a period of four years from 28th January 2023, to note the resignation of Mrs Susan Henney as a Member of the Independent Monitoring Panel with effect from 7th March 2023 and to note the resignation of Mr Denis Le Marchant White as a Member of the Independent Monitoring Panel with effect from 27th March 2023.

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The Committee would like to take this opportunity to put on record its thanks and appreciation to all existing panel members for their commitment and dedication to their roles and to again put on public record its thanks and appreciation to Ms Henney and Mr Le Marchant White for their contribution to the panel.

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Thank you, madam.

The Deputy Bailiff: Does anybody wish to enter general debate on this? No. Is there any reason why, because they are put as three Propositions, these cannot be dealt with all at the same time, Deputy Prow?

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Deputy Prow: Please deal with them together.

Thank you, madam.

1410 **The Deputy Bailiff:** Thank you. States' Greffier if we could have the amalgamated version please. Would you kindly start the voting please, States' Greffier.

There was a recorded vote.

1415 *Carried – Pour 38, Contre 0, Ne vote pas 0, Did not vote 2, Absent 0*

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Blin, Chris	None
Burford, Yvonne			Brouard, Al	
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

The Deputy Bailiff: In relation to the Proposition there voted Pour, 38, there were 2 Members who were absent from the Chamber at the time of the vote, therefore I declare the Proposition is passed.

1420 Thank you.

LEGISLATION LAID BEFORE THE STATES

**The Road Traffic (Bicycle Events at the Island Games) (Guernsey) Ordinance, 2023;
The Sanctions (Implementation of UK Regimes) (Bailiwick of Guernsey) (Brexit)
(Amendment) Regulations, 2023;
The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Ordinance,
2023 (Commencement) Regulations, 2023;
The Criminal Justice (Bailiwick of Guernsey) (Equivalent Jurisdictions) Regulations, 2023;
The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey)
(Amendment) Regulations, 2023;
The Regulation of Fiduciaries etc. (Bailiwick of Guernsey) (Amendment) Regulations, 2023.**

1425 **The States' Greffier:** The following legislation is laid before the States: The Road Traffic (Bicycle Events at the Island Games) (Guernsey) Ordinance, 2023; The Sanctions (Implementation of UK Regimes) (Bailiwick of Guernsey) (Brexit) (Amendment) Regulations, 2023; The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Ordinance, 2023 (Commencement) Regulations, 2023; The Criminal Justice (Bailiwick of Guernsey) (Equivalent Jurisdictions) Regulations, 2023; The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Regulations, 2023; The Regulation of Fiduciaries etc. (Bailiwick of Guernsey) (Amendment) Regulations, 2023.

1430 **The Deputy Bailiff:** In relation to those items of legislation we note those are laid and there are no motions to annul.

**Motion to Annul the Preferred Debts (Insurance Policy Holders)
(Bailiwick of Guernsey) (Amendment) Ordinance, 2023 –
Debate commenced**

Motion to Annul.

To resolve, pursuant to Article 66(A)(1) of The Reform Law, 1948 (as amended,) that The Preferred Debts (Insurance Policyholders) (Bailiwick of Guernsey) (Amendment) Ordinance, 2023 be annulled.

The States' Greffier: Motion to Annul an Ordinance, the Preferred Debts (Insurance Policy Holders) (Bailiwick of Guernsey) (Amendment) Ordinance, 2023.

1435 **The Deputy Bailiff:** Thank you.
In accordance with Rule 19, I will start by asking the President of P&R to speak on this matter.

Deputy Ferbrache: Thank you, madam.

1440 I am going to be very brief in my opening. The motion is being brought by two experienced States' Members, both former Treasury Ministers, both former Chief Ministers. They are bringing a motion which I understand they, themselves, are not going to vote for. They are bringing a motion knowing full-well, I believe, why Policy & Resources acted in the way that we did. Both, I believe, will say or, at least that is the indication given to me by one of them, that Policy & Resources acted promptly and appropriately in response to the information provided to Policy & Resources. Both, I
1445 believe, acknowledge that the change in Law was needed. They will no doubt thus explain the point of this motion to annul.

The Deputy Bailiff: Deputy St Pier.

1450 **Deputy St Pier:** A motion to annul is of course an uncommon motion to move and I do wish to make clear from the outset, as Deputy Ferbrache has said, that Deputy Trott and I do not intend to support the motion which does, of course, beg the obvious question, 'Well, why are you bringing it then?'

1455 The answer to that is simple because it is actually the only route that we currently have to ensure that a debate in respect of an ordinance approved by the Policy & Resources Committee, using Article 66A of the Reform Law. This is the second time during this term that we have been in this position. I moved a similar motion, then with Deputy Queripel, in relation to the COVID vaccine legislation. I supported that legislation and therefore voted against the motion but Deputy Queripel did not.

1460 I did so then because I felt that it was of sufficient public interest and importance to warrant an open public debate and vote in this Assembly. Using this procedure to ensure a debate is far from ideal and that is implicit in Deputy Ferbrache's opening comments, not least because it is pretty confusing to everyone inside and outside this Assembly.

1465 Consequently, Deputy Trott and I have written to Deputy Meerveld and the States' Assembly and Constitution Committee asking that they do consider a rule change that would allow legislation such as this to be subject to a motion to debate akin to that which exists for Appendix Reports. The Proposition could then be to approve the legislation without amendment which would still enable the States to annul it if they so wished by voting down the Proposition.

1470 I think that would be a more positive and less confrontational method of ensuring debate than a motion to annul and I am grateful to Deputy Meerveld for his confirmation that his Committee will consider the matter in due course.

1475 I also wish to make clear and, indeed, Deputy Ferbrache has referred to this because I have been in communication with him, that I am not critical of the Policy & Resources Committee, far from it. It is clear that they responded promptly and appropriately when presented with information in early April that suggested urgent action was needed.

1480 Of course, in the ordinary course an ordinance such as this would be subject to a policy letter which, if approved, would then be followed by draft legislation, providing this Assembly with two opportunities to scrutinise, debate, amend and approve what had been put before them. Given its purpose is to enable swift action in the public interest, the Article 66A process does not allow this. However, that does not of course mean that legislation approved by this route should never be subject to scrutiny, challenge or debate.

1485 In this case, although technical and narrow, the ordinance has the effect of altering individual property rights. It does this by re-ordering the preferences of debtors in an insolvency, favouring one group, policy holders, over another, non-policy holders. It is doing it for good reason but tinkering with property rights is something that governments and legislators should never do lightly or hastily and that is why we have brought this motion to ensure that the Assembly has the chance to debate and vote to approve the ordinance, by voting down, by rejecting the motion, rather than leaving it to five Committee Members alone in Frossard House on a wet Tuesday morning in April.

1490 Parliamentary democracy emerged to regulate and protect property rights against an absolutist monarchy and, whilst I understand that some may feel this motion today is unnecessary and a waste of time, we forget our history and why we are here at our peril.

1495 Lodging the motion has also flushed out the origin of the change. What is clear is that the matter was aired as far back as 2010 or 2011 following an international regulatory visit. It did not really come to the fore again until 2019 with a further international regulatory report. Four years have elapsed since then in which the Guernsey Financial Services Commission apparently felt action was needed but have continued to bumble along and bounce around until it could wait no longer and urgent action was taken by P&R on 25th April using Article 66A –

1500 **Deputy Inder:** Point of order, madam.

The Deputy Bailiff: What is your point of order, Deputy Inder?

Deputy Inder: I am just intrigued. Deputy St Pier has made the argument he wants to turn this into a debate but, if we are going to play procedural football here, is he actually speaking to the annulment?

1505

The Deputy Bailiff: Interestingly, Deputy Inder, I am afraid that is not a correct point of order because, in relation to an annulment, which makes it an interesting element, in fact, this is just general debate. It is not on the annulment itself but thank you for raising that because I think some people will have been confused.

1510

Deputy St Pier.

Deputy St Pier: Thank you, madam.

I think that says a lot about our sclerotic and inefficient processes that allow that to happen. Politicians are often reliant on the Civil Service to bring matters to their attention. It seems in this case that the matter was never formally raised or tabled with P&R between 2019 and 2023, presumably because officers were satisfied it was being addressed elsewhere and therefore was not a matter to trouble P&R until, of course, it was and we know in that time that, of course, the process of consultation with the industry and indeed with the Committee for Economic Development and so on was going on behind the scenes.

1515

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This raises an obvious question about what are the other issues that are similarly not being addressed in a timely manner. The reliance that elected representatives necessarily have on officers to provide information and move things along does create an imbalance of power, allowing officers to focus on those issues which they may find more interesting or they determine to be more pressing and I would be surprised if any Member of this Assembly strongly disagreed with that statement, based on their own experience.

1525

So, although, I will be voting against this motion, moving it has flushed out the reasons behind the ordinance and the delays that made the use of Article 66A by Policy & Resources necessary. It allows open public debate and a vote on legislation that will alter individuals' property rights and it has highlighted the need for the States' Assembly & Constitution Committee to give some thought to the process that allows effective scrutiny, challenge and debate of legislation approved in this way.

1530

The Deputy Bailiff: Thank you, Deputy St Pier. Deputy Trott, do you formally second the motion to annul?

1535

Deputy Trott: Yes, I do, madam, and, looking at the time, I reserve my right to speak.

The Deputy Bailiff: I am grateful for you noting the time. We will adjourn now for lunch, returning at 2.30 when we will carry on this debate.

*The Assembly adjourned at 12.29 p.m.
and resumed its sitting at 2.30 p.m.*

Procedural – Reminder of Commonwealth Parliamentary Association Meeting

The Deputy Bailiff: Just before we continue with the general debate on the current item can I remind everybody that there is a CPA general meeting after today's session to which everyone is very welcome, the first I will be chairing so it could be interesting and we all get to listen to Deputy Trott as well so it is always a pleasure.

1540

Deputy Trott: Something to look forward to!

The Deputy Bailiff: Very much so!

**Motion to Annul the Preferred Debts (Insurance Policy Holders)
(Bailiwick of Guernsey) (Amendment) Ordinance, 2023 –
Debate continued –
Proposition not carried**

The Deputy Bailiff: So we are continuing the general debate on the motion to annul. Who wishes to contribute to the general debate on this matter? Deputy Gollop.

Deputy Gollop: Although I think it is a curious thing because, like Deputy St Pier and Deputy Trott, I do not wish to vote against this measure we did see it as always we do on the legislation Scrutiny Panel and we were aware that it was expedient and necessary but we did not know the reasons and I have not actively sought to find out why it is necessary but, in any case, today as always we are looking at Moneyval legislation.

I was interested in what Deputy St Pier said because I read an article he wrote yesterday which was very similar except that he mentioned in the *Press* the GFSC were aware. Well, obviously, they would have been with the international reports from the international officers and various experts and panels that come to the Island but, like Deputy St Pier, I was intrigued as to why, especially when Deputy Trott and Deputy St Pier and others were, between them, 12 years senior roles at Policy & Resources and Treasury & Resources and the Policy Council, why this issue had not come through the system and clearly I suppose it would be useful if observations made by professionals being advised many years earlier would come through more to Deputies.

We will discuss maybe later this week the GFSC annual report and we have presentations from the GFSC that maybe there are more opportunities at those kinds of events and from officers in the stream to inform States' Members, or relevant States' Members, of items that they need to look at because, from what we have heard, the filter on highly specialised and technical areas has not necessarily worked on this occasion.

The Deputy Bailiff: Does anybody else wish to debate this issue?
Deputy Trott.

Deputy Trott: Thank you, madam.

I shall speak only briefly because Deputy St Pier very carefully outlined our position and there is nothing sinister in this motion at all but it is somewhat fundamental because the use of emergency powers should be rarely utilised. I think we all accept that and when they embrace something as fundamental as a change in property rights it is right and proper that this Assembly is given the appropriate opportunity to discuss these matters in the way we could have today had we wanted.

There is no doubt that something like this should be a matter for all of us and I think we are all democrats and I would be very surprised if Deputy Ferbrache would disagree with that view. But, in saying that, I make clear there is no criticism of the way he and his Committee acted because he genuinely believed that swift action was in the public interest.

I have heard it said that 'emergency' means serious, unexpected and dangerous and I think that, bearing in mind that these powers were utilised from three months ago and the issue of concern has, I believe, yet to materialise, some of us could argue, I am certainly not one of them, that there was not really a genuine emergency after all but that could be because of all sorts of mitigating actions. I think others may argue that it was anything but unexpected, bearing in mind it appears to have been a matter that was known to some for more than a decade.

1590 I believe, madam, that I am one of the people back in 2019 who received some correspondence. Of course, what happens when you get correspondence of this type when you hold a political office, is it is logged in. One writes to the office holder, not the individual so, in that case, the Vice President of the Policy & Resources Committee, the office I would have held at the time, had received some correspondence, because of my role as the liaison between the Committee and the GFSC and, of course, my interest in the subject matter because of my co terminus responsibilities with Guernsey Finance.

1595 What is curious about this is that, as Chairman of Guernsey Finance, I knew nothing of this. Neither incidentally did any of my officers. I think I am right in saying that the President of the Economic Development Committee, my friend, Deputy Inder, knew nothing of this and neither, I understand, did any Members of his Committee.

1600 I do not believe that the Guernsey International Insurance Association Committee, in their entirety, knew anything about this matter so the point was that it was not an issue that was widely appreciated within the insurance sector of our financial services community. It clearly was a matter that was known to the Director General of the GFSC.

1605 Why do I say all this? I say this because some may wish to attribute blame to elected representatives. I do not think that would be fair or justified, particularly bearing in mind we do have a permanent Civil Service and, importantly, we have this logging-in process and the idea, as Deputy St Pier said this morning, that something that was drawn to our attention in 2019 remained unattended to, it would appear, until April, or somewhere around April this year, fills me with a certain amount of fear because what else, if anything, is missed?

1610 So let us be clear once more, madam, no criticism of the way my successors on the Policy & Resources Committee have behaved but also no apologies for using this incredibly blunt instrument as Deputy St Pier has explained we want changed because, when property rights are being amended in this way, it is right and proper that every Member of this elected Assembly understands the manner in which this has come about and the fundamental nature of the law which is now in place.

1615 Thank you, madam.

The Deputy Bailiff: Deputy Queripel.

1620 **Deputy Queripel:** Madam, I simply rise to say I resonate completely with everything Deputy St Pier and Deputy Trott said when they spoke. I very much agree these things should be debated. Not only that but, to give us all the opportunity to scrutinise, which is, after all, one of the many duties of a Deputy and I think I need to remind colleagues of that sometimes. Our duty, our responsibility, is to scrutinise. We must not leave it all to the Scrutiny Committee. We are individual scrutineers and we should be debating a lot more than we debate in this chamber which, to state the obvious, is the only place we get to debate issues.

1625 Thank you, madam.

The Deputy Bailiff: Does anybody else wish to contribute to general debate before I turn to Deputy Ferbrache who gets the opportunity to respond?

1630 **Deputy Ferbrache:** Thank you very much, madam.

I think two statements made, one by Deputy St Pier and another made by Deputy Gollop, made much sense in the sense that Deputy St Pier said this morning it first came to attention back in 2010 and 2011 and it came to light again in 2019 and he said it then bumbled along. It did bumble along without any knowledge on the part, no doubt, well, not much knowledge on the part of my predecessors, and certainly no knowledge from October 2020 on the part of the present P&R and it bumbled along.

1635 Deputy Gollop made a good statement/point when he said, 'Why did it not come through the system?' and my side note was 'resources' and I can only imagine that resources on those who are responsible for these things but his point is a valid one.

1640

Nobody, certainly not the Committee that I preside over, wants to grab power and do things that it should not do because of course, in an ideal world, where you are altering property rights, it should be for a full debate before this Assembly and with a duly considered policy letter etc. That is the way it should be and that is the way it is in most particular circumstances but those
1645 circumstances did not exist when I received at 4.40 p.m. in the afternoon of 5th April of this year, from a senior official of the Guernsey Financial Services Commission, a note pointing out that there was a real emergency. I attended a meeting at the offices of the GFSC at 2.30 p.m. with at least one officer from P&R on the afternoon of 6th April.

I would just like to make some introductory comments in relation to that. I am going to go
1650 through the history of it in a moment because the position in relation to what we did was done in extremis. Deputy Trott says, 'Look, three months on, nothing has happened', it is a bit like the fire brigade man coming round saying, 'I am coming round to make sure that I am going to put the fire out' and the fire goes out itself or it goes into abeyance. It was still an emergency when the fire engine set off from the fire station. This was an emergency because the two senior officers, senior
1655 officials, that I dealt with over a regular basis during the period of the month of April of this year are not people who call foul, who cry that there is an emergency when there is not and they said there was an emergency.

Our Law was out of kilter with similar jurisdictions and, frankly, should have been attended to some time ago because both Deputy Trott and Deputy St Pier have said before today, and again
1660 references have been made today, that they do not criticise the actions of P&R and that the change in the law was necessary. The change in the law was to protect, as Members have seen because they have seen the ordinance, was to protect policy holders against others who would have a less meritorious claim.

If we had not acted in the way that we did and if the emergency that we were told, and I do not
1665 mean to misquote a Harrison Ford film, was a real and present danger, because that is what we were told, that it was a real and present danger, then Guernsey's reputation as a finance centre would have been severely and perhaps permanently damaged.

We all talk about the insurance sector, how important it is to Guernsey, how important is and how many millions and trillions and zillions it has brought in over the years and the employment it
1670 has given, it would have had a body blow. It would have been sunk below the water line if we had not acted in the way that we did and if the emergency – Deputy Trott is nodding; I know what I was told, I believe people.

That takes me to an issue. I am going to start now, reading because I do not like reading too much in speeches because I cannot read my own writing but, in relation to this particular matter,
1675 the comments I could make are these. I am starting to put the matter into some context anyway.

The power that was exercised by P&R was under Article 66A(1) of the Reform Law as amended. It followed legal advice from His Majesty's Procureur. I am very grateful for the very prompt, able
1680 advice that we had given by the Law Officers over a period of time. They acted *in extremis*. We did not actually need their advice because we are entitled to act if we believe, if it is our opinion, that something is necessary and expedient.

What the relevant part of the Article says:

Where, in the case of any draft ordinance transmitted under paragraph (2)(b) of Article 66, the Policy & Resources Committee is of opinion that the immediate or early enactment thereof is necessary or expedient in the public interest the Policy & Resources Committee shall have power to order that the same shall be operative either immediately or upon such future date as it shall prescribe and thereupon the Ordinance shall have effect accordingly.

So the opinion of P&R on that basis, I just want to make some comments about that. There is very little trust from some in the States about any decision made by any senior Committee. It is
1685 scrutinised to the nth degree and almost bad faith is presumed which is the exact opposite of what the Law says, that good faith is presumed.

When I returned to the States in 2016 I was asked what were the main differences between this time and when I was in the States from 1994 to 2000. I do not look back on that time with rose-

tinted glasses but there are two comments I made. Firstly, we now have many deputies that see this as a career and secondly there is an almost complete lack of trust in what our senior Committees do. Looking at the wording of the Article, we, the five of us had all been elected by this Assembly to be Members of the senior Committee, we were of the view in good faith that we had to act in the public interest because it was necessary and expedient and with speed.

Without being arrogant or dismissive that should be good enough. We did receive legal advice, good legal advice, prompt legal advice, from the Law Officers that the exercise by us of our powers in the circumstances that we did was lawful. The fact that we took legal advice, although prudent, is not the test.

The test was, was it in our judgement, the five politicians elected by this Assembly, as Members of Policy & Resources, was it necessary and expedient in the public interest for us to do what we did. I led on that because I was the one that was contacted at 4.40 p.m. on 5th April. I was the one that attended the meeting on 6th April. I led on this issue throughout so, if there is any criticism of anybody, which there should not be, criticise me. My colleagues accepted my judgement, they were not nodding dogs, they asked questions, they took an active interest in it, as you would expect from the four able people that make up that Committee other than me.

That could be enough really but I just want to say we talked about the historical context of where we are in connection with this. Deputy St Pier talked about this. The first time this came to any sort of public attention in Guernsey was from the recommendation of the then GFSC back in 2010 and an evaluation by the International Monetary Fund. At that time this was a new international standard for Guernsey to work towards. It was a complex matter, given the diversity of our world-class insurance sector and, in the absence of what is called a burning platform, in other words, it was not seen to be an emergency then, work was done at various times but not brought to a conclusion.

During the evaluation of the GFSC by the International Association of Insurance Supervisors a recommendation to take forward the work was made by the GFSC. On that basis, in February 2019, it wrote to the then Vice-President of P&R, Deputy Trott, who was also the delegated Committee lead on regulatory matters. That letter set out the case from the GFSC for the States taking forward the work on this legislation. A further letter was sent in June 2019 and that was a part of the Insolvency Law work stream, again raising the matter of insurance policy prioritisation further to the public recommendations being made on the matter by the International Association of Insurance Supervisors following its inspection of Guernsey's insurance regime which those who are in the business will know was published in June 2019.

During the first quarter of 2019 there were meetings between States' officers and the Financial Services Commission resulting in a draft policy letter being sent to the GFSC in June 2019. They returned with comments and questions in September of that year which officers began working on.

During the first two quarters of 2019 discussions also took place with the Guernsey International Insurance Association and the Commercial Bar as well as between officers of the States and the GFSC and further revisions were made, as is common, to the policy letter.

In June 2020, the next iteration of the draft policy letter was finalised and further comments were received from the GFSC in July of that year. The policy letter was then finalised in December 2020 and shared with the insurance industry and Alderney for final comments before it was also shared for information with the Committee for Economic Development in January 2021 for their information and it had also been discussed by the financial sector forum.

The final comments from this round of consultation were received during the first quarter of 2021 and officers provided a further iteration of the policy for review by the Guernsey Institute of Insurers at the end of quarter two of 2021.

Once those final comments were received the process, I am told, was slowed due to other priorities for officer time in the States of Guernsey at that time. How many times have we heard that because we are short of resources. We are short of legal draftsmen, we are short of officers who have the ability to deal with these matters, we impose upon them ridiculously heavy burdens. Anyway, it got stuck in the system in that sense so they were having to deal with finalising the

comprehensive revision of laws work which was a piece of work which was many sections, many pages and also Moneyval was coming along and work was necessary for that evaluation.

So the work was not deprioritised but, to be more accurate, other priorities took over. Then it then lay in abeyance for reasons I have said till the first quarter of this year where the policy letter was considered final and was presented to P&R in order for them to submit to the States. That was towards the end of the first quarter of this year. However, there was then the approach that I have made on 5th and 6th October about the urgent action that needed to be taken. Urgent action was taken and I have looked at the minutes.

There was a Policy & Resources meeting on 11th April when I set out the circumstances to my colleagues of the meeting that I had a few days before. I referred, we also had a detailed letter on 6th April as well from the Director General and another senior officer at the Commission explaining the circumstances further.

There was then a further paper received on the evening of 13th April which I read. We discussed it further on 14th April at Policy & Resources. Again, all the time we were being told, and I believe genuinely, by Guernsey Financial Services Commission, they are not going to lie to us, that this was really urgent, not just a bit urgent, really urgent. Something could have happened within a matter of days. As it turned out it has not. I do think it has gone away, that is my understanding, but it did not happen in that period of time.

On 25th April I wrote to the Director General of the Financial Services Commission saying P&R had met again that day and made the ordinance which we have all seen. So that is the position. That is what we did.

There may be other things lingering in the system, I do not know. I doubt Deputy St Pier knew when he was Chief Minister, I doubt that Deputy Trott knew in more gentle times when the money just came in and anybody could have been Chief Minister. *(Laughter)* We could have put anybody up then, it was not a difficult job in those days, it was for Deputy St Pier doing it, I can assure you. It is a difficult job when I am doing it, hopefully not because I am doing it.

I also like to commend, I am not allowed to say who, the most experienced legal draftsman I think they have got in St James's Chambers, who did splendidly. By hook and by way he gets things done but I will not mention his name but extremely grateful to him. Without his skill and expertise we would not have been able to act with the alacrity that we did.

I am aware that as recently as 29th June, because it was copied to me, the Director General of the Financial Services Commission wrote to Deputy St Pier and Deputy Trott, I am not going to quote the whole letter but just two or three lines, he was talking about it at the AI conference, AI use to mean artificial insemination in my day but it means something different now and he said, 'I spoke to Deputy Trott there', I was not thinking about artificial insemination when I was thinking about Deputy Trott but he said, 'I write now, having had a little sleep because I think as the ranking public official who approached the Chief Minister and asked him to change the Law with all speed it is right that I formally write at this juncture and set out what happened'. In the end he did. I am not going to go into those facts because it does contain some information that would be best not aired, not because there is anything to hide in the best interests of the Bailiwick of Guernsey.

So that is where we are, that is what we did –

I give way to Deputy St Pier.

Deputy St Pier: I am very grateful to Deputy Ferbrache because I am sensing that he is winding up and therefore it is a useful opportunity to pose this question because he has not addressed it. I certainly feel the debate has been useful and it has provided an opportunity for P&R to explain the background and too the circumstances that have arisen and therefore would he agree with me that actually the motion to annul is an unfortunately blunt instrument and methodology that enables this kind of debate to happen which was never intended to be in any way confrontational?

And perhaps he would lend his weight, unfortunately Deputy Meerveld is not in the Chamber but other Members of the States' Assembly and Constitution Committee are, would he lend his weight to suggesting that actually there are probably better ways, in which this kind of debate could

be initiated for this kind of legislation under the circumstances. If he can seek to address that before he concludes his speech, madam.

The Deputy Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I am just about to sit down but I am grateful for that because it gives me a chance to say two things. Firstly, I still do not really see the need for the motion to annul. I do not think it was necessary but, secondly, I absolutely agree with the point he has raised. I did not know he had done that. I think that is an excellent idea and I certainly will lend my weight to it.

The Deputy Bailiff: Deputy St Pier, your opportunity to respond.

Deputy St Pier: I did not realise I had one, madam, but thank you.

I think I have little to respond to. I do think it has been a useful debate to raise the issues on a fundamentally important piece of legislation. It has provided an opportunity for P&R to explain the circumstances and why they made the decision they did. As both Deputy Trott and I said, there was never any suggestion that we were challenging the decision of P&R. We do believe they acted in good faith with the information they were provided.

As Deputy Ferbrache has said, the challenge of resources does leave the issue of what else can there be that is lurking there that may come back at some point in the future. I think that is an issue that does need some thought and perhaps could be picked up as a result of this debate as also the final point that Deputy Ferbrache has addressed and I am grateful for his support.

I hope it is a matter that Members of the States' Assembly & Constitution Committee will consider because it is, as Deputy Trott has suggested and indeed Deputy Queripel in debate, there should be no embarrassment about seeking to debate legislation in this Assembly. That is fundamentally one of the most important things that we do and to have a procedure that creates a sense of confrontation, as the motion to annul does, I think is deeply unfortunate and there should be better ways in which we can initiate a debate such as this and have the issues in the open which is where they should be in our system of government.

So I am grateful for the debate and urge Members to reject the motion.

The Deputy Bailiff: Thank you, Deputy St Pier.
States' Greffier, would you start the voting please.

There was a recorded vote.

Not carried – Pour 0, Contre 38, Ne vote pas 0, Did not vote 2, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
None	Aldwell, Sue	None	Meerveld, Carl	None
	Blin, Chris		Parkinson, Charles	
	Brouard, Al			
	Burford, Yvonne			
	Bury, Tina			
	Cameron, Andy			
	De Lisle, David			
	De Sausmarez, Lindsay			
	Dudley-Owen, Andrea			
	Dyke, John			
	Fairclough, Simon			
	Falla, Steve			
	Ferbrache, Peter			
	Gabriel, Adrian			
	Gollop, John			
	Haskins, Sam			
	Helyar, Mark			

Inder, Neil
Kazantseva-Miller, Sasha
Le Tissier, Chris
Le Tocq, Jonathan
Leadbeater, Marc
Mahoney, David
Matthews, Aidan
McKenna, Liam
Moakes, Nick
Murray, Bob
Oliver, Victoria
Prow, Robert
Queripel, Lester
Roberts, Steve
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

1830 **The Deputy Bailiff:** There voted Pour, 0; there voted Contre, 38; there were 2 Members who were not present in the Chamber and did not vote. I therefore declare the outcome as a *Contre* and the motion to annul was not passed.

LEGISLATION FOR APPROVAL

COMMITTEE FOR HOME AFFAIRS

2. The Beneficial Ownership of Legal Persons (Guernsey) Law 2017 (Amendment) Ordinance, 2023 – Approved

Article 2.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Beneficial Ownership of Legal Persons (Guernsey) Law, 2017 (Amendment) Ordinance, 2023", and to direct that the same shall have effect as an Ordinance of the States

The States' Greffier: Article 2, the Committee for Home Affairs – the Beneficial Ownership of Legal Person (Guernsey) Law 2017 (Amendment) Ordinance, 2023.

1835 **The Deputy Bailiff:** Deputy Prow.

Deputy Prow: Thank you, madam.

1840 At this Meeting and the Meetings that follow, the Assembly will be asked for its support for policy letters and legislation presented not only by the Committee for Home Affairs but also by the Committee for Economic Development and the Policy & Resources Committee. Our Island economy depends on a successful finance sector that competes on the world stage and it must do by endorsing the Financial Action Task Force standards. Government has recognised meeting out international obligations to successfully tackle financial and economic crime is a top priority.

1845 The collaborative effort to discharge this responsibility has been evidenced by the increasing amount of policy and legislation that the Assembly is being asked to support this term. This priority

will continue to monopolise the Assembly's agenda at forthcoming meetings. Madam, it is essential that there is continued support from the Assembly for progressing this critical, crucial, legislative programme.

So, madam, the Beneficial Ownership of Legal Persons (Guernsey) Law, 2017 (Amendment) Ordinance is a result of one of the Resolutions following the Assembly's consideration of a policy letter in May of this year which captured a number of technical changes to the Criminal Justice framework. This Ordinance amends the Beneficial Ownership of Legal Persons Law, 2017.

The Assembly will recall that the Economic and Financial Crime Bureau and the Financial Intelligence Unit have been placed on an independent statutory footing. The effect of the Amendment Ordinance is to provide that the Director of the Economic and Financial Crime Bureau as well as the head of the FIU, may inspect the Register of Beneficial Owners of Legal Persons for the purpose of carrying out their functions. I would ask Members to support this amendment Ordinance.

Thank you, madam.

The Deputy Bailiff: Does anybody wish to speak in general debate on this matter? No, and therefore, as you have nothing to respond to, Deputy Prow, I think we will go straight to the vote. States' Greffier, would you start the voting please.

There was a recorded vote.

Carried – Pour 39, Contre 0, Ne vote pas 0, Did not vote 1, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Parkinson, Charles	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				

St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

1870 **The Deputy Bailiff:** In relation to this Proposition there voted Pour, 39; there were no votes against and 1 Member was not in the Chamber and therefore did not vote. I therefore declare the Proposition passed.

POLICY & RESOURCES

3. The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2023 – Approved

Article 3.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2023", and to direct that the same shall have effect as an Ordinance of the States.

The States' Greffier: Article 3, Policy & Resources Committee – The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No. 2) Ordinance, 2023.

1875 **The Deputy Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Madam, there is nothing to add to the documentation. It is self-explanatory and I ask Members to approve it.

1880 **The Deputy Bailiff:** Does anybody wish to contribute towards debate on this matter? Therefore you have not got anything to reply to, Deputy Ferbrache, and we will go straight to the vote please. States' Greffier, would you open the voting on this matter.

There was a recorded vote.

1885

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				

Inder, Neil
Kazantseva-Miller, Sasha
Le Tissier, Chris
Le Tocq, Jonathan
Leadbeater, Marc
Mahoney, David
Matthews, Aidan
McKenna, Liam
Meerveld, Carl
Moakes, Nick
Murray, Bob
Oliver, Victoria
Parkinson, Charles
Prow, Robert
Queripel, Lester
Roberts, Steve
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

The Deputy Bailiff: There voted Pour, 40; and therefore, unanimously, I declare this vote as passed.

COMMITTEE FOR HOME AFFAIRS

4. The Criminal Justice (Terrorism and Disclosure) (Bailiwick of Guernsey) (Amendment) Ordinance, 2023 – Approved

Article 4.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Criminal Justice (Terrorism and Disclosure) (Bailiwick of Guernsey) (Amendment) Ordinance, 2023", and to direct that the same shall have effect as an Ordinance of the States.

1890 **The States' Greffier:** Article 4, the Committee for Home Affairs – The Criminal Justice (Terrorism and Disclosure) (Bailiwick of Guernsey) Amendment Ordinance, 2023.

The Deputy Bailiff: Deputy Prow.

1895 **Deputy Prow:** Thank you, madam.

In November 2022, the Assembly approved the policy letter which is the subject of this ordinance. The ordinance recognised the existence in law of the Guernsey Integrated Money Laundering and Terrorist Financing Intelligence Task Force and puts in place some information sharing and information protection mechanisms to facilitate its operation and, madam, I ask the Assembly to approve this ordinance.

1900

The Deputy Bailiff: Thank you. Does anybody wish to contribute towards debate on this matter? No, in that case, Greffier, we will go straight to the vote please. Would you kindly open the voting.

1905 *There was a recorded vote.*

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

The Deputy Bailiff: There voted in relation to this Proposition a unanimous 40 votes. I therefore declare this Proposition as passed.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

**5. The Income Support (Implementation)
(Amendment) Ordinance, 2023 –
Approved**

Article 5.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Income Support (Implementation) (Amendment) Ordinance, 2023", and to direct that the same shall have effect as an Ordinance of the States.

The States' Greffier: Article 5, the Committee for Employment & Social Security – The Income Support (Implementation) (Amendment) Ordinance, 2023.

The Deputy Bailiff: Deputy Roffey.

1915

Deputy Roffey: Thank you, madam.

This amendment ordinance simply puts into practice the policy decision the States made a fortnight ago.

1920

The Deputy Bailiff: Does anybody wish to contribute towards debate on this Proposition? No, in that case, States' Greffier, can we go straight to the vote please. Can we start the voting.

There was a recorded vote.

1925

Carried – Pour 37, Contre 3, Ne vote pas 0, Did not vote 0, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Dyke, John	None	None	None
Blin, Chris	Le Tissier, Chris			
Brouard, Al	Meerveld, Carl			
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				

Roberts, Steve
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

The Deputy Bailiff: In relation to this Proposition there voted Pour, 37; Contre, 3. I therefore declare this Proposition has been passed. Thank you.

COMMITTEE FOR HOME AFFAIRS

6. The Prevention of Corruption (Bailiwick of Guernsey) (Amendment) Law, 2023 – Approved

Article 6.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Prevention of Corruption (Bailiwick of Guernsey) (Amendment) Law, 2023", and to authorise the Bailiff to present a most humble petition to His Majesty praying for His Royal Sanction thereto.

1930 **The States' Greffier:** Article 6, Committee for Home Affairs – The Prevention of Corruption (Bailiwick of Guernsey) (Amendment) Law, 2023.

The Deputy Bailiff: Deputy Prow.

1935 **Deputy Prow:** Thank you, madam.

This legislation follows the Assembly's approval of policy letter in September last year which included amendments to improve the Bailiwick's effectiveness in dealing with financial crime. I ask the Assembly to approve this amendment Law.

Thank you, madam.

1940 **The Deputy Bailiff:** Thank you. Deputy Gollop.

1945 **Deputy Gollop:** I will approve the law and others today but maybe Deputy Ferbrache had a point earlier when he said from his recollection that the good old days of less career politicians and more trust in senior figures and I think perhaps sometimes, as our debates show, we do lack trust in other committees but, weirdly enough, on legislation we have got total trust in our excellent Law Officers and legislative drafts-people but we on the Scrutiny Panel look at the legislation too.

I must admit, when I looked back at what we have already done with the Proceeds of Crime No. 3 and we will do later on the extradition and particularly this one, Prevention of Corruption, what we are effectively doing is we are widening the scope of the law all the time to ensure that we remain in the appropriate vanguard for the best possible regulated island and that there is no way of people slipping through the net.

1950 It is interesting though when you look at this piece of legislation that it actually includes, for example, that it becomes a new offence for an organisation not to facilitate corruption so it obliges organisations to be proactive and is only a possible defence in the result of an accusation that they have done everything possible to prevent it.

1955 So I would say people do need to be aware of this and all organisations therefore have to be sure they do not have a culture whereby perhaps even people would give them inducements in the

1960 past, anywhere in the world. There is another point here that it becomes a corporate offence regardless and ignorance is not in any way a defence so we need to be aware of this and the fact that it will cost organisations even more in compliance to ensure that nothing untoward happens.

The Deputy Bailiff: Deputy Dyke.

1965 **Deputy Dyke:** I would just add to Deputy Gollop's comments. We are passing so many of these laws and this is, in my view, a particularly horrible one. I think we are still going to have to pass it. We are creating offences that are vague and blurry with obligations to stop other people committing offences of corruption and if you do not do it to the satisfaction of somebody, if you do not do things that are not at all clear, you, yourself or your company or the directors, can be liable criminally for that.

1970 It is the sort of thing that we just are not used to seeing in our decent, free society and I actually find this stuff appalling but, having said that, I am assured that we have to vote for it so I will vote for it with very heavy heart, I have to say.

1975 **The Deputy Bailiff:** If nobody else wishes to respond or enter into debate I will ask Deputy Prow to respond.

Deputy Prow: Thank you, madam.

1980 I thank Deputy Gollop for his comments. He is right, it does introduce a new offence of failure by corporate entities to prevent bribery and facilitation of tax evasion but what I would add to what Deputy Gollop has said is this is modelled on existing offences in the UK and indeed modelled on recently approved offences in Jersey.

1985 With reference to what Deputy Dyke has said, I do not agree with his analysis at all. The legislation makes it absolutely clear that it is a defence to prove that if the entity had in place adequate procedures designed to prevent persons associated from undertaking such conduct so that defence is established in the ordinance that we are being asked to approve and I certainly recommend it to the Assembly and ask for its approval.

Thank you, madam.

1990 **The Deputy Bailiff:** Thank you, Deputy Prow.
States' Greffier, would you open the voting on this Proposition.

There was a recorded vote.

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

1995

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				

Inder, Neil
Kazantseva-Miller, Sasha
Le Tissier, Chris
Le Tocq, Jonathan
Leadbeater, Marc
Mahoney, David
Matthews, Aidan
McKenna, Liam
Meerveld, Carl
Moakes, Nick
Murray, Bob
Oliver, Victoria
Parkinson, Charles
Prow, Robert
Queripel, Lester
Roberts, Steve
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

The Deputy Bailiff: In relation to this Proposition there was a unanimous vote for the Proposition. I therefore declare the Proposition passed.

POLICY & RESOURCES COMMITTEE

7. The Royal Court (Reform) (Guernsey) Law, 2008 (Amendment) Law, 2023 – Approved

Article 7.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Royal Court (Reform) (Guernsey) Law, 2008 (Amendment) Law, 2023", and to authorise the Bailiff to present a most humble petition to His Majesty praying for His Royal Sanction thereto.

2000 **The States' Greffier:** Article 7, Policy & Resources Committee – The Royal Court (Reform) (Guernsey) Law 2008 (Amendment) Law, 2023.

The Deputy Bailiff: Deputy Ferbrache.

2005 **Deputy Ferbrache:** Nothing to add to the explanatory note.

The Deputy Bailiff: Does anybody wish to debate this matter? No, in that case we will go straight to vote in relation to this Proposition. States' Greffier, would you open the voting please.

2010 *There was a recorded vote.*

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

2015 **The Deputy Bailiff:** In relation to this Proposition there was a unanimous vote for the Proposition. I therefore declare it passed.
States' Greffier.

COMMITTEE FOR HOME AFFAIRS

**8. The Extradition (Crown Dependencies)
(Bailiwick of Guernsey) Ordinance, 2023 –
Approved**

Article 8.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Extradition (Crown Dependencies) (Bailiwick of Guernsey) Ordinance, 2023", and to direct that the same shall have effect as an Ordinance of the States.

The States' Greffier: Article 8, the Committee for Home Affairs – The Extradition (Crown Dependencies) (Bailiwick of Guernsey) Ordinance, 2023.

The Deputy Bailiff: Deputy Prow.

Deputy Prow: Thank you, madam.

This ordinance also discharges a Resolution from the amendments to the Criminal Justice legislation agreed by the Assembly in May. It establishes a dedicated extradition process which will place the process for a rendition from the Bailiwick to other Crown Dependencies on a clear statutory footing.

In line with the close relationship that exists with the UK there is a simplified and long-established process between the UK and the Crown Dependencies, however, the simplified process that applies to the UK does not cover rendition from the Bailiwick to Jersey and the Isle of Man. This ordinance provides for a simplified process which reflects the fact that the Bailiwick enjoys the same close relationship and high levels of co-operation with the other Crown Dependencies, as it does with the UK. Madam, I commend this ordinance to the Assembly.

Thank you.

The Deputy Bailiff: Thank you.

Deputy St Pier.

Deputy St Pier: Very briefly, madam, I support the legislation. I had not spotted this until now and I do appreciate that I am very much alone on this but, if I may, reference to Crown Dependencies. I do not know whether His Majesty's Comptroller can advise whether this is the first piece of legislation which specifically refers to Crown Dependencies because it is a term which was invented at some point in the 1970s or 1980s by a civil servant in Whitehall that decided that it was shorthand for Jersey, Guernsey and the Isle of Man.

We are Dominions of the Crown. We are not Dependencies of the Crown and indeed Policy & Resources tell us that in their policy letter which we are due to debate at the next meeting when we talk about immigration and nationality where the 1905 law, the first that deals with citizenship or created the concept of subjects of the Crown for the issuing of passports makes it clear that we are Dominions of the Crown.

Had I thought about it I would have brought an amendment to force the issue and change all the references from Crown Dependencies to Crown Dominions and see where we got to. It is not a particularly serious point in the context of the issue which Deputy Prow is raising, it is important that we support this legislation, but I am pleased to put on record for *Hansard* my objection to the term 'Crown Dependencies' and it is an issue I will continue to bat on about at every opportunity so, if His Majesty's Comptroller does have any comments on other legislation which refers to Crown Dependencies, I would welcome that input.

The Deputy Bailiff: Mr Comptroller, are you aware of any other legislation that refers to Crown Dependencies?

2060

The Comptroller: Madam, I am not as far as the Bailiwick legislation is concerned. I think there is some UK legislation which uses the term 'Crown Dependencies' in its title. I do not think there is any Bailiwick legislation.

2065

The Deputy Bailiff: Thank you.

The Comptroller: That is off the top of my head and a brief search of the Guernsey legal resources site.

2070

The Deputy Bailiff: Thank you. Deputy Prow, if you want to reply now is your opportunity.

Deputy Prow: No thank you, madam.

2075

The Deputy Bailiff: In that case we will go straight to the vote. States' Greffier, would you open the voting on this Proposition please.

There was a recorded vote.

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

2080

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				

Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

The Deputy Bailiff: In relation to the Extradition (Crown Dependencies) (Bailiwick of Guernsey) Ordinance, 2023 there was a unanimous vote for the Proposition. I therefore declare it passed.

POLICY & RESOURCES COMMITTEE

9. Minimum Standards for Lawyers – Propositions carried

Article 9.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled "Minimum Standards for Lawyers", dated 30th May 2023, they are of the opinion:-

- 1. To agree that a framework for a minimum standards test for lawyers and its administration by HM Greffier and the Guernsey Registry be established in accordance with the recommendations set out in this policy letter, including a requirement that staff providing professional legal advice are appropriately qualified.*
- 2. To direct the preparation of such legislation as may be necessary to give effect to the above.*

2085 **The States' Greffier:** Article 9, the Policy & Resources Committee – Minimum Standards for Lawyers.

The Deputy Bailiff: Deputy Ferbrache.

2090 **Deputy Ferbrache:** Gosh, madam, I wonder how long that should have been applied.
But anyway, just two paragraphs really to quote from in relation to this matter. Paragraph 1.1 under the introduction which says:

This policy letter proposes the introduction of legislation imposing additional requirements on law firms and lawyers operating by way of business in the Bailiwick of Guernsey (including those which are owner managed and operated, i.e. which might be described as sole practitioners) so as to address a regulatory gap which currently exists in preventing criminals from controlling such firms. This gap has arisen as the Financial Action Task Force ("FATF") has revised the standards it requires jurisdictions to apply in relation to these businesses.

And there is an international expectation that there is a comprehensive approach. This is part of the comprehensive approach. And the only other paragraph I would refer to is 3.1, the second part of that paragraph, which says:

The new legislation would supplement existing regimes to ensure that the Bailiwick takes responsibility for ensuring that only people who are fit to be involved in the management or control of a law firm are able to hold relevant positions

2095 Madam, I commend the policy letter to the States.

The Deputy Bailiff: Thank you. Deputy Gollop.

2100 **Deputy Gollop:** I have been at the meeting where this has been discussed and of course I support it but I cannot believe there would be any criminals involved in any law firms, past or

present. But there are some intriguing elements to it. Paragraph 1.4 and probably more so in the body of the text refers to the fact that the Guernsey Bar is, themselves, undertaking a detailed review of matters and so we were in the position that we have to get on with this now but that it could be that the Guernsey Bar, presumably representing predominantly advocates to the Royal Court, would come back with further proposals in the fullness of time.

But of course, within Guernsey, you have got many different kinds of lawyers, you have got English solicitors, you used to have [\[15.22.34\]](#), you have English barristers, you may have international lawyers and I believe this legislation will apply to legally qualified compliance officers as well but not necessarily legal executives or paralegals. Where it gets complicated is that there is also business about the percentage of ownership and control of ownership, Deputy Dyke will understand this more, but I think the figure was if you own more than 14% of a firm you were deemed to be in control. If you have less than 14% you were not but if you were a partner of any kind you could be seen to be in management. I am not aware in Guernsey, although there might be one exception I think to the rule, of any non-lawyers owning law firms. You might get that internationally where you have other financial services with a legal practice.

So I think there will be quite a lot of detail when the legislation comes back to not only approve in the context of Moneyval and improved standards but probably to review again in a year or so and make further amendments according to changes that take place.

The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, madam, and thank you to Deputy Ferbrache for introducing this policy letter. Of course, it follows similar policy letters for I think estate agents and also for accountants. My question really is in relation to the bifurcation between Guernsey advocates and non-Guernsey advocates because, essentially, all professionals other than the Guernsey Bar will be subject to the system that is dealt with by the Guernsey Registry and the decision that has been made here to keep the Greffier as responsible for the Guernsey Bar and I would be interested to know whether the original proposal that went for consultation with the Bar was actually the same system as exists for the other professions, in other words, the Guernsey Registry would deal with the whole lot, and actually did the Guernsey Bar object to that.

I am surmising here but my guess is that that was the proposal and they did object and we now emerge with this system where bifurcation is a sort of compromise that allows us to introduce minimum standards but in a way that is acceptable to the Guernsey Bar by separating the two out. So I would be interested in Deputy Ferbrache's comments on that.

At the end of the day we are introducing minimum standards and therefore I am sure Deputy Ferbrache will assure us we should not worry. However, my query is, is there not a risk that actually, given that you have got two parallel systems, one for the Guernsey Bar and one for the non-Guernsey lawyers, that actually the application of the test could end up being applied differently, subtly differently, but actually there could be a difference which would not apply in the other professions.

So I am interested in a little bit about the genesis of how this particular proposal has emerged and whether my supposition is correct but, more particularly, how the Policy & Resources Committee have satisfied themselves that there is not going to be, in essence, two standards, one for Guernsey lawyers and one for non-Guernsey lawyers.

The Deputy Bailiff: Deputy de Lisle.

Deputy de Lisle: Can I ask the Chief Minister whether he believes that sanctions are relevant to this day and age? It seems to me that the £2,000 and the three months seem to be quite lenient. I would think that that might be because the adoption of this is level 3 and perhaps it should be higher.

The Deputy Bailiff: Deputy Kazantseva-Miller.

2155 **Deputy Kazantseva-Miller:** I can help Deputy St Pier a little bit as I understand the history of bringing this regime but also the regimes for the real estate agents and accountancy firms' work because I think there was a discussion who would be the best administrator and, in relation to the real estate agents and the accountancy firms, Guernsey Registry will be playing one singular role.

2160 Clearly, what is being proposed here is not one single entity. It is going to be duplication between the Greffier and the Guernsey Registry and I think through the process for looking for the tests for the three different groups we have just discussed, GFSC was very keen to actually administer those tests both for real estate agents, accountancy firms and, I believe, very much for the lawyers.

2165 I understand in this specific case the Commercial Bar had very strong views in relation to those tests being administered by the GFSC so I understand that compromise agreement was reached in following what is currently continuing to follow the current procedure which is basically dealing with the Greffier on the registration process for Guernsey advocates.

2170 This goes back to what Deputy Gollop was saying and what the policy paper is also saying about there is a wider review of how this process should be administered but I think it is interesting example of the tug-of-war powers that I think we consistently see with the onset of Moneyval, who is monopolising the power on this Island and I think, yet again, the Assembly and community should pay perhaps closer attention exactly where that power struggle and the tug-of-war continues to play out.

Thank you.

2175

The Deputy Bailiff: Deputy Trott.

Deputy Trott: Thank you, madam.

2180 I am all in favour of minimum standards for lawyers. I hope to see many more policy letters of this type as we progress through this term but I do hope you will indulge me just for a moment, madam, because I did hear a very funny story just a few days ago. I have been told, I do not know whether it is true, some Members up on the top bench may be able to confirm or deny, but I have been told a well-known lawyer in this Assembly who holds a senior position commissioned a portrait in oils and was very pleased with the result.

2185 The painting showed him in a casual pose with one hand in his pocket and a friend apparently remarked that it would have been much more realistic if it had shown him with his hand in someone else's pocket. *(Laughter)*

2190 **The Deputy Bailiff:** I trust that was gender-specific, Deputy Trott. Deputy Ferbrache, your opportunity to reply.

2195 **Deputy Ferbrache:** In fact, that story was told about Deputy Trott and not lawyers but never mind. In relation to that I am grateful to Deputy Kazantseva-Miller for her contribution. That really set the matter in motion.

2200 Deputy St Pier hit the nail on the head about lawyers wanting to be treated as special people and I have never wanted lawyers to be treated as special people and I got to the stage, with a degree of frustration, that, if we had not reached this compromise it did not matter what the Commercial Bar said, they were going to be told that they had to adhere. They are no different to anybody else, they have got to be subject to similar rules and regulations as everybody else, they are not special people, if they do not like practising in the jurisdiction of Guernsey they can go and practise somewhere else and probably earn a lot less money.

What we have come out with is a compromise but we believe, to come on to the second point, one cannot say there is no risk, I cannot guarantee it, but we believe that the relevant tests and

2205 balances can be made so that there should not be any material risk, there should not be a material difference but I cannot give a categorical guarantee.

As to the different sanctions Deputy de Lisle is saying they are too low, well he could have brought an amendment to say that they should be higher, he did not so we are where we are. He can always seek retrospectively I suppose to change the law if he really thinks that that is necessary. Other than that, madam, I commend the legislation.

2210 **The Deputy Bailiff:** Thank you.

Deputy Helyar: Sorry, madam, I just wish to declare a potential conflict in relation to the voting.

2215 **The Deputy Bailiff:** Thank you very much. States' Greffier, would you open the voting please.

There was a recorded vote.

Carried – Pour 38, Contre 2, Ne vote pas 0, Did not vote 0, Absent 0

2220

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Haskins, Sam	None	None	None
Blin, Chris	Mahoney, David			
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

The Deputy Bailiff: In relation to this Proposition there voted Pour, 38; Contre 2. I therefore declare the Proposition passed.

POLICY & RESOURCES COMMITTEE

**10. The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey)
(Amendment) (No.2) Regulations, 2023 –
Proposition carried**

Article 10.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled "The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No. 2) Regulations, 2023" dated 5th June, 2023 of the Policy & Resources Committee, they are of the opinion to approve, in pursuance of section 54(1A) of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No. 2) Regulations, 2023

2225 **The States' Greffier:** Article 10, Policy & Resources – Committee The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No.2) Regulations, 2023.

The Deputy Bailiff: Deputy Ferbrache.

2230 **Deputy Ferbrache:** Nothing to add, madam.

The Deputy Bailiff: Does anybody wish to enter into general debate on this? No, in that case we will move straight to the voting. States' Greffier, would you open the voting on this Proposition.

2235 *There was a recorded vote.*

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				

Parkinson, Charles
 Prow, Robert
 Queripel, Lester
 Roberts, Steve
 Roffey, Peter
 Snowdon, Alexander
 Soulsby, Heidi
 St Pier, Gavin
 Taylor, Andrew
 Trott, Lyndon
 Vermeulen, Simon

2240 **The Deputy Bailiff:** In relation to this Proposition there was a unanimous vote for the Proposition. I therefore declare it passed.

POLICY & RESOURCES COMMITTEE

11. The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No.3) Regulations, 2023 – Proposition carried

Article 11.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled "The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No. 3) Regulations, 2023" date 5th June, 2023 of the Policy & Resources Committee, they are of the opinion to approve, in pursuance of section 54(1A) of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No. 3) Regulations, 2023.

The States' Greffier: Article 11, Policy & Resources Committee – The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) (No.3) Regulations, 2023.

2245 **The Deputy Bailiff:** Yes, Deputy Ferbrache.

Deputy Ferbrache: Again, nothing to add, madam.

The Deputy Bailiff: In that case we will go straight to voting please. Thank you, the vote is open.

2250 *There was a recorded vote.*

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				

Ferbrache, Peter
Gabriel, Adrian
Gollop, John
Haskins, Sam
Helyar, Mark
Inder, Neil
Kazantseva-Miller, Sasha
Le Tissier, Chris
Le Tocq, Jonathan
Leadbeater, Marc
Mahoney, David
Matthews, Aidan
McKenna, Liam
Meerveld, Carl
Moakes, Nick
Murray, Bob
Oliver, Victoria
Parkinson, Charles
Prow, Robert
Queripel, Lester
Roberts, Steve
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

2255 **The Deputy Bailiff:** In relation to this Proposition there was unanimity in the Chamber. I therefore declare the Proposition passed.

POLICY & RESOURCES COMMITTEE

12. Amendments Relating to Transparency and Beneficial Ownership of Legal Arrangements – Propositions carried

Article 12.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled "Amendments Relating to Transparency and Beneficial Ownership of Legal Arrangements" dated 5th June 2023, they are of the opinion:-

1. To agree that the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 shall be amended as necessary to make provision for the transparency and beneficial ownership of legal arrangements, as set out in section 2 of this Policy Letter.

2. To approve the attached Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Trustees and Partners) (Amendment) Regulations, 2023.

3. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

The States' Greffier: Article 12, Policy & Resources Committee – Amendments Relating to Transparency and Beneficial Ownership of Legal Arrangements.

2260 **The Deputy Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: I think just to say, madam, that this is a matter that obviously I am sure Members will give due consideration to. I do not think there is anything I need to add. If I need to respond to the debate I will.

2265

The Deputy Bailiff: Thank you. Deputy Soulsby.

Deputy Soulsby: Thank you, madam.

I guess with this policy letter I feel a bit like Deputy Dyke did earlier when he stood up and said, 'Well, I suppose we have to vote for it'. It does seem to me a bit of overkill, having to effectively add even more people into the net of having to do stuff. It seems to me that most of these trusts will be dealt with through licensed fiduciaries anyway. I struggle to understand what it will really add. What is unclear to me is how far the reach is.

Is it covering trustees in a personal capacity? It talks about 'specified business' but it does not say whether that means you pay to be a trustee in this or whether you are doing it in a personal capacity and it is rather vague so I would really like a better idea of what is actually meant, the difference here and for unregulated trusts and whether it means everybody is carried in the loop, including those that might act as trustees of a RAT, of which I declare an interest.

The Deputy Bailiff: Thank you. Deputy Oliver.

Deputy Oliver: Thank you, madam.

I just had one question on this and I have had a number of emails sent to me regarding this regarding the consultation. Can the President just explain to me how much consultation was done on this please? Thank you.

The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: I rise merely to declare an interest that is likely to be affected by this proposal.

The Deputy Bailiff: Thank you. Deputy Gollop.

Deputy Gollop: There is a more generic point about this and other legislation. It is interesting that they said one of the definitions of being a lawyer or similar professional is to have sound judgement in everything so if you order the wrong dinner maybe that is not so good.

So these are quite subjective things and one element that Deputy Soulsby reminded us of, and we have certainly chewed over the legislation a bit, is the very wide definition in the legislation of people who have an interest because it is not necessarily just a company principal or registered principal or it could be an employee, it could be an agent. So I accept that greater minds than mine know it is necessary but it will, inevitably, mean that one of Guernsey's fastest growing industries, this year and next, will be the compliance sector.

The Deputy Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Just picking up Deputy Gollop's final comment which is absolutely correct but it has already been the growth sector in the finance sector for donkey's years now. In fact, there are more compliance officers than there are advocates and that says something and they will continue to grow so he is absolutely right in that regard. I very much sympathise and empathise with Deputy Soulsby. We live in a world of constant and more regulation but I cannot do any more really than read to her and Members of the Assembly paragraph 1.2 of the policy letter which says:

The States of Guernsey is committed to meeting international standards in relation to AML/CFT and sanctions. The principal standard setting body in this area is the Financial Action Task Force ("the FATF"). While the Bailiwick has a well-established legal framework in these respects, an amendment has been identified as necessary to ensure that the

Bailiwick continues to meet the technical compliance obligations under Recommendations issued by the FATF ("the FATF Recommendations").² The Bailiwick's technical compliance with the FATF Recommendations will be assessed by Moneyval in its forthcoming evaluation of the Bailiwick.

As for consultation all I can do in relation to Deputy Oliver is refer her to paragraphs 3.1 and 3.2:

The Committee has consulted with the private sector subject to AML/CFT supervision by the GFSC (this includes the Guernsey Association of Trustees and the Trust Bar) and with the Society of Trust and Estate Practitioners. The Committee has also consulted with the GFSC. The Committee has also consulted with the Committee for Economic Development, the States of Alderney's Policy & Finance Committee and the Chief Pleas of Sark's Policy & Finance Committee ...

I think it is a pretty good consultation and it has come to the conclusion it has.

The Deputy Bailiff: Thank you. States' Greffier, would you open the voting on this Proposition.

There was a recorded vote.

Carried – Pour 40, Contre 0, Ne vote pas 0, Did not vote 0, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	None	None
Blin, Chris				
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				

The Deputy Bailiff: In relation to this Proposition there was unanimity in the Chamber. I therefore declare the Proposition passed.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

**13. Amendment to Statutory Wage Arrangements to
come into force on 1st October 2023 –
Proposition carried**

Article 13.

The States are asked to decide -

Whether, after consideration of the Policy Letter entitled 'Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1st October 2023', dated 5th June 2023, they are of the opinion -

1. To approve the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2023 (as set out in Appendix 1 to this Policy Letter), which pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, prescribe the hourly minimum wage rates set out below with effect from 1st October 2023:

a. adult minimum wage rate: £10.65 per hour (for workers aged 18 and over), and

b. young person's minimum wage rate: £9.65 per hour (for workers aged 16 and 17).

The States' Greffier: Article 13, Committee for Employment & Social Security – Amendment to Statutory Wage Arrangements to come into force on 1st October 2023.

2325

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, madam.

2330 We have got 16 Articles to consider today and we have done 75% of them so by my reckoning we will be finished well before close of play today.

2335 I do have very little to add to this routine policy letter. The proposals are absolutely in line with the established and approved policy of this Assembly. We wish to move to 60% of mean income, not mean income, so important that it is not mean income, median earnings in a five year period which has been slowed down by COVID. This is the penultimate step. When we come back next year we will, as well as having proposals for what happens from October next year, have to include a debate or spark a debate really of what, if anything, we do further to that medium term target which will be completed.

2340 The other thing that my Committee is tasked with looking at when bringing these proposals is how we compare with other similar territories. Guernsey at the moment has a significantly lower minimum wage than either Jersey or the UK. This is a catching up exercise although we would then expect them very rapidly to then move ahead of us again so we are very modest in that sense compared with our surrounding territories.

2345 We have obviously been out to consultation. The vast majority of consultees, including the majority of employer organisations, were supportive. One or two were not; that is I think inevitable but the preponderance of view was very supportive of this. In fact, even the letter from Economic Development appeared to be very supportive of the principles until you got the punchline at the end when they said they could not actually support the proposal which had me scratching my head.

But I think this is absolutely straight forward and routine and I ask Members to approve it.

2350 **The Deputy Bailiff:** Thank you. Does anybody wish to enter into general debate?
Yes, Deputy Queripel.

Deputy Queripel: Thank you, madam.

There was a time several years ago in a previous Assembly when I spoke against and voted against increasing the minimum wage because I thought the increase was an insult to hard-working Guernsey people and I also said at the time I thought we should be putting a living wage in place. I knew that was going to get me a headline back in the day when getting headlines meant something to me because I knew I was going to be the only one to speak against and vote against the Proposition.

But I did not do it to get a headline. I did it because I genuinely believed it was the right thing to say and do. It was not long before I realised that balance plays a huge part in this issue as it does in every issue, of course, because, the more we tell employers they have to pay their employees, the more cost there will be for the customer because those employers will have to recover their costs so they will just increase their prices and that is all pretty obvious.

As much as I would like to see a living wage of, say, £14 an hour put in place which would realise £560 a week for the adult individual before tax and social security contributions are deducted there is no way I will ever pursue introducing the living wage because employers will simply pass on those extra costs to the customer, thereby increasing the cost of living yet again for all of us which is why we have to have balance and I think the balance is about right in this case.

As the ESS say in this policy letter on paragraph 2.2:

There are several initiatives operated by the Committee, such as a wide range of benefits, grants and social housing, which are intended to help to meet the basic needs of people on low incomes.

I do have a question for the President in relation to that though because, during the recent debate on the uprating for Income Support recipients he said that, even though someone might not qualify for income support, they may actually qualify for help with their medical bills and he went on to say he realised not every member of our community was aware of that and perhaps ESS should embark on a campaign to up their game a little when it comes to publicising the benefits and grants that are available. So my question is can you tell me please where ESS are on that piece of work.

Moving towards a close, madam, I want to put on record though that I do take issue with some employers. Back in the day when I ran my own business, which I did for nearly 29 years, we were content with a 4% or 5% profit. A good year would result in more than that, maybe 8%, and we had a couple of exceptional years when we came out with a 10% profit. Nowadays, some employers are making 40%, 50% profit and they are still not happy with that. They want more, they want 60% or 70% or even 100%.

Whilst I appreciate that profit is not a dirty word, greed is and, to misquote a song title by Billy Ocean which was, *When the Going Gets Tough, the Tough Get Going*, in this case it is, 'in times of crisis and shortage, the greedy get going' and those employers will not take a blind bit of notice of what I am saying in this speech but it needs to be said which is why I have just said it.

I want to emphasise, madam, because some of my colleagues do like to misquote me when they speak after I have spoken I am not saying every employer is greedy, I am saying some employers are. To finish off on that note, as we all know, directors of certain companies have been paid obscene bonuses in recent years at a time when they are telling employees they cannot afford to pay them any more yet they can afford to pay themselves obscene bonuses and I do not know how they can sleep at night because that is just downright immoral as far as I am concerned to exploit employees in that way and the tragedy is there is not damn thing we can do about it.

Thank you, madam.

The Deputy Bailiff: Thank you. Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you, madam.

2400 I stand as a member of Economic Development and I want to say that I do have issues around how we make decisions around the minimum wage and the fundamental problem, to me, is that I believe we are making decisions right now with a complete absence of an evidence-based approach because we have absolutely no idea how many people are on the minimum wage, how many employers are paying, effectively then, the minimum wage and then are those people who are on the minimum wage then do they need to access income support and other state support? So we are just hypothetically making decisions about everything to do with the minimum wage and, to me, it is a fundamental problem.

2405 I understand that this hopefully will be solved because of the magic of secondary pensions. I do not know the connection there but that is going to be addressed in the next couple of years but right now we are effectively acting in an evidence vacuum and so, as I said, we basically, and coupled with that, we are also going through a hyper-inflation environment where, although inflation is slightly receding, it is not receding as fast as was projected certainly last year and not as fast as even in the first half of this year is slowing down.

2410 There is a link between the wage and inflation spiral so, if we continue to make RPI-type or plus increases into our wages, into salaries, into the pricing we are doing, then actually inflation will not recede. So, right now, we are effectively, or the Committee is proposing, an above inflation minimum wage rise. This is at a time of obviously very high levels of inflation. This is very much driven by obviously the policy that was approved previously to align the minimum wage to the 60% median wage but, again, as I said, this is acting in time of high inflation which, potentially, could act into propagating the inflation we have on the Island.

2420 So I do think the concerns presented by Economic Development are justified. I think right now it probably just feels like maybe the proposals are just about right but we just do not know and comparing ourselves against other jurisdictions is probably irrelevant because, actually, we need to compare the cost of living etc. so looking at other jurisdictions is, to me, slightly irrelevant.

2425 So in that sense of actually real evidence to see how many people are actually on minimum wage and does it lead to them not being able to then sustain the type of living, the basic standard of living, the living wage or whatever we call it, for the circumstances that we would like, then we will understand that the issue is because they are not being paid enough so I just feel we walk around this issue without actually having a proper understanding.

2430 So I am tempted to support the policy paper because I think it moves in the right direction but I just really want to raise that and I think we really need to get much better in understanding what is going on in our economy and how that influences people's living standards, how it influences employers passing on the cost to consumers etc. and we just do not have that information.

Thank you.

2435 **The Deputy Bailiff:** Deputy Vermeulen.

Deputy Vermeulen: Thank you, madam.

2440 I have got my finger on the pulse in Guernsey and businesses are feeling the headwinds. There is no doubt about it. There are interest rates which have gone up, people are being far more careful how much they spend and invest in their businesses because of these financial pressures but also they are finding that their customers are going far more careful about how much they spend and it might be somebody who might have dined out three times a week is now just going out once a week. Also, when people buy something, they do not necessarily spend as much as they used to so employers are up against it and Guernsey is not immune from those increases in the interest rate that we saw, the half percent which is quite a jump.

2445 I can only imagine how awful the Island would have been with the GST introduced. I think that would have finished off many businesses and I fear that would have been the case. Luckily, we dodged the bullet on that one but on this one we have got to be careful.

2450 I sat down with some employee representatives from an industry, I will not tell you which one, and I asked them face to face, I said, 'How do you feel about being told that you have got to do

this above-inflation pay increase for large sectors of this particular industry?' And they said, 'Simon, you can do that.' I was very surprised by that response. 'You can do that', but do you know what they said, 'you keep on going like that and you are going to have the £10 pint and you are going to have the £25 beef burger'.

2455 In actual fact, they said, 'We are not far off that now' so we have got to go careful how much we put upon these employers on the Island and, also, we are still telling people not only just what the minimum wage should be but how much they should deduct from their staff for accommodation. I find that really strange in this day and age so perhaps Deputy Roffey could look at that.

2460 He has cleared up in the past that apprentices are on a different schedule to this so they are not affected by it although, back in the day, a craftsman's wage as an apprentice was paid a percentage of a craftsman's wages on the construction industry, for instance.

I do think we have got to go careful and they are tough times. I am not going to support it on this occasion, madam.

Thank you.

2465

The Deputy Bailiff: Deputy Taylor.

Deputy Taylor: Thank you, madam.

2470 I will not bore people repeating points I have made in the past, mainly relating to the minimum wage for young people, but I wondered if I could just put a request to Deputy Roffey if, I think it is coming to us again next year, would a section be able to be included that is looking at the number of young people that are employed, even if it is likely to be on a part-time basis, most likely working weekends, I am not going to give way to Deputy Dudley-Owen because she will be able to speak but let me make my few points and, if she still thinks it is necessary to give way, I will.

2475 A bit more detail; there was some more consultation that was specifically relating to young people and also if Deputy Roffey could give a bit of information as to how the consultation takes place because the numbers that have been approached, I think it was 20 of which eight replied. I know you cannot give them leading questions or you cannot put information to them but is that consultation really looking at young people as well?

2480 That is my main area of interest. I do not employ anyone in that age bracket and I pay well above the minimum rates anyway but I really feel that, when you do compare £5.28 per hour for a 16-year-old working in a cafe in England compared with potentially £9.65, we are talking industries over here that are squeezed in other ways; they may be subject to upwards-only inflation-linked rental increases and they generally do not have the cash available to swallow some of these increases.

2485 The biggest point I just wanted to touch on, as I think Deputy Vermeulen has, is them not being applied to apprentices and I was an apprentice and I never realised that, but I can certainly say there was a bit of a dispute when I finished my apprenticeship in that throughout the apprenticeship I was under the impression that I was on a lower wage because I was, effectively, being paid while I was at college so I was not earning money for my employer and then, when I left college, I was then working five days but it switched around and I was obviously being charged out for a lot more but my wage did not go up concurrent to the amount of more money I was earning him.

2490 So that was an issue for me and, actually, reading here, it has only just occurred to me today that, when I first read this, that the minimum wage does not apply to apprenticeships. Given the difficulties faced for the construction industry in getting staff, is that something that could be challenged and really looked at and brought back to the Assembly maybe for next year. Those are my points, thank you, but I give way to Deputy Dudley-Owen before I sit down.

2495

The Deputy Bailiff: Deputy Dudley-Owen.

2500

Deputy Dudley-Owen: Actually, it may not be necessary for Deputy Taylor to give way to me because I think I got the gist of where he was going and what I was going to ask him was to repeat

his views that he might have previously made on the minimum wage for the young people, noted within the policy letter, because then I would not maybe have had to make my points due to repetition.

I am not sure whether he would like to make those now and then I will decide whether to stand up afterwards and speak or not.

Deputy Taylor: Madam, I am more than happy to. I will condense it as much as I can. The thrust of the issue was employing a 16-year-old, they are greatly different in their abilities. I say 'they' as a general term so you could have a 16 year old who is quite mature and really takes on responsibility but, on the flip side, you can have a 16-year-old who really has a poor work ethic. They have got to learn and they have got to come up to speed and learn things.

If you had, say, £16 available that the business could afford to pay and you were committed to paying £8 minimum wage you could only pay them at a set £8 but, if that minimum wage was lower for that 16-year-old, the better employee could have an extra £2 and you could take £2 off the less able employee so you could actually encourage and that gives a business more flexibility to encourage development in the workplace through better rates of pay.

I will give way to Deputy Dudley-Owen if she wants me to.

The Deputy Bailiff: Have you finished, Deputy Taylor?

Deputy Taylor: I am not sure if Deputy Dudley-Owen wants me to –

The Deputy Bailiff: No, she is not asking to give way, she is standing up to speak.

Deputy Taylor: I will just sit down.
Thank you, madam.

The Deputy Bailiff: Thank you very much.

Deputy Dudley-Owen: Thank you, madam.

The Deputy Bailiff: I have not actually called you yet, Deputy Dudley-Owen. *(Laughter)*
Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you very much. Sorry for the confusion.

I am pleased that Deputy Taylor has said what he was going to say. I understand his point. I was going to make a slightly different point which is why I have now decided to make those points separately from his. It was about Deputy Kazantseva-Miller's point about hyper-inflation and the inflationary nature of increasing the minimum wage and, actually, I have got a view around the minimum wage for 16- and 17-year-olds who, I am going to generalise here because not every single person of that age who has a job is in those circumstances, but, for the large part a lot of those young people will be living at home under the auspices of their parents, paid for in large part, by their parents; utilities, food, household bill etc. and they will often be students still.

So increasing the minimum wage for those students, so young adults in training as we want them to be, actually gives them a greater amount of disposable income and what do they do with disposable income? They dispose of it quite quickly and, in disposing of it quite quickly, often certainly in terms of purchases for clothes, often it is off-Island so money does not really circulate in Guernsey but, where it does, obviously, what they do not do is pay tax on that or contributions on that income.

So, for my part, I am always very sceptical about the minimum wage for young people though, of course, we do want to take advantage of them and we want to ensure that they have got a fair

wage but, where we are hiking that against the minimum wage for adults, we are looking at two different types of people and need.

I think we have got to be very careful and I think that Deputy Kazantseva-Miller has made a really very important point about evidence-based decision-making. Again, we go back to the type of data that Social Security receive from employers and we have obviously got the wonderful returns creator portal and, again, I think that that could be optimised to a greater degree in terms of the type of data that we extract from that and we just do not which is a real surprise because it is a great facility and we could do so much more with it.

I implore that ESS really try to optimise that particular platform and also that we have a greater visibility of the evidence base that is used for these types of decisions and also that we pay heed to the fact that we do have a proportion of our population that have got spend power. They are our young adults in training and we have got to take that quite seriously against the backdrop of inflationary pressures within the Island.

Thank you.

The Deputy Bailiff: Deputy Inder.

Deputy Inder: Policy in Guernsey, not all the time, is often made, just picking up points from Deputy Kazantseva-Miller and Deputy Dudley-Owen, policy made in the void of no data is never very good policy and what actually creeps in is ideology. That is what we have got here and we have got basically an ideological drive to a 60% figure and there is no evidence for it at all, none whatsoever.

So what do we have to do as Economic Development? We have to take consideration of the consultation. Now it is not popular, and bear in mind this is back in May of 2023, we had actually considered it, I think it was in April, it was the end of Christmas. It was all fairly miserable and we were already getting some indications that the F&B, what I mean by that is the food and beverage, were struggling a bit, not necessarily the accommodation. The food and beverage part of the hospitality industry, it is not necessarily the icing on the cake but it is a very important part of the hospitality industry. We had already had some indications, given the war in Ukraine, the inflation, the back end of Christmas, all the joy of Brexit and all the other nonsense and the high interest rates and the F&B part was struggling.

Deputy Vermeulen has made the point about the impact on all of those operating costs and what it means to the cost of those dinners and drinks. How much of that, and I am not pointing the finger necessarily at hospitality, I think actually there is an element, through this whole process, there has been an element of general profiteering. As soon as you say that there is a problem, guess what, pallet comes in, stick 20% on, guess what, it is Ukraine or Brexit. I cannot say that does not happen but the fact remains that we have an obligation to at least give some consideration to the consultation.

The consultation is entirely clear; we took particular notice of what was happening in the construction and hospitality sectors and on the third paragraph on the second page it is hospitality and construction where the minimum wage is more relevant. The proposed increase of 11.5% is above RPIX inflation and that is what has caused further wage inflation, further wage inflation, more inflation. Take out the wage glitch; that is inflation. Both sectors are strongly opposed to the proposal, strongly opposed to the proposal.

There are other parts of the consultation that say, 'Look, it does not really affect us in any way because we do not do it.' And there are many parts actually of the retail sector in which two of my children are working that are actually already above the minimum wage so it will not necessarily affect them.

But we did, after taking all of the feedback into consideration, and particularly those of us that are directly affected by an increase in the minimum wage, and the concerns raised by other parties about the consequences of an inflation rise, the Committee agreed that is not supportive of the proposed 11.5% increase to the adult minimum wage and the young person's minimum wage rate.

So that is what I wrote in May 2023. I do not think anything has improved since we considered that back in April and I would stay exactly where I was back in May 2023. I cannot support this because I think it just adds to the problem and it is entirely ideologically driven, absolutely no data at all, it has been designed again by a political ideologue with no data whatsoever.

2610 ESS right now, and I have challenged the previous President of the ESS and the current ESS, tell me how many people are on the minimum wage right now and Deputy Roffey, when he responds, please tell me, I know I am asking the question, I already know the answer: he cannot do that.

The Deputy Bailiff: Deputy Ferbrache.

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Deputy Ferbrache: I need to declare an interest because I have interests in the hospitality sector but equally to say I will be voting in favour of these proposals.

The Deputy Bailiff: Deputy Gollop.

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Deputy Gollop: Deputy Bury will make a more interesting speech but I will wait unto that. We are not ideologically driven. We have had the minimum wage for a number of years and here is the funny thing; up until 2016, when the then Deputy Kevin Stewart left the States, we had a department that was called Commerce & Employment and actually they administered the minimum wage and it got transferred to us when we became Employment & Social Security.

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In a way I was pleased because it gave me more to do on that Committee and, more to the point, it gave a more balanced approach because Economic Development's predecessor generally attracted some of the cream of the Civil Service and maybe some of the best politicians but they were overwhelmingly pro-business, pro-employment, pro-employers and we are here to represent everybody, employers and employees and ensure that everybody gets a fair deal.

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Somebody mentioned just now people with disposable income will spend a bit, well, this debate improves the economy. I do agree with Deputy Dudley-Owen though that the minimum wage, or we could call it a living wage, they do in Jersey and the UK, the problem with a living wage is what is a living wage for one person is not necessarily for another because, if you are a teenager or even an older person who is living at home and the home is provided for you and your food is provided for you, what you earn is less onerous than if you are a single parent with six children and you are thirty-something.

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Somebody said, Deputy Vermeulen probably rightly said, some people who used to go out three time a week are only going out once a week and I was thinking, 'I cannot afford it but if I go out five times a week I have to cut down' because maybe he has a point. Food is going up in Guernsey and we are beginning to see the £10 pint, the £25 burger, that is a gross exaggeration, but I am still seeing now food that was £8 or £9 a while ago is now £12 or £13.

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But everybody has to pay that, everybody's costs are going up and the minimum wage is a policy that applies in all of our relevant competitors; the Isle of Man, Jersey, elsewhere and the hospitality sector is given offsets. I always support that because I think it is a difficult sector compared to some others but we really do need to raise the bar. The minimum wage policy not only encourages employers to give more realistic wages but it means, more importantly, that we do not have, well we reduce, we do not eliminate entirely, the state topping up employers who cannot afford to pay the full amount.

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Actually, we do not have a shortage of job providers on the Island, we have got a thousand jobs more than we can fill and Members of Economic Development have told us that. So we have to be fair to everybody in the community and we have to reward and motivate people who work, especially those who are really struggling and that means keeping abreast of the times, realising that as costs are rising, as Deputy Vermeulen has said, we have to ensure that the most vulnerable employees in our society are at their strongest and actually have a fighting chance of maintaining their standard of living.

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So I do hope the States will approve this policy and if we fail to, we will just not only increase disparities in society but, more importantly, reduce our competitive position, probably to attracting labour from outside the Island as well as demotivating our own.

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: Thank you, madam.

I will be supporting the motion but I just wanted to make a couple of comments. I have a lot of sympathy with the comments of Deputy Kazantseva-Miller in terms of understanding the way in which forcing employers to pay a minimum wage has an impact on the economy because I think it is really important that we make our decisions based on that but also I wanted to comment, and I was not sure whether Deputy Roffey was going to comment on it or not, but on some of the comments that Deputy Vermeulen said because, one of the things that struck me in his speech, he said he had his finger on the pulse of the economy, what would the economy have looked like if we had GST but, of course, we would not have had GST, we would not have it for two years yet.

Of course, one of the ways to help out the poorest in society would have been to reduce their Income Tax by 5% and to reduce their social security contributions and, of course, the lowest paid in society are, generally speaking, those who are in food and beverage so it would have helped out the economy from that perspective. It is much better, in my view, for the government to take less away from people after GST than it is to force employers to pay people more money as a matter of principle and had the government, had we as an Assembly, accepted the Propositions in the Tax Review, 60% of households would have been better off.

Several Members: Hear, hear.

The Deputy Bailiff: Deputy Bury.

Deputy Bury: Thank you, madam.

It is just brief, brought to my feet by Deputy Dudley-Owen's speech, not to argue or trip anybody up but just to give voice to a group of people who I do not think get much recognition in this debate that comes up year on year and the reason why I dissented from the policy direction last year is those 16 and 17-year-olds that actually are not at home, are not in the bosom of their family and are not being, yes, and I absolutely recognise that within Deputy Dudley-Owen's speech, she did say 'some' but I think that cohort is probably bigger than we might like to think in Guernsey.

We have more vulnerable young people than we like to think as is evidenced by our commissioned services, Action for Children etc. and those 16- and 17-year-olds who probably have not had it easy, that is why they are living on their own and supporting themselves, arguably, do need a decent minimum wage because they are supporting themselves whilst probably in quite difficult circumstances and trying to find their way in the world while they are still developing. I just wanted to give a voice to that group that is probably larger than we would like to think in Guernsey.

Thank you, madam.

The Deputy Bailiff: Deputy Mahoney.

Deputy Mahoney: Thank you, madam.

Just briefly, it is interesting to see Deputy Vermeulen saying that he has got his finger on the pulse or whatever he phrase he used, our own regular Yoda in the community, wise as he is! But I am not sure where he is drinking his beer at £10. I might have seen someone buy a beer at lunchtime today and it was £6 and that was at quite a nice place so I am not really sure where he has got his finger on which pulse but I do not get that.

I echo the points made by Deputy Helyar that actually, for those on minimum wage, they will by definition be in the lowest paid. I shall not be giving way. They would be the lowest paid and

2710 therefore would have benefited from a big hike in their social security allowances and their income tax allowances and a 15% income tax rate but that seems to have been missed somewhere in translation.

2715 But I do find favour in some of the comments that have been made by Members of ED in that this is a policy letter without much information and proof in it in terms of how many people are affected by this so I am on the fence now. I was going to support but now I am on the fence but he can push me back over if he tells me that he has some numbers on it or gives me some sort of guidance on it otherwise I am afraid we seem to be making a decision on not much information.

The Deputy Bailiff: Deputy Moakes.

2720 **Deputy Moakes:** Thank you, madam.

I am a Member of ED so obviously my name was on that letter that went back but the reason I objected was actually the amount the percentage was. I thought the percentage was too high. If it had been lower I would have been very much in support of it at the time. However, upon reflection, there is a choice here now. You vote for the higher amount that you were not that keen on or you do not vote for it and if you do not vote for it then I am afraid some people who really need perhaps a bit of an uplift will suffer as a result of that.

2730 So my view is that I believe it is probably a relatively small amount. I have asked previously for the numbers so we can actually gauge what it is. Maybe I am wrong, maybe there are a lot more people who are on the minimum wage than I think, but I will be supporting this policy letter on the basis that I think it is the right thing to do. I still think it is a little bit too high but I do not want to vote against it and give these people absolutely nothing whatsoever.

Thank you.

The Deputy Bailiff: Deputy Leadbeater.

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Deputy Leadbeater: Thank you, Madam Deputy Bailiff.

I too will be supporting the policy letter. I do not know if it goes far enough. People talk about hospitality workers earning low pay. I do not know many people that own hospitality businesses that are skint and I do not think they will be skint if they pay their staff a little bit more. I do not think that is going to have an effect.

2740 Anyway, if we do not compel businesses to pay a decent wage, the taxpayer will pay it in Income Support. Someone has got to pay it. It makes sense if the businesses pay it so I will be supporting it and, getting back to apprentices, I was on £1 an hour when I started my apprenticeship and I paid £1 a week Social Security so I took home £39. Luckily, I lived with my mum and dad but not everybody does, as Deputy Bury just pointed out. So I will be supporting the policy letter.

2745 Thank you, madam.

The Deputy Bailiff: Deputy Trott.

2750 **Deputy Trott:** Thank you, madam.

These sorts of debates were much easier 20 years ago when we were discussing pay and conditions because of course, back then, States' Members did not get paid and so I think it is relevant to mention that, because of the way our salaries are calculated with regard to median earnings, we earn, based on a 35-hour week, about, I should say, the humble backbenchers amongst us, earn £23 an hour based on a 35-hour week.

2755 Now there are others of course who earn much more and I am sure they demonstrate their value day in and day out, hour in and hour out. But the point is we are talking about an adult minimum wage that is less than half what we pay ourselves and that makes it very difficult.

2760 The people who I think are most impacted by the adult minimum wage are those in hospitality, care workers and retail. Now I have noticed something that has started happening within hospitality

that I am not particularly in favour of and that is this adding in of the tip and then we are given the chance, the opportunity to decline the tip rather than to decide what is appropriate based on the service that we have had but, clearly those tips, under those circumstances, can be quite material and I wondered if the President of the ESS was in a position to advise how, within the hospitality sector, because I accept that you are unlikely to see that in retail and the care sector in quite the same way, how that impacts because, clearly, it can be quite material.

While I am on the subject of tips, madam, and I notice that you found this rather amusing earlier as well so I am sure you will not mind me mentioning this, I give Deputy Ferbrache a tip and that is to familiarise himself more accurately with the history of Guernsey's public finances. He mentioned that, during my time as Chief Minister, I operated at a time of plenty.

My little time in the limelight was between 2008 and 2012. Not only did 2008 coincide with the start of the global financial crisis, which impacted very severely on public finances but, of course, it was the introduction of our corporate tax changes which saw a sacrifice of some £75 million a year. So I am all for wisecracks and quips. I just would prefer if they were a little more accurate on occasions from the President of the Policy & Resources Committee.

Thank you.

The Deputy Bailiff: Deputy Blin.

Deputy Blin: Thank you, madam.

I was actually going to ask Deputy Trott to give way but he was on too much of a roll. On the point about the tips in hospitality and actually a very interesting event has happened recently on that question that Deputy Trott has put to Deputy Roffey about the way that hospitality are adding it to the bill. Having been in communication with a number of hospitality businesses the reason they have been doing this is they are getting less cash being used so they have come to that point. This is just the larger ones.

Here is an interesting point and I hope that it is, thanks to Deputy Trott, actually noted and Deputy Roffey will look at this because what will now happen, as the earnings come through from the businesses including the tips, the tips are distributed to the staff and obviously now they will be paying tax and Social Security on that amount.

Now, actually, if we are really trying to help businesses on the challenges of what they have to do, we should look at an aspect on the tips having a lower tax because I would like to guestimate that when we look at the returns with tax and social security there will be an increase if all the businesses do that. They started doing this, I believe, since about April, very recently, so that will have a direct impact. So please note that, Deputy Roffey, and continue.

I will be supporting though this but I will say that, based on a number of comments including Deputy Kazantseva-Miller's and a number of other Deputies referring to how we should look at this I will support it, one, on the basis of if at the next increase there is some discussion including Deputy Taylor's point about for the younger people to see if they could have a different format because I also agree with that. I do take on board Deputy Leadbeater's comment that not everyone lives at home but if actually all these hypothetical discussions, until we get the stats of how this all works so I will supporting at this time.

I will be more challenging and asking the following time because I do remember asking Deputy Roffey a question in the last Assembly, is there a correlation between minimum wage increasing and Income Support decreasing, and an answer was given but it was not directly explaining that correlation in benefits. So that is all.

Thank you.

The Deputy Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, madam.

I will be supporting the Propositions. I think that people who are on low pay need as much help as they can get and this is really to try and help catch up with the inflation that we have been seeing. Most of the people who have voiced some concern about increasing minimum wage have referenced driving inflation and talked about the potential to drive a wage/price spiral.

Actually, I think somebody mentioned, I think it was Deputy Queripel, mentioned actually profit is one of the things that he thought was driving some of the inflation. I saw an article recently by the IMF which tended to agree that actually profit-taking was one of the things that might be pushing up inflation so it is not always as simple as wages and inflation driving each other up.

Actually, I think one of the things that often does not get mentioned at all in Guernsey but it is our number one States priority is that we have got such a constrained housing market that what tends to happen is that, when people's wages go up, especially people who are on the bottom of the income scale, it just gets absorbed by higher rents and higher property prices and there is this divide developing between people who own property and are seeing the benefits of that and people who are renting or trying to struggle to buy and it is just getting further and further out of reach.

I will be supporting this Proposition but we really do need to get on and try and sort out our issues with housing in this Island because that is the sort of thing that is really causing so many issues for everyone. Yes, I will be supporting the Propositions.

Thank you.

The Deputy Bailiff: Deputy Roffey, your response.

Deputy Roffey: Thank you, madam.

I start off by saying two things. The first is that we are talking about £10.65 an hour. I think that is a reality check we have to remember; and, secondly, I would say if anybody votes against this today they are voting to reduce the minimum wage in real terms by circa 7.5% year on year because it will mean it stays the same in cash terms that it has been the year before. I hope we will have a unanimous vote not to do that.

I will deal with a few of these. It has been an interesting debate, I have to say. I have enjoyed it. A few specific points; Deputy Queripel, maybe slightly tangentially, asked when we were going to be publishing the availability of benefits and help. It was only a fortnight ago during that debate on Income Support uprating that I made the comment we are going to do that.

We are cracking on with doing that. I know that our Director of Operations has been in contact with central comms teams to make sure that we get that message out loud and clear, that you do not necessarily have to qualify for Income Support to qualify for some things like medical assistance and, indeed, maybe a partial qualification for Winter Fuel Allowance as well.

Deputy Kazantseva-Miller, I totally agree and this, to some extent, was picked up by Deputy Inder; we are as frustrated as heck at ESS that we do not get better quality data. Deputy Dudley-Owen said use the returns creator. It is not our tool; we are constantly asking Revenue Services, who do control that. We are not responsible for collecting even Social Security contributions and the number of phone calls I get complaining about something to do with a Social Security contribution collection being wrong and I say, 'Actually, that has been taken away completely from my department. It sits in P&R's Revenue Services.'

We have constantly asked for better data about who is actually on minimum wage. We are assured that changes to the returns creator that will be implemented as a part of the secondary pension scheme will start to deliver that but, yes, we would like much better quality data and we would like to be able to put it in a policy letter so I apologise that is not as good as it should be.

She also said we have got to be careful about baking in RPI. I want to stress our proposals on the minimum wage bear no relation whatsoever to the rate of inflation or RPI. We do not have regard to the RPI figures; we have regard to one index only and that is the median earnings figures that come out. That is the policy of the States.

Now, clearly, there is a secondary link that inflation drives wage claims in the general economy and therefore median earnings will go up more at a time of high inflation but if median earnings

2865 went up far below inflation that is what we would relate to. We are not being driven by inflation itself.

I tend to slightly agree with her. She says it is not that relevant to compare us to other jurisdictions but the law passed by the States instructs ESS to have regard to the level in other jurisdictions and I do not want to break the law so I have been following that and so has my Committee and we are having regard to the minimum wage in Jersey and the UK because that is what this Assembly has told us to do.

2870 Deputy Vermeulen warns us about the £10 pint and yet people on the current minimum wage, if we are talking about a £10 pint, are earning less an hour than it costs to buy a pint of beer in his friends' establishments. I do not think that that is acceptable, not because I want them all to go out and drink beer but, I think if you want back 20 years, the average hourly wage would buy you probably two or three pints of beer so I think that you can argue it both ways.

2875 He is worried that there are people in this community that used to dine out three times a week and now only do it once. I am worried about families who used to be able to buy fresh vegetable, fruit, eggs and milk three times a week and can now only do it once because of the cost of living crisis. If that is ideologically driven, guilty as charged. I think we do, as an Assembly, we should have some regard to the economically most fragile and weakest in our community
(A Member: Hear, hear.)

2880 Deputy Taylor talked about was there sufficient actual differential between the adult minimum and the young person's minimum wage. I would remind him that until a year or so ago the States' policy was to have the same minimum wage for 16- and 17-year-olds as it was for adults. My Committee, ESS, came along and said, 'Actually, we do not think that is acceptable. We think we should target it at 90%.' People could have put in an amendment to it. We were criticised by some who said, 'Why are you wanting to exploit 16- and 17-year-olds?' I do not think there is right answer to it but we are following, as I say, the policy of this Assembly.

2890 It can be changed and I think next year, when we do the last of the steps to 60% of median earnings, we do need a more general policy debate about what the minimum wage is for and where we go after that, if anywhere. Maybe we just say we have arrived where we want to be and we stay there or maybe we make some changes.

2895 He said should it apply to apprenticeships. Our view, it is a bit like Jersey with their training rate, is that there has to be some recognition that when people are under active training that it is not quite the same as ordinary employment. I think he said building trades are needing to attract people. They can still pay a reasonable amount to attract them. Nothing in this legislation stops them from doing that but it has always been traditional not to include apprenticeships and I worry that, if we did include apprenticeships, it might actually work the other way and there would be fewer apprenticeships on offer than there are at the moment.

2900 Deputy Inder I think I have dealt with. Deputy Helyar I think was getting his thoughts in early ahead of next September probably. Yes, I do agree with him and Deputy Mahoney that the tax package that the States voted down by 25 to 15 would have been a great deal of assistance to households on lower earnings or lower incomes and I regret that we were not able to get. We are not always on the same page, myself and Deputy Helyar, we were on that occasion but we were not
2905 able to convince the Assembly of that but I think that he is right.

Tips, that is an interesting one. Deputy Trott brought it up and Deputy Blin continued and said that people are not using cash so much now so that is why it has been added on. I think I heard him say that now it is being paid by the employer they are going to have to pay tax on it and Social Security. I think they always should have been paying tax on it. *(Laughter)*

2910 My understanding is that if somebody gives you a £10 tip at the end of a meal you put that down on your form at the of the year. Now I am not able to police that of course but my understanding is that nothing has changed in that regard. What I would say is that I really hope that the employers do pass on what is called service charges and none of them regard that as part of their profit margin because it really should not be. It is really misleading the customer if that ever
2915 happens.

What I am saying is there is a difference between wage and tips. People have wages and this is what this relates to. People get tips; that sits outside that. You can give your postie an extra box at Christmastime. We are not suddenly going to say that forms part of their minimum wage so it is a totally different thing to wages.

2920 I think I have covered most of the individual situations here but what I would say is it was an interesting debate but, as I started off by saying, this is moderate. I think it is moderate. £10.65 an hour, that is based on working 40 hours a week in order to get the median earnings, I think in our expensive Island, to be honest, if any employer believes that it is acceptable to be really pitching their wage structure below that, I think they need to take a look at themselves, frankly, and I hope
2925 everybody will vote for this.

The Deputy Bailiff: Thank you.

States' Greffier, will you open the voting on the Proposition please.

2930 *There was a recorded vote.*

Carried – Pour 37, Contre 2, Ne vote pas 0, Did not vote 1, Absent 0

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Inder, Neil	None	Parkinson, Charles	None
Blin, Chris	Vermeulen, Simon			
Brouard, Al				
Burford, Yvonne				
Bury, Tina				
Cameron, Andy				
De Lisle, David				
De Sausmarez, Lindsay				
Dudley-Owen, Andrea				
Dyke, John				
Fairclough, Simon				
Falla, Steve				
Ferbrache, Peter				
Gabriel, Adrian				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Prow, Robert				
Queripel, Lester				
Roberts, Steve				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				

2935 **The Deputy Bailiff:** In relation to this Proposition there voted Pour, 37; Contre, 2; there was 1 Member that was not in the Chamber and therefore did not vote.

I therefore declare the Proposition has been passed. Thank you.

POLICY & RESOURCES COMMITTEE

**14. East Coast Development –
Debate commenced**

Article 14.

The States are asked to decide:-

Whether, after consideration of the Policy Letter 'East Coast Development' submitted by the Policy & Resources Committee, they are of the opinion:

- 1. To approve the proposed Board membership, remit and funding for the Guernsey Development Agency, as set out in paragraphs 3.7.1 to 3.9.4.*
- 2. To approve the Development Principles and Objectives as the overarching strategic direction for the Guernsey Development Agency.*
- 3. To approve the proposed Terms of Reference for the Political Oversight Group, as set out in Appendix 1.*

The States' Greffier: Article 14, Policy & Resources Committee – East Coast Development.

The Deputy Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Thank you very much, madam.

Somebody I respect greatly said to me just this week that Guernsey needs something to smile about. Now I smiled when we found the tortoise that was 85 years old, that had gone walking about. I smile about other things but we need to smile more about that. We do not need to be unduly sensitive when we have our leg pulled, we need to move forward in relation to these things, because if you dish it out you have got to be able to take it. (**Several Members:** Hear, hear.)

Anyway, I do not need to dwell on the point that we are particularly facing difficult economic headwinds. We all know that, we have made reference to it in the previous debate and generally. All Members are only too aware of the pressure this is placing on the delivery of essential services and it was a tangential point to the motion to annul the debate earlier today whereby part of the problem was a lack of resources in relation to what we have to provide.

The Government Work Plan also acknowledges that shortage of resources and identifies the need not only to operate efficiently but to actively grow our economic competitiveness. The worst thing you can do in times of strife, and these are relative times of strife, despite Deputy Leadbeater's comments, not every employer is making big profits and can just heap money on it, and Deputy Queripel about big bonuses.

I am not quite sure which world they live in but it is a different world to the world I live in in Guernsey and I actually employ people and run businesses but, nevertheless, I value their comments but, again, taking Deputy Trott's point in relation to a comment I made, sometimes you have got to have some facts behind your comments. But it does not matter in relation to that in this context.

You have got to look forward. You have got to look forward and you have got to realise that, look what our ancestors did in the 19th century. In difficult economic times they constructed the market and the market buildings, 1822 and 1830, I think, if you look on those. Twenty or so years later there was the Harbour. I remember Deputy Le Tocq did some research some time ago about Guernsey's debt just after the Napoleonic Wars and in today's money it would be hundreds and hundreds of millions of pounds.

We did not have a welfare system in those days, we did not have the system, as we should do, of having an economic safety net for people but they went out and they built the harbour and they did other things. They made Guernsey productive and such that by about I think the time of the First World War those debts had been largely paid off. Then of course the First World War came along.

Now what we can do in 2023 is say, 'This is all terrible. We cannot do anything.' Or we can actually realise that we have to grasp opportunities when they present themselves. Now the policy letter that we have and we are just about to consider now can lead to the unlocking of many of the issues included in the Work Plan, including housing delivery that Deputy Matthews rightly, in every speech he makes, draws attention to because he is absolutely right, we need to be delivering more houses, also climate change which is a very important issue. We have seen examples of that. We have just had the warmest June I think in history and regeneration. We walk round various part of town, not only town, and they are grotty. They need regenerating and they need regenerating now.

The co-ordinated development of Guernsey's east coast has the potential to be transformative. It is transformative in equal terms for economic, environmental and social benefits. The significant opportunities arising from the potential development along our east coast have been recognised by Guernsey governments for decades and there have been several initiatives seeking to bring this forward and they have been prioritised by various different Assemblies but they got lost in the jungle, to use a phrase that Deputy St Pier used earlier.

Despite the good intent, and the genuine good intent, of our just recent predecessors in relation to States' decisions there has been a lack of investment in the infrastructure and that is so crucial in support of the economic, social and environmental activity along the east coast. Perhaps a bit off the point but it was a point made by one of the speakers in an earlier debate, and I know from my days as President of the STSB, St Peter Port Harbour could just swallow up over £30 million in basic maintenance tomorrow and that is not to make it pretty, that is to make it practical and workable, £30 million plus, probably more, nowadays.

Whilst much of the infrastructure in the area continues to perform well, because we in Guernsey, we are good at squeezing the last bit of juice out of the lemon and making things last a bit longer, that is because we have always been prudent in the past with our finances and because if you are a Guernsey person you have a propensity not to like to spend money. I have lived all my veteran years and I have still not liked spending any money and, as one of my friends said recently when he thought I had memory loss, he said he cannot remember the last time he bought a drink because he just never has bought a drink. So it is in relation to that I think I am a pretty typical Guernseyman in that regard.

But we do need to enhance and prepare and develop our assets particularly along the east coast. We have had piecemeal development, we have reacted to external influences rather than driving ourselves forward in what we have used to do which was a proactive and positive way. Now people can criticise the Development Agency, the establishment, but its establishment provides an opportunity for an arms-length body to work with community groups, business representative bodies, stakeholders in the government and infrastructure investors to enable development that provides positive opportunity for Guernsey.

If we say the States can do it all, no we do not, we do not do it, we have not done it, our predecessors have not done it, we have not developed things. Let us go out to people who have expertise who are willing to devote their time to try and develop and it is a long-term process. There will be some things that can be done in five years, there will be some things that can be done in 50 years to develop our infrastructure along the east coast.

It will also direct, if the policy letter is approved, the commencement of work that will see, in my opinion at least, tangible progress made towards realising our strategic objectives. In March 2022, the Assembly gave its support to the concept of the Development Agency. At that meeting I stated that the Agency represented an opportunity that would be innovative and expansive. I still have that opinion 15 or 16 months on despite that fact we had only just started that awful war in Ukraine then. We have had inflation, we have had all the other problems the world has had. This is to pass.

The proposed structure of the relationship between the Agency and the States of Guernsey, in my view, strikes a balance that will enable the Agency to deliver on the States' agreed objectives at speed. That is a word you do not generally put with actions from the States of Guernsey, speed, whilst also being proportionally accountable to the Assembly.

I am very grateful for the unpaid work that the interim group has undertaken today. That includes doing a lot of work formally registering the GDA as a company and establishing and carrying out some of the administrative processes that were necessary for it to function.

In a different context, Deputy Roffey paid tribute to a particular person today. I pay tribute to Mr Stuart Falla CBE who was very much one of the prime movers behind the Development Agency, contributed hundreds of hours of work, lots of wisdom and lots of effort and I am sorry he is not going to be part of the process going forward but I am grateful to him for his work to date.

The recruitment process that we undertook in January this year, Deputy de Sausmarez was a member of that, has resulted in the proposed Agency board which has the right mix of skills to deliver on its objectives. Now you have seen their CVs; Peter Watson, Simon Kildahl and Louis Le Poidevin have put themselves forward to become first members of the Agency that I am sure will become a vital delivery mechanism for our States. As noted within the policy letter there will be further recruitment undertaken with a view to cover any potential gaps in skills and knowledge base and an additional focus on ensuring diversity of the board's membership.

Since the States approved the concept of the Development Agency last year work has been undertaken to clarify the role of the Development Agency during its first 18 months. The first task will be to prepare an interim plan which will set out the Agency's proposed approach to things like funding, public and private partnerships and infrastructure delivery. This interim plan will require approval from the Political Oversight Group which again is referred to in the policy letter whose job will be to ensure that the proposed activities of the Agency are aligned with the objectives of the States and provide a benchmark to measure the Agency's progress for the duration of its initial 30 months of funding.

It is because of the additional detail and understanding of the Agency's activities during this initial phase, that the Political Oversight Group and the Shadow Development Agency board have agreed to a reduced budget from that that was originally suggested just in March 2022. The Development Agency, again if approved, will now operate on an initial budget of £250,000 for the first two and half years of its operation which is a quarter of what was originally proposed.

Within its original phase of funding the Agency will be tasked with preparing a business and funding plan. That plan will be a detailed proposal for how the Development Agency will be funded in the long term as it moves from initial planning into its delivery phase because you have got to lay the foundations of a house before you can build it. This is the laying of the foundations of the house and then we will see how big and how many houses, figuratively, we are going to build.

The business and funding plan will be informed by the outcomes of the land management transfer proposal and that is again always going to be subject to the approval of the States. No States' land can be given or sold without the approval of the States and it will involve the development of the key infrastructure delivery programme which will identify the areas to be managed by the Agency and the potential developments for those various agencies. That funding plan will ultimately require the approval of the States and will be included in the 2026 Budget.

It is welcome news that the Development & Planning Authority have commenced the local planning brief preparation process. It is critical for the DPA and Development Agency to be aligned as much as possible in preparing the local planning brief and the key infrastructure delivery programme, respectively. Thus, with this in mind, the Political Oversight Group and the P&R Committee have prepared and proposed development principles and objectives, which set out the framework which will include the preparation of both the local planning brief and the key infrastructure delivery programmes.

Let me just pause there to say there are going to be lots of loose ends, lots of grey areas, there are going to be lots of uncertainties, there are going to be lots of, but let us use that word I used in a different context earlier, let us give trust to people, let us give people a little bit of inspiration, let us give people a bit of rope to prepare themselves with. They are not going to hang themselves with it, they are going to seek to deliver something that is good for Guernsey and our east coast.

Of course, any proposals, and Deputy Roffey said in a different context, must adhere to the law so any proposals for developments must adhere to all the development principles approved by the

3075 States and meet at least one of the development objectives. These objectives have been kept suitably high-level because otherwise we are not going to get anywhere if we debate everything to the nth degree which we have a tendency to do and the idea of keeping it high-level is to provide guidance for dealing with opportunities and challenges without jumping to the solution before necessary evidence-gathering can be undertaken.

3080 The local planning brief which I hope proceeds with due expedition will provide the evidence to inform the identification of solutions to these opportunities and challenges and will provide the planning framework which will allow the Agency to bring forward the delivery of these solutions. The Agency will act as a key stakeholder in the preparation of the local planning brief. It will provide a commercial viewpoint into the viability and deliverability of potential developments.

3085 For clarity and to provide Members with assurance, the local planning brief will be brought back to this States – *this States* – for approval in about 18 months, I am told. During this time, the Agency will be undertaking the initial scoping to inform the foundation of the key infrastructure delivery programme as well as gaining an understanding of the options for delivery and funding mechanisms to support specific developments because they will have to come back and say, 'We want to build this. That is going to cost X. How are we going to do it? This is how we suggest to do it.'

3090 Once the planning brief is approved by the States, we hope in early 2025, the Agency will then have a further year to finalise the key infrastructure delivery programme which will have to be agreed with the Political Oversight Group.

3095 In my view, this approach is the most streamlined way of hoping to achieve the delivery of development along the east coast whilst minimising the risk of duplicated or redundant work being undertaken ahead of or during the preparation of the local planning brief. There are some risks involved in this approach, as I have said, but it is far superior to just waiting and waiting and waiting until the planning brief is approved to establish the Agency. The Agency can provide significant value in the meantime, both in terms of inputting into the planning brief and setting the foundation so that the delivery of the development following its approval can be expeditious.

3100 Deputy St Pier has asked me this; he said although not directly part of the Proposition, the appendices containing a series of overlapping agreements between the States and the Agency, an MoU, an SLA and a grant funding agreement. He suggests they could all be combined. I absolutely agree, just initially produced separately, because that is the work processes work, but they should be joined and they will be merged in due course, an excellent suggestion. I am glad to take that forward.

3110 So, Members, madam, I commend this forward-looking policy letter to the Assembly. Please let us not pick it to pieces. Please let us give it the approval it deserves and what I do offer, States' Members, is a briefing on a one-to-one personal meeting on any aspect of the work of the Development Agency.

Thank you very much.

The Deputy Bailiff: Deputy Inder.

3115 **Deputy Inder:** Only briefly and I am grateful for Deputy Ferbrache's speech actually because it has taken quite a lot of what I had in my mind and I think what he has done is effectively said nothing is perfect. If anyone through this debate is going to expect it to be in a nice little –

3120 **Deputy Ferbrache:** Point of correction.
Deputy Trott is perfect.

Deputy Inder: Yes, he has told me himself! Sorry he has thrown me off a bit.

3125 In short, nothing is perfect. From a personal perspective having been the President of Economic Development in our own Committee we have had a number of difficult births actually. One has been the Tourism Management Board and, by way of comparison, everything we did beforehand, in terms

of tourism, was entirely rubbish. It could not work and it just was not very good and the industry got up and kept blaming Government for everything.

3130 Now, we have created a Tourism Management Board of five people who now currently have charge or are certainly in control of an existing grant from our Committee. It started on a path, it is not going to be as fast as people want and it will always improve itself. It will certainly improve itself. So ideally we hope it will turn itself into an LBG, it will find some way of raising money from its own industry and we would like to think it is going to be self-funding but that is not going to happen today.

3135 But what we have actually done is broken the relationship between Government and tourism. Whatever happens to the TMB, and I am drawing comparisons here, I do not think Government will ever have the responsibility for tourism again and the TMB itself will improve over the coming years and I think it sounds similar to what Deputy Ferbrache has touched on in his opening speech. It will not be born perfectly formed but it is better than now.

3140 As someone who has hung around the harbours most of his life I was thinking back the other day because I was down, guess what, Castle Emplacement and I went to the end of the lighthouse where we used to go crabbing, fishing, all that kind of stuff and I walked back and I had a good look. Nothing has changed in 40 years. It is actually 50 years. Very little has changed.

3145 The only thing that has changed is the old Harbour Marina that was built round when I was eight or nine years old. I think the fishing quay has been built and that is all the improvements we have had down there, probably Boatworks+ went up as well. But in the main that harbour has been, certainly Castle Emplacement, or the purposes of this portion of the speech has been an under-utilised area for nearly 50 years.

3150 With the greatest respect to STSB they are not the visionaries, they are not going to be visionaries, they concern themselves with things with land ties, fixing, well I say fixing walls, fixing walls and ensuring the boats can come alongside and the health and safety aspects. The Model Yacht Pond still leaks, the lifeboat slips has got worse, the fishing quay itself is not in a very good position and the opportunities along there are absolutely massive. Now we know it, we know what could be done down there but it has not been done, it has not been done, so all this policy letter is asking is effectively a bit of trust and please try.

3155 Now, will it be perfect as this rolls through this Assembly? Of course it will not be but I do think it is a start because what it does is it puts a more commercial aspect of some very good people, one of them, the Chair of which is the one I actually voted for the first time around so I got what I wanted in the end but we will see at the end of this debate.

3160 But I would give them fair warning and it is the same warning that the same mistake was made last time. My advice to this new board is do not go for the initial big prize. Prove yourself somewhere on smaller projects and do it well. Do not do what happened last time. The first announcement was a tramway from the north of the Island down to town, mistake 101. That was a mistake and I am glad we have had a change of leadership to be honest with you.

3165 What is required is a little bit of trust from this Committee. We have got an independent bunch of people out there. They are, I think, as Deputy Ferbrache said, going to expand on that talent pool and really we are asking this Assembly to give it a go. Giving it a go is not giving it away because something will come back, I think we have been told in the next 18 months, but I have heard that before, but this group of people will build themselves up into a team, they will give greater consideration, they will have a certain amount of independence, they will look for ideas.

3170 I am quite sure they will bring in people and I think they will actually give confidence. They will actually give confidence to potential investors so I think, for the purposes of this, I do not know that this is the answer, I think it could possibly be, but if you think the answer is what we have got now, well it has not worked in 50 years so we have to try something else.

3175 Thank you.

The Deputy Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, madam.

3180 Giving it a go, given that money is tight, why the funding a quarter of a million pounds with so many other areas that are desperate for support? Why the funding from the Budget Reserve for this Agency? That is point one but point two is it is coming before the review of the Government Work Plan and should be integrated into that review and not before it and the problem here is that here we are being asked to spend money before we come to the Government Work Plan review which
3185 is just in a few days' time. That is the time for this to be proposed, not before and not given preference.

The Deputy Bailiff: Deputy Kazantseva-Miller.

3190 **Deputy Kazantseva-Miller:** Thank you, madam.

In my manifesto I was very supportive of the idea of having a Development Corporation. I think I called it a seafront enhancement agency or something like this and I continue being supportive of the idea that we need to do things differently. We need to give community and everyone some kind of hope. I do continue absolutely to support the idea we need to do things differently.

3195 I do want to give a small, short refreshment of the process that led to the debate we have today. I do want to say I am thankful that we do actually continue having this opportunity to debate the concept of a Development Agency. Just to remind colleagues that this concept of a Development Agency arose from the debate on harbours, the future of harbours, that took place exactly just over two years ago in June 2021.

3200 The STSB brought proposals for Future Harbours developments, a huge piece of work undertaken over several years with technical consultation and so on. The proposal for an Option 5. Through debate other amendments were laid; amendments that were supporting the development of St Peter Port Harbour were not successful and, during the course of debate, it was clear that potentially was Option 5 and 6 that were interesting but both were centred around having a
3205 potentially commercial harbour further north.

During the debate we had what was called the compromise amendment that was laid and the compromise amendment was about putting the idea of a development agency into place because the Assembly recognised that actually there were wider opportunities, wider implications, potentially the need for co-ordinating ports and so on.

3210 But also the compromise was around the necessity to still progress technical works around figuring out what will happen with the harbours. There was the compromise amendment. The compromise amendment was successful, however, in general debate, once it came to substantive Propositions, the compromise fell apart. So we were left with the propositions around the concept of forming the development agency, they remained successful, however, anything in relation to
3215 further technical work, investigative work, in relation to harbours completely fell away at that stage.

Fast-forward a little bit to March last year, 2022, where we had further decision, further consideration in terms of what was happening with the Development Agency brought to us by Policy & Resources and Policy & Resources were recommending that the decision of the owned harbours was to be effectively transferred to Policy & Resources and that the Development Agency
3220 would be formed with a budget of £1 million for its first two-year period, £1 million that became part of the Government Work Plan at that stage.

I also want to remind Members that, by amendment, the Development & Planning Authority brought a successful amendment that said, 'We would be very keen to start a local planning brief for St Peter Port and St Sampson's Harbours within 18 months of a decision being made on where
3225 the commercial harbours would be or direction on the commercial harbours, basically, because we felt it was an essential piece of information that we needed to make a constructive and successful local planning brief process.

Fast-forward to where we are now. What we have today is a substantially reduced proposal in terms of the funding for the Development Agency so from £500,000 per year it has gone to £100,000
3230 so the majority of that budget will be eaten by salaries of the chair and also currently two other

members to be appointed but. I believe another member will be appointed so there will be no really additional budget that could be spent on any further research.

We have right now, effectively, a complete vacuum in terms of a decision about what will happen to the harbours, really when it will happen, who is ultimately responsible for that decision to take place because currently it has been pencilled on page 6 to be a decision of Policy & Resources Committee. It seems like last time I looked at the mandate of Policy & Resources Committee it really had nothing to do with deciding on operational and commercial harbour infrastructure requirements so we are in a bit of a vacuum.

In the meantime Planning is going ahead with the local planning brief process and the way we are going to do it is we are going to imagine two scenarios. One scenario is going to be that the commercial harbours will remain where they are, the *status quo*, and another scenario where the commercial harbours will move so, effectively, we are going to be looking at designing four local planning briefs, two in St Peter Port, two in St Sampson's.

I do not think anyone in Planning or beyond actually really understands what it will mean practically because what it will mean is that we will have some kind of nice ideas about what might happen in one scenario and what might happen in another scenario but what will happen, when actual ideas and planning applications might come our way, how are we going to decide whether they are going to go ahead or not because we will still have absolutely no information within two years, three years about what will happen to the harbours.

The other thing with local planning briefs, like we have done with the St Peter Port development frameworks, beautiful documents that we published at the beginning of this political term, what has happened in terms of development in those beautiful St Peter Port development frameworks? *Nada, niente*, nothing.

So, again, we are taking this planning right now with a beautiful vision of seafront enhancement, Planning is taking the lead, the only Committee really taking the lead on actually doing anything in relation to harbours, drawing up forced hypothetical scenarios and again taking this master-planning approach, basically, which might not lead into anything because actually master-planning traditionally has not worked for Guernsey and we have seen St Peter Port framework as an example.

So I hope you can start seeing why I am starting to become a bit sceptical about whether we are setting this up, something I continue believing in, but we are setting this up for failure –

I give way to Deputy Taylor.

The Deputy Bailiff: Deputy Taylor.

Deputy Taylor: Thank you.

I am very grateful to Deputy Kazantseva-Miller giving way there. Just while she is on the theme of planning issues I wonder if she thought it might be relevant to raise that if the local planning brief is completed ahead of the Development Agency actually getting anything done they could have all the best ideas in the world but they would have to apply them within the context of the local planning brief so they will be somewhat constrained.

The Deputy Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Yes.

Deputy Oliver: Point of correction. Sorry, can I do a point of correction on a give way? I am sure I can.

The Deputy Bailiff: Yes, you can. What is your point of correction?

Deputy Oliver: The Development Agency will be talking to the LPB. It will not be done separately. That is load of rubbish.

The Deputy Bailiff: Deputy Kazantseva-Miller.

3285 **Deputy Kazantseva-Miller:** Thank you.

At the same time I had a look at the way the Jersey Development Corporation came about and has developed but also the recent Isle of Man Development Corporation which is a more recent development so, in a nutshell, both Development Corporations in the Isle of Man and Jersey came about when the government decided to designate very specific land parcels, effectively, brown field sites which could be given to this Development Corporation for development. In Jersey very much concentrating on property development, in Isle of Man it is a bit wider with regeneration, but designated very specific land parcels with very clear objectives.

3290 Here, we are taking a completely different approach. We are basically looking at the whole eastern seafront. So this is where I believe we are at with all the best intentions in the world and I do really think we need a different type of agency but I just believe we have this fundamental vacuum in terms of the strategic decisions with the ports.

3295 Others have called it gridlock, a jam, a Gordian Knot and I wonder whether the Assembly recognises this so I do support what Deputy Inder said, I still support what Deputy Ferbrache said we need hope, we need to trust but let us not delude ourselves. Guernsey Development Agency is being painted as this panacea that is going to solve all the problems that the States has not been able to solve.

3300 We cannot – unlike, for example, tourism and Deputy Inder’s vision of breaking the relationship between Government and tourism – break the relationship between Government and the whole of our eastern seafront because there is a huge amount of policy decisions that have to be undertaken through different Committees in relation to the eastern seafront.

3305 We talked about inert waste earlier today, we would need to talk about hydrocarbon import, a huge decision, the policy on electricity strategy, obviously we have talked about harbours; this is just to name a few, four key policy areas which have to continue sitting absolutely with the Government. We cannot just assume this Agency is going to solve all of our problems.

3310 So when I looked at the policy paper I was just of the opinion that we are effectively setting it up for either failure or this to be maybe a waste of time for three years. We are setting the people, which I believe are absolutely a great choice of people, I have spoken with Peter Watson and thanked him for the time, I think they are going to be frustrated very quickly because they are very capable, intelligent, experienced people. They are going to be very frustrated once actually the rubber hits the road and they realise that they are tied in this knot because of the vacuum of strategic decision-making so I considered could an amendment be brought to this policy paper to resolve this. The problem is there are so many different issues.

3315 We need a decision on the direction of harbours, we need actually to figure out what is the financial road of commercialisation and governance for ports, they need to be a bit more in control of their destiny, that is a whole thing by itself. This links into the Machinery of Government and I am thankful to Deputy Le Tocq. We had a conversation whether anything could be done there.

3320 There is just multiple layers and I could not come up with anything that could improve this policy letter so what I am raising now, and I am raising early in debate, is the question to all of you do you recognise this massive vacuum and gridlock that we are having, which is effectively going to gridlock planning decision-making, major development that we are hoping to see on the eastern seafront for years to come.

3325 I do not know if you, colleagues, are realising that and, if we are realising, can we have an open debate about that as part of this policy letter and perhaps come to an agreement that something could be rescued through some kind of amendment or we could work on a requête or we can bring something additional to the Government Work Plan but I just hope that we can be adults in this conversation and do not hide behind the Development Agency being able to solve all of our problems.

3330 We need to make those serious decisions I talked about so I am offering these thoughts up for further debate. I think on balance, even with all this space I think it is still better to have someone

3335 to help this group of independent people who can help us on the way but I just do not think this is really enough. I think it is our responsibility to try to better to resolve this vacuum, this gridlock, this Gordian Knot we have tied ourselves to because otherwise we will be wasting years and years of time.

Thank you.

3340 **The Deputy Bailiff:** Deputy Vermeulen.

Deputy Vermeulen: Madam, that was a fine speech by Deputy Kazantseva-Miller there and we were in a meeting yesterday where we heard just those concerns about how one Committee, which
3345 I will not mention, was finding problems making progress because of some of the red tape, some of the legal obligations they had, some of the planning challenges they had.

So I recognise exactly what she is saying but I do not accept that those will be barriers to progress and I am with Deputy Ferbrache on this. At some stage, we have got to get on with it. And our forefathers got on with it. They built a market, they built a fantastic harbour. It is still in pretty, well
3350 it is still in the same shape it was when built, it probably needs repointing and improving, but that was quite an engineering feat back in those times.

I have come to realise that now and again you need to listen to a wise old head and Deputy de Lisle mentioned, 'What is the point of this if there is no money?'. Now that is a great observation and I will listen to how Deputy Ferbrache answers that but, to cut through all the naysayers and the
3355 red tape, could I ask, and I welcome a one-to-one meeting which is an open-door and I am going to support this, but could I ask that you give an automatic green light almost to any revenue-generating idea that comes up within this east coast development area.

You have got the slaughterhouse there, you have got some movement on the Vivier Bunker but there is, as Deputy Inder says, an awful lot more that can be done. How about a hotel, a harbour
3360 hotel, for instance, we lost The Royal to offices and flats but it would be great to have, who knows, a Radisson hotel, for instance, on that site. So I am going to support this, I think. I am not going to accept any excuses that we could not make progress because of the red tape. We know all about red tape. Now let us make it happen and I am going to support it 100%.

3365 **The Deputy Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you very much.

I am probably going to be supportive of it. I am just going to make four points.

We need to remember what the important bits are and I think Deputy Kazantseva-Miller did so.
3370 The main thing is, it is harbours, the two harbours, we need to make sure that our harbours are fit for purpose for the future and I think that is going to be one of the Agency's main concerns and that priority must be put on top of the other considerations, whether that be for other investment opportunities.

We have also got an opportunity to reclaim land. We have just been told, earlier today, that we have got to be now stockpiling inert waste at Longue Hougue. We have got an ideal opportunity to use some of that inert waste for land reclamation at, in particular St Peter Port Harbour, to make the harbour larger so that it is fit for purpose for the future and as our ships go from 100 metres to 120, 130, 140, 150 metres in size, because that becomes more economical and more environmentally friendly, we need to make sure we have quays that can cope with those size ships.
3375 So I hope this Agency will put the harbours first and foremost before they look at some of the other opportunities.

My second point is do not spoil the east coast from its attractive nature on the altar of high rise carpetbaggers. I do not want to see a Jersey waterfront so let us be innovative as we are going to do our plans for really interesting things but do not just reproduce Milton Keynes on Sea. *(Laughter)*

3385 Third point, do look at some of the other ideas that have been put forward in the past. Not all of them were bad. For me, the tidal lagoon with the idea of the hydro-making facilities was a good

one from HydroPort so my advice to the team with Mr Watson and co is to look at some of the other ideas. Their first month or so should be reading what has happened in the past because there are some really good gems in some of the previous work from 2008 all the way through to 2016 and on to 2020. That includes looking at the Castle, Havelet, there is no need for them to reinvent the wheel so my plea to the Agency is look at some of the ideas that have been put forward before as your first bit of homework.

Deputy Ferbrache said no land can be sold without the States' approval and that comes on to my fourth point. We need the States to be kept in the loop. We are the elected body and my advice and my plea to Mr Watson and co is keep us in the picture.

I do not want to be reading about some new, clever idea that they are going to come up with in the media first and I would ask if we could, especially from the comments that we have already had this afternoon and also from those to come, that a copy of the *Hansard*, if they are not already listening to it, is passed on to the Development Agency as one of their first things that they need to read so they get the temperature from this Assembly and ourselves, the elected representatives, of what we are looking for them to do besides the policy paper. So if I can just have an undertaking from Policy & Resources that they will give them a copy of the *Hansard* as well as the policy letter as their first piece.

They are my four points, it is just to remember harbours are most important. Secondly, do not spoil the east coast with a lot of high-rise and just selling things off willy-nilly because it looks like a good idea at the time. Look at what has happened in the past and some really good ideas that have been put forward and, finally, make sure we keep us as the elected body in the loop.

Thank you.

The Deputy Bailiff: Deputy Queripel.

Deputy Queripel: Thank you, madam.

I am all in favour of maximising the opportunities on the east coast. I am also in favour of four of the objectives found in pages 7 and 8. The one I am not in favour of is Objective 3, which reads as follows, starting with bullet point 1:

Developing proposals for improved parking infrastructure, allowing for existing parking to be relocated away from the surface of the seafront.

Bullet point 2:

Identifying the most viable option for taking through traffic off the surface level of the road between the South Esplanade and the North Beach roundabout.

And bullet point 3:

Identifying options for mobility hubs in central locations in St Peter Port and/or St Sampson, as well as supporting transport infrastructure to improve connectivity and choice.

The reason I am opposed to all of those is because, in my view, that will result in insurmountable inconvenience for anyone who wants to shop in our Town. If parking is removed from the piers I truly believe that will be the death of our Town. (**A Member:** Hear, hear.)

I am not going to give way to Deputy de Sausmarez, madam, she can say everything she wants to say when she speaks.

Deputy Oliver: Point of correction, madam. Within the Development Framework regeneration area there are already suggestions that the traffic can be done differently so I think it is just a continuation from that.

The Deputy Bailiff: Deputy Queripel.

3430 **Deputy Queripel:** That is not a point of correction, madam. I am commenting on the policy letter, end of story. So, I will go back to where I was.

The Deputy Bailiff: I think it was a point of correction, Deputy Queripel, but nevertheless please do carry on.

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Deputy Queripel: If parking is removed from the piers I truly believe that will be the death of our Town. A park-and-ride will be put in place somewhere and, in relation to that, will enough bus shelters be provided to shelter the hundreds of people who visit our town every day and will they be big enough to shelter those people from the wind and the pouring rain throughout the winter. Now surely the answer to both those questions is no because where is the money going to come from to pay for all of that and do people really want to go onto buses with armloads of shopping, take their shopping off the buses and put it all in their car? I doubt it.

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So, in relation to forbidding traffic to travel between the South Esplanade and the North Beach roundabout, there are three ways that have been mentioned over the years; either a tunnel or a bridge is put in place, both of which would cost tens of millions of pounds. Once again, where is the money going to come from plus both are completely impractical and unrealistic. How will the practicalities of either building a bridge or putting a tunnel under the road be overcome? The answer to that question surely is they will not be as this is far too much to overcome.

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The third option would be a ring road around the town and where is that ring road going to be sited? I suggest the ring road will be the roads that currently run around our town and that will not work because they are all gridlocked at some stage during the day as it is and, whilst I appreciate some of them could be made one-way, surely that is only going to make things even worse. So the ring road idea is not going to work either.

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Plus several vehicles would have to be given permission to still travel along the seafront anyway every day. I am talking about delivery vehicles, buses, park-and-ride buses in particular if that ever takes off, taxis, emergency vehicles such as ambulances, fire engines and police cars and also vehicles driven by people with disabilities.

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So we might as well forget the whole idea and just leave it as it is which brings me to a question I have asked on more than one occasion in this Chamber and no-one has ever answered it. So I will ask it again in the hope that someone is going to answer it, the question being is, 'What exactly is the problem we are being told we need to fix anyway?' Hopefully, one of my colleagues will answer that question when they speak, madam, because I cannot see the problem.

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We may have the answer but, seeing as I did not give way to Deputy de Sausmarez on the basis that she can say everything she wants to when she has a chance to speak, so can Deputy Inder –

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The Deputy Bailiff: Deputy Inder has already spoken, I am afraid, Deputy Queripel.

Deputy Queripel: Well that does not usually stop him speaking again, madam! (*Laughter*) Which is exactly what he wants to do now so I will give way.

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The Deputy Bailiff: Deputy Inder.

Deputy Inder: Very kind of you, Deputy Queripel.

To answer his question over one of the problems we have been trying to fix is there has been a lot of focus on St Peter Port but I would ask Members as we go through debate to think about the north of the Island and I mean St Sampson's. There are real opportunities there. It is almost a blank canvas.

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If Leale's Yard happens, and we all hope that it does because it will solve in part the opportunity, look what that could possibly do. Look what that could do for the north. We are already seeing

3480 applications in for the Quayside site, we are already seeing developments along there, and if you start heading further effectively east, what about Griffiths Yard, what about the Monmains site?

There are opportunities everywhere. Deputy Queripel is right to a degree, there are more difficulties, but what I would like him to consider, possibly overnight and by way of response, one of the problems we are trying to fix is what to do with St Sampson's and the real opportunities, 3485 some of the easier opportunities, are up there so I would ask Members, as they go through debate, to give some consideration about St Sampson's and the Bridge.

The Deputy Bailiff: Deputy Queripel.

3490 **Deputy Queripel:** True to form, madam, Deputy Inder has done it again. He has made an excellent second speech but I am focusing on Objective 3 so I will carry on doing that.

So I will just repeat the question, 'What exactly is the problem we have been told we need to fix on the seafront in Town?' When everyone realises none of the ideas are going to work we will then be considering the old chestnut of paid parking again on the piers and around our town. Once 3495 again I will rally against that for the very same reasons I rallied against it some years ago when the late Wendy de Bourgonniere and I put a petition together that gathered well over 6,000 signatures against paid parking in our town. Deputy Burford will remember that because I presented it to her outside Frossard House.

Whilst we were compiling that petition I spoke to dozens of traders in our town who were totally 3500 and utterly opposed to paid parking and also totally opposed to removing cars from the piers. In their view it was absolutely vital –

Deputy de Sausmarez: Point of correction.

3505 **The Deputy Bailiff:** Yes, Deputy de Sausmarez.

Deputy de Sausmarez: Deputy Queripel keeps talking as though the policy letter is suggesting removing parking in its entirety but actually I think you will find that it is about putting it in better places. There is no proposed loss of parking provision.

3510 **The Deputy Bailiff:** Thank you. Deputy Queripel.

Deputy Queripel: I do not know, where are those better places. I shall no doubt hear where these better places are when somebody gets up and addresses that issue.

3515 So, as I was saying, I spoke to dozens of traders in our town totally opposed to paid parking in and around Town and also totally opposed to removing cars from the piers. I cannot see how any of those traders are going to change their minds so the message that is coming across loud and clear to me is we need to be realistic as opposed to being idealistic because idealism costs, and more often than not, wastes money.

3520 Now I realise, of course, madam, I could have laid an amendment that sought to remove that objective from the equation but I decided to be a lot more pragmatic than that. I want the experts to go away and do all the work and let them come back with a report that says none of those ideas are going to work because every single one of them is totally impractical. It is far more likely that the majority of my colleagues will listen to what the experts say in a report as opposed to listen to 3525 what I say in support of that amendment.

In closing, madam, I just want to make it clear because, as I said in my speech earlier, some of my colleagues seem to like misquoting me when they get up to speak, I am all in favour of aspirations and visions. I am all in favour of them, but they have to be realistic and they have to be attainable.

3530 Thank you, madam.

The Deputy Bailiff: Thank you, Deputy Queripel.

3535 That seems like a good time for us to adjourn for the evening. Can I remind everybody that there is a CPA meeting which is going to start in about four minutes after the end of this session. I wish everybody a good evening and ask the States' Greffier to close the Meeting for the day.

The Assembly adjourned at 5.32 p.m.