



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 19th June 2024

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Present:

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

Law Officers

R. M. Titterington, K.C. (H.M. Comptroller)

People's Deputies

S. E. Aldwell	M. P. Leadbeater
C. P. A Blin	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
A. C. Dudley-Owen	R. C. Murray
S. P. Fairclough	C. N. K. Parkinson
S. J. Falla	R. G. Prow
A. Gabriel	L. C. Queripel
J. A. B. Gollop	P. J. Roffey
S. P. Haskins	H. J. R. Soulsby
M. A. J. Helyar	G. A. St Pier
N. R. Inder	A. W. Taylor
A. Kazantseva-Miller	L. S. Trott
C. J. Le Tissier	S. P. J. Vermeulen
J. P. Le Tocq	

Representatives of the Island of Alderney

Alderney Representatives B. Woodhead and E. A. J. Snowdon

The Clerk to the States of Deliberation

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

Absent at the Evocation

Deputy A. H. Brouard (*indisposé*); Deputy H. L. de Sausmarez (*relevée à 9h 36*);
Deputy J. F. Dyke (*relevé à 9h 50*); Deputy P. T. R. Ferbrache (*indisposé*);
Deputy V. S. Oliver (*relevée à 10h 20*)

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States of Deliberation

The States met at 9.30 a.m. in the presence of
His Excellency Lt Gen Richard Cripwell
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey

THE DEPUTY BAILIFF *in the Chair*

PRAYERS

The States' Greffier

EVOCATION

CONVOCATION

The States' Greffier: Billet d'État VIII and Billet d'État IX of 2024. 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, 19th June, 2024 at 9.30 a.m. to consider the items listed in this Billet d'État, which have been submitted for debate; and Billet d'État IX is convened pursuant to the provisions of Rule 2(4) of the Rules of Procedure.

Welcome to Alderney Representative Woodhead

The Deputy Bailiff: Good morning, everyone. Can I just first welcome Alderney Representative Woodhead for his first attendance at the States' this morning. Welcome.

Questions for Oral Answer

COMMITTEE FOR ENVIRONMENT & INFRASTRUCTURE

Dairy farmers – Veterinary services

10

The Deputy Bailiff: I ask you to turn to the first piece of business please, States' Greffier.

The States' Greffier: It is Question Time, madam.

15

The Deputy Bailiff: Yes, Deputy de Lisle.

Deputy de Lisle: Thank you, madam.

Dairy farmers on this Island require an Island veterinary service, farmers have no one to turn to in an emergency and they are being forced to put down valuable dairy cows when they are suffering and there is no diagnosis or professional assistance. From the perspective of Environment, the main driving force behind updating the animal welfare legislation was to align with welfare standards in the UK and other trading partners in a post-Brexit context.

We are, in fact, contravening all forms of ethical behaviour and letting down one of the main agricultural industries on the Island by not providing a professional vet service for the Island's dairy animals. With animal welfare standards in the process of being revised, what is being done by Environment for dairy farmers caught in an impossible ongoing veterinary service vacuum?

The Deputy Bailiff: Before you answer the question, Deputy de Sausmarez, do you wish to be relevée?

Deputy de Sausmarez: Yes please, madam.

The Deputy Bailiff: Yes, I invite you to answer Deputy de Lisle's question then, Deputy de Sausmarez.

Deputy de Sausmarez: Madam, veterinary arrangements for the public and businesses are private arrangements between those parties. All of the Island's farms are businesses, so the States of Guernsey has no direct remit regarding the supply of veterinary services. The Committee does, however, have the mandate for policy relating to farms, agriculture and animal welfare as distinct from operational responsibility for farms themselves.

Previously, livestock veterinary services were provided on Island by a local practice and when that practice withdrew that provision officers were involved in conversations between relevant parties to facilitate dialogue and ensure that the necessary welfare standards in the dairy sector could be upheld.

Deputy de Lisle's suggestion that there is a veterinary service vacuum is not, in any way, accurate. Veterinary services are now provided to Guernsey dairy farmers by a specialist livestock veterinary practice in England, with a local veterinary practice providing on-Island assistance by storing equipment and medication.

Vets visit the Island monthly and standard operating procedures exist for livestock emergencies using telemedicine and up-skilling of farmers. All of Guernsey's dairy farms are members of the RSPCA Dairy Assurance Scheme, which sets very high animal welfare standards. Both the RSPCA and the Royal College of Veterinary Surgeons are satisfied with the appropriateness and adequacy of Guernsey's current arrangements. States' officers continue to work closely with local dairy farmers to ensure that the current and future animal welfare legislation can be complied with.

The Deputy Bailiff: Do you have any supplementary questions?

Deputy de Lisle: Yes, I do, I have two, madam, thank you. Would the President, Deputy de Sausmarez, not agree that a local vet practice on Island is required to cater for livestock emergencies as previously, in fact, provided to the dairy sector and a monthly visit from a vet practice in England with storage of equipment and medication on Island does not align with welfare standards in the dairy sector in the UK?

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: For clarity, there is an emergency medical care available for dairy farmers and they do make use of that.

The Deputy Bailiff: Your second supplementary question, Deputy de Lisle.

Deputy de Lisle: Thank you, madam.

With animal welfare standards in the process of being revised, what is being done by Environment & Infrastructure to see that dairy farmers have a veterinary service comparable to that in the UK?

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: We are comparable to the UK, it is just that there are many different regions in the UK and, as I explained in my original answer, we have assurances from both the RSPCA and the Royal College of Veterinary Surgeons, who are the experts in this area, that the arrangements that exist on Island at the moment are, indeed, adequate and do provide the necessary level of cover that would be applied in the UK as well.

The Deputy Bailiff: Deputy Gollop, supplementary question.

Deputy Gollop: I wish I had asked the questions too, because I would like to know whether Environment & Infrastructure, in the medium term, bearing in mind the excellent work they are doing with the animal welfare and the good advice the professional States' vet, whether they would wish to see a situation whereby the Committee employs or subsidises or has part of the States' vet role and/or the licensing of veterinary practitioners that at least one veterinary practice, particularly a larger one, would employ somebody who is a qualified specialist in the area of cows and other farm animals to ensure that we maintain that facility on Island?

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: I think there are different bits to that question that I am trying to get my head around. I think the first point to address is that we will, of course, be bringing forward a policy letter on the future of the dairy sector and there will be recommendations, which have been formed in very close conversation with dairy farmers themselves, on what level of support and what type of support is necessary for a sustainable dairy farming sector going forward.

I think, in terms of requiring vets to employ a specialist livestock vet, well, of course, that was the case and these are arrangements, as was explained in the original answer, which are essentially between private veterinary practices and the farms, which are also businesses and, I think, the issue, fundamentally, was one of economies of scale because, of course, as in so many things we only have a certain number of ... well in this case, there are only a certain number of livestock that that would be relevant to. So it really is a matter for the veterinary practices themselves. Of course, if they chose to employ someone of that nature we would be very supportive but I think Deputy Gollop might want to watch this space in terms of what is coming forward in the policy letter.

The Deputy Bailiff: Second supplementary question, Deputy Gollop.

Deputy Gollop: The President has reassured us that there is, potentially, emergency cover available, I presume from the existing veterinary surgeons, but would a close relationship with Jersey, who are also having challenging situations in the reduction of the number of dairy farms ... would working together with Jersey in utilising veterinary services of a specialist nature be another option on the table, potentially?

The Deputy Bailiff: Deputy de Sausmarez.

120 **Deputy de Sausmarez:** That, indeed, is an option that has already been explored and I think those conversations may well continue into the future but, certainly, as I explained, our officers have been in conversation with the relevant parties in the form of the veterinary practices and the dairy farmers and, certainly, that was one of the options that has been explored as part of those conversations.

125 **The Deputy Bailiff:** Thank you. If there are no more supplementary questions before I turn to you, Deputy de Lisle, Deputy Brouard, do you wish to be relevé?

Deputy Brouard: Thank you, madam.

130 **The Deputy Bailiff:** Thank you. Yes, Deputy de Lisle, your second question.

Deputy de Lisle: Thank you, madam.

135 We cannot expect, madam, the dairy industry and the world-renowned Guernsey breed to survive without an agricultural officer and a professionally dedicated vet to service the dairy agricultural community. When is Environment & Infrastructure going to fill this critical vacancy and stop being negligent to the farming community?

The Deputy Bailiff: Deputy de Sausmarez.

140 **Deputy de Sausmarez:** As previously highlighted, it is not the responsibility of the Committee to provide a veterinary service to a commercial sector. As the States did not previously provide a dedicated vet to service the dairy agricultural community and as the private sector is providing this service, there is no vacancy.

145 The Committee has no plans to nationalise farms or their support services and does not believe that there would be support for that approach within the farming community or this Assembly. Officers have, however, worked closely with the local dairy farmers and the veterinary practices and veterinary care provisions are in place.

150 Advice on agricultural policy is provided by the Natural Environment Team, which is formally known as ACLMS, which is not carrying any relevant vacancies. As Deputy de Lisle should be very much aware, the Committee is undertaking a major piece of work looking at the support required by the dairy sector going forward and proposals will be brought to the Assembly in the form of a policy letter later this year.

155 **The Deputy Bailiff:** Do you have a supplementary question, Deputy de Lisle?

Deputy de Lisle: If I may ask two, madam.

The Deputy Bailiff: Yes.

160 **Deputy de Lisle:** I am aware of the review looking into support required by the dairy sector going forward. This has been a long time coming, ushering uncertainty for the future amongst dairy farmers. Will the review touch on facilitating a full local vet service for the Guernsey dairy sector?

165 **The Deputy Bailiff:** Deputy de Sausmarez.

170 **Deputy de Sausmarez:** I think the problem with the question, madam, is that there are an awful lot of assumptions that are untested in there. What I can give Deputy de Lisle and others an assurance on is that very detailed conversations have been taking place with the dairy farmers themselves to ascertain what type of support they require and that is, indeed, something that will be addressed in the policy letter. I would advise Deputy de Lisle not to assume what support he

thinks the dairy farmers need, the dairy farmers are telling us that and that is what will be addressed in the policy letter. So I look forward to his fulsome support.

175 **The Deputy Bailiff:** Deputy de Lisle, your second supplementary question.

Deputy de Lisle: Thank you, madam.

The private sector is not providing the veterinary care provisions and services provided in England for the local dairy industry. When I was a boy, madam, on the farm at Les Paysans, St Peter's, 180 right here, there were 400 farms supplying the Dairy with milk. Today there are only 11.

One gave up recently over the fact of the lack of local vet services and the loss of dairy milkers as a result of that. So there is a lot of uncertainty in the dairy industry at present. Isn't the Department remiss in not seeking to replace the vet service previously provided on Island for the dairy industry?

185

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: I think I will address the question first and then the speech before it. To reiterate, and to be very clear, the Committee is not seeking to replace a service that it did not 190 previously provide. So it is not the States' role and it was not the States' role previously to provide that veterinary service to the dairy industry.

What we have done is been very proactive in facilitating conversations and taking part in the conversations between all the relevant parties and I have touched on some of those conversations and that is, indeed, also an issue that will be addressed in the policy letter, as I have explained 195 multiple times in the course of these questions.

To address the point, some time has perhaps elapsed since Deputy de Lisle was a boy and he is quite right to say that there were once 400 farms and those farms, if my memory serves me correctly, were typically in the region of one to five cows. So there have been some efficiencies since then.

What I would say is that the head of cattle is really what matters and the efficiency of the farms 200 and the sustainability, the financial security and sustainability of those businesses going forward. So I think the number of farms is a bit of a red herring and I think, actually, there have been some improvements in going from 400 to 11.

The Deputy Bailiff: Thank you, Deputy de Sausmarez. Are there any supplementaries? Yes, 205 Deputy Gollop.

Deputy Gollop: In view of the work that Environment & Infrastructure are clearly doing in bringing back to the States on the future of the industry, would the President agree that the suboptimal reduction in size from 400 farmers, albeit small, to maybe just 11 requires the States to 210 proactively encourage more farmers into the sector and also the infrastructure that supports them, which would include access to professional veterinary services at a shorter distance rather than a longer distance?

The Deputy Bailiff: Deputy de Sausmarez. 215

Deputy de Sausmarez: Madam, I think Deputy Gollop has made an assumption that does not ring true at all in the premise of his question because he is assuming that 11 farms is a suboptimal number. (*Interjection by Deputy Gollop*) Now, I do not know on what he is basing that assumption at all. As I explained in the answer to the previous supplementary question, there has been a 220 significant amount of efficiency and professionalism and we have seen some amazing innovations in that sector, including things like automated milking parlours.

So there has been some real optimisation within that sector and what I would say, (*Interjection by Deputy Gollop*) in terms of the facilities, I would have thought that the most important facility is

225 one that this Assembly and, sadly, I think its predecessor has been kicking down the road, which is
a new Dairy. Now, ultimately, that is a major constraint because it is a source of much of the
inefficiency within that whole sector and so that, I would suggest, (*Interjection by Deputy Gollop*)
may be the primary area of focus if we are looking for further modernisations and efficiencies.

230 **The Deputy Bailiff:** Thank you. Are there any more supplementary questions? No, in that case
just before I turn to Deputy Queripel for his questions, Deputy Dyke, do you wish to be relevé?

Deputy Dyke: Yes please, madam.
Thank you.

COMMITTEE FOR HEALTH & SOCIAL CARE

Health Service vacancies – Quantity and measures to fill; on-Island training; agency and local staff

235 **The Deputy Bailiff:** Deputy Queripel, would you like to pose your questions to the President of
the Committee for Health & Social Care?

240 **Deputy Queripel:** Madam, I am sure HSC are doing their utmost to try and fill the vacancies that
currently exist in our Health Service. So in relation to that can the President please tell me how many
vacancies there are in the service and also what measures HSC are pursuing in an attempt to fill
those vacancies?

The Deputy Bailiff: Deputy Brouard.

245 **Deputy Brouard:** Thank you, madam.

As at 14th June 2014, there were 411 full-time equivalent (FTE) vacancies across Health & Social
Care from a total of 2,262 budgeted FTEs. This FTE total is made up of a range of full- and part-time
positions, so as to provide flexibility in terms of recruitment. There are a range of activities that take
place to fill vacancies, from advertising locally and using social media to highlight vacancies with
dedicated communication campaigns to address recruitment challenges in specific areas, together
with recruitment road shows.

250 We invest in the training and development of staff through established professional pathways,
including bursary schemes for a range of nursing roles and allied professionals. The relocation
directive offers prospective employees assistance to relocate to the Bailiwick and it is intended to
support recruitment and retention of skills and talent.

255 We all know, as I have emphasised for some time, that accommodation pressures is the most
significant pressing barrier to the recruitment and retention of staff working in Health & Social Care.
I will take the opportunity, again, to say that we, the States, need to ensure that staff, both locally
resident or being recruited off Island, are able to secure suitable and affordable accommodation. It
is a challenge which affects permanent staff and agency staff alike and it is especially frustrating
when we have permanent staff willing to come and work here who cannot, simply because they
cannot find suitable accommodation.

Thank you.

265 **The Deputy Bailiff:** Are there any supplementary questions? Deputy Queripel.

Deputy Queripel: One, madam.

I am really pleased to hear that HSC are making such an effort to recruit staff. I hear what Deputy Brouard is saying regarding the lack of accommodation for staff but, to be absolutely clear, is he actually saying we will not be able to resolve that problem until we provide enough units of accommodation for those members of staff? Because the way I understand it, providing a sufficient number of units could take five or six or maybe 10 years, which is an awfully long time to wait to get out of this mess we are in.

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

Deputy Queripel is absolutely right, it is an ongoing challenge that we have. We certainly wish to on-board permanent staff but that usually requires permanent accommodation. Agency staff, by their very nature, are prepared to accept hotels or other sorts of accommodation that permanent staff would not accept.

It is the position we find ourselves in but if we want to keep the Hospital at a safe and good standard of care we, very much, rely on agency staff to bridge that gap and, hopefully, as time goes on and more local properties are made available and the new extension to the Hospital is built, those two things will combine together to reduce our reliance on agency staff. But I do not want to go into a further question that you have got later, which probably answers a little bit more on that, but thank you.

The Deputy Bailiff: Deputy Gollop.

Deputy Gollop: I am probably as guilty as the next person in that I did not support some key worker accommodation on a site, but would the President agree that in trying to fill these vacancies – a lot, 411! – great efforts are made to recruit locally resident staff as well as imported staff and that, maybe, in the medium to longer term, key worker accommodation could be made available to locally resident staff as part of their package?

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

Yes, and of course every unit of key worker accommodation takes away one unit of pressure on the Local Market and we would, very much, prefer to have local staff resonantly qualified, but we do rely on agency and they do a fantastic job to get us over this particular hump.

But unfortunately a combination I think, of Brexit, COVID and the lack of building that was done in the four years before I took up the Presidency of Health, unfortunately, has left us with this conundrum. So Deputy Gollop, I think, is right but we would, obviously, prefer to have locally qualified staff; and in a further question, I think, I will answer some of the efforts that we are making to get that. But there are other demands for staff locally, for the finance industry, for other parts of the care industry, so we are competing, not only locally, for staff but also in a global market.

Thank you.

The Deputy Bailiff: Deputy Haskins.

Deputy Haskins: Thank you, madam.

The President mentioned that accommodation is the most significant barrier for recruitment and, I assume, the President is aware that there is a substantial rent allowance given to people coming to the Island that local people do not benefit from. Apart from being potentially discriminatory, the extra allowance impacts the rental market by pushing up the prices and many local people cannot afford the same level of rent. My question is what impact is the rental allowance

320 having on the recruitment of local people within HSC and have they made this representation to P&R to change this?

Thank you.

The Deputy Bailiff: Deputy Brouard.

325 **Deputy Brouard:** Yes, thank you. I think Deputy Haskins makes a very good point. We do have an issue that we do require that the Hospital be fully functioning and safe and with good quality care. Unfortunately, if we cannot find suitably qualified local staff then we will, obviously, look to agency to fill that gap.

330 E&I are looking after a part of that policy with regard to the housing issue and, of course, the pay levels, etc., that is left with Deputy Gollop and P&R because that is part of their mandate rather than ours. So we are takers of this policy rather than creators of this policy. But, yes, there are things we can do to change the spine for salary but, unfortunately, we cannot solve the problem overnight.

335 If we want to increase our salaries substantially so that we cover a rent allowance, it will only just flood the market with even more demand. So the real answer to it is to ensure that both locals and those people who have got ... because the people who come over who we recruit as permanent, they become local residents. We need to ensure that we have a whole suite of more accommodation for Islanders and for those who come over here to care for our Islanders as well. We need both.

Thank you.

340 **The Deputy Bailiff:** Deputy Burford.

Deputy Burford: Thank you, madam.

345 In his response to the initial question, Deputy Brouard said that there were 411 full-time equivalent vacancies. I may be remembering this incorrectly, and I am happy to be corrected, but in a recent presentation by Policy & Resources and the States' Treasurer I seem to recall we were advised that there were 401 vacancies across the entire public sector. How does this reconcile?

The Deputy Bailiff: Deputy Brouard.

350 **Deputy Brouard:** I thank Deputy Burford for the question. I have got no further information that I can give. This was the latest figure that we received from our staff, but I am happy to take that one away and see if Policy & Resources and ourselves can resolve that particular conundrum.

Thank you.

355 **The Deputy Bailiff:** Deputy Inder.

360 **Deputy Inder:** I do wonder, listening to some of the answers, it seems to be all about housing. If there are 411 vacancies, if we add the 80 which are going to be needed for the second phase of the Hospital, we are now kicking at the door of 500. Does the President really believe if we suddenly built a thousand houses all of those 500 people are going to come from the local sector, because I do not?

365 What is the reality in terms of, is there a base figure where we are going to have to accept that a percentage of our staff are likely to be either agency or coming here on short-term licences, because there are a lot of people here and I am quite sure one of my children may well be one of them, I am not entirely sure that some of the lower paid jobs I would want my children, necessarily, to do, having seen recently the hard work that they do.

The Deputy Bailiff: Deputy Brouard.

370 **Deputy Brouard:** Thank you.

I am not sure what the question is that Deputy Inder is asking, but in round terms we have an ageing demographic population, we are seeing the effects now – some of your Committees are not seeing it and I can understand that, but we are. You are going to need to recruit more staff to look after yourselves and your parents, basically, one way or the other.

375 Whether you recruit staff locally or whether you are going to rely on a third country to do that for you or whether you are not going to provide the service, these will be the decisions that will be made in this Assembly. The more accommodation we have available to Islanders, generally, because people who come from Scotland, Ireland, wherever, to come here and work, some of them are on a permanent contract and they become Islanders. Our Island is a mixture of people from all over
380 the world and long may that continue. So over time, if we have the accommodation, we are more likely to be able to recruit permanent staff into the Hospital and our care services that we provide.

The Deputy Bailiff: Deputy Moakes.

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

I wonder if Deputy Brouard agrees with me. I am grateful for him raising the points he has today about the problems of housing affects social housing, private housing and, obviously as he has already discussed, key worker housing. I wonder whether he agrees that bringing people together into something, perhaps, that looks something along the lines of a Guernsey housing forum might
390 be useful so that his views and those of others could be shared. What I am talking about here is bringing together political representation, business representation, both from the public and the private sector, construction industry representation and also some third party representation – people who, perhaps, are looking for housing but cannot find it, who can add to it. This would not be designed to be a talking shop, it would be designed to understand the issues and come up with
395 ways of tackling them. Does he agree?

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Yes, I think I do agree but I think we have to also respect that E&I also has an
400 important part to play and that needs to work hand-in-glove. The housing issue and our ability to staff your Hospital and your care services, I have said for the last four years, housing plays very much a critical path on it. Unfortunately, it has taken me four years to start to get the message across. I am hoping I have got it across now but you are going to need more staff or more ... how can I put it in another way, you are going to need more capacity to deal with what is coming down
405 the road.

We are already seeing it now in A&E, we are seeing it in our Hospital generally, the winters are getting tougher to get through. We will need more capacity to deal with the issues that Islanders are presenting with and it will be for us in this Assembly to decide what that support and what that help for your parents and us and our children looks like.

410 Thank you.

The Deputy Bailiff: Deputy Dudley-Owen. Oh, sorry, you are not standing up. Deputy St Pier. *(Laughter)* He is just going to the toilet! Does anybody want to speak? Deputy Dyke! Hooray.

415 **Deputy Dyke:** Thank you, madam.

Given the points that Deputy Brouard has made regarding the extreme need for nursing accommodation and given the second point that Deputy Haskins made regarding the impact of having to put all the nurses on the Local Market, would he agree that as a matter of the most extreme urgency everyone in this Assembly should do everything possible to get this housing built
420 on or around the Hospital site? And would he perhaps agree that we could kick off with a meeting within the next week between Health, Policy & Resources and Planning to see how we can move it forward with great immediacy? **(A Member:** Hear, hear.)

Thank you.

425 **The Deputy Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, Deputy Dyke.

I totally, agree with him, if there is anything we can do to move this forward ... As I said, every key worker housing that we take is a resource that is not available then to the Local Market and had we been able to press ahead and build 160 units on the Bordage Seath we would be a long way towards (**A Member:** Hear, hear) coming out of properties that we should put back to the Local Market. We should be coming out of some of the hotels that we are in.

We could all do that, however, this Assembly has decided at the moment not to move that. So any movements in the future that can build accommodation near the Hospital for those who need it, but also accommodation for, what I would call, general local people, the Kenilworth Vinery places and all that, that also needs to be progressed because we do have a housing crisis.

The Deputy Bailiff: Deputy de Sausmarez.

440 **Deputy de Sausmarez:** Thank you.

I wonder whether the President would agree with me that it would be an excellent idea for Members to please read the Guernsey Housing Plan, (**A Member:** Hear, hear) which has addressed all of the points raised in the last three supplementary questions, or some of the last supplementary questions.

445 So we are progressing a key worker housing policy precisely to address the problem that Deputy Haskins raised. We do already have a housing forum and a co-ordinated plan and a co-ordinated body of people in exactly the way that Deputy Moakes suggested and we are progressing, ESS is progressing, key worker units, at a rate of knots, and now we have a very healthy pipeline which is going to be delivered an awful lot quicker than the Bordage Seath.

450 So would the President agree with me that actually there is an enormous amount of work and, perhaps, it may be beneficial if E&I gave a presentation so that everyone could be clear on the work that is going on?

The Deputy Bailiff: Deputy Brouard.

455

Deputy Brouard: Thank you.

I agree with the President of E&I but there is a lot of talking and a lot of reports going on. I would just like to see something really magical: (**Several Members:** Hear, hear.) a spade in the ground!

460 Thank you.

A Member: The sooner the better.

The Deputy Bailiff: Deputy Soulsby.

465

Deputy Soulsby: Thank you, madam.

There has been a lot of talk about the Hospital and the need for more accommodation around there. I just say thank goodness, in the previous term, that building took place at the Le Bouet Priaux garage site and we saw key worker accommodation near the Hospital there. But can he confirm that the actual demand for staffing is not wholly focused on the Hospital and, in fact, the greatest demand is in social care and community care? So has he got the figures for the number of vacancies outside of those in the Hospital?

470 Thank you.

475 **The Deputy Bailiff:** Deputy Brouard.

Deputy Brouard: Deputy Soulsby is absolutely right, there is pressure across the whole of our services and acute adult care is one in particular. But I have been advised by our staff that had we something equivalent to John Henry Court 2, it would be filled within a blink of an eye. We have all the stats and figures, so if there is a particular one that Deputy Soulsby would like, I am very happy for the team who works between P&R ... because, obviously, HR for Health is linked into P&R, I am happy to provide whatever figures Deputy Soulsby would like. But yes, it is not only the Hospital; she makes a very good point, it is also the acute care and, in particular, for adult disabilities where we struggle to find accommodation.

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

Deputy Gollop: I wish I could ask a supplementary to myself really after what Deputy Brouard said.

490 **The Deputy Bailiff:** I am sorry, Deputy Gollop, you cannot.

Deputy Gollop: Because I would like to ask, and it applies to the next question as well, whether we could fill more vacancies in Health & Social Care, not just the Hospital but community, and reduce the number of agency workers if HSC and P&R worked together to look at how some of the motivators and incentives that apply to off-Island workers who come here and get, possibly, key worker housing or subsidies could be applied to local staff as well, which might mean, as Deputy Inder implied, more local people might wish to take up careers at HSC. So how far can we progress that work, perhaps not in the short term, but in the medium term?

500 **The Deputy Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you.
I think in an ideal world it would look lovely if we could grow all our own staff; and this comes into another further question later down from Deputy Queripel. But the reality is that we do not grow enough nurses or care professionals. Following Brexit and COVID, a lot of people have refreshed where they want to live and where they want to work.

510 So it does not necessarily mean that because we have a very high salary, say, for a particular care area that they will suddenly be able to come to the Island because they will still face the same problem that they have not got somewhere to live. So even if you pay a higher salary rather than a rent allowance, and you should know because you are on the Committee organising this, they will still have that problem that we need the accommodation, whether you are here under a short-term licence, whether you are here as an agency worker or whether you are here as a permanent member of staff for the next 10 years, you will still, unfortunately, need accommodation. So until you crack that particular nut you really are just moving the deckchairs.
515 Thank you.

The Deputy Bailiff: If there are no further supplementary questions in relation to question one posed by Deputy Queripel, we will move on to question two, please.

520 **Deputy Queripel:** Thank you, madam.

As we know, in an attempt to ease the pressure on the service HSC often need to employ agency staff. So can the President please tell me how many agency staff are currently working in our Health Service and can he also tell me what criteria HSC employ to ensure agency staff have the necessary qualifications that are needed for the roles available within the service?

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

530 As at 12th June 2024, there were 134 agency staff working in Health & Social Care. Health & Social Care works with a number of approved agencies to source agency workers to temporarily fill existing vacancies. The agencies are required to undertake their own checks regarding qualifications, registration and references but HR staff also undertake rigorous pre-placement checks, including immigration status, current Disclosure Barring Service (DBS) clearance, current
535 registrations with professional bodies, if this is required for the role and whether there are any tribunals or hearings pending.

Current compliance with statutory and mandatory training and other requirements is secured via a declaration form signed by the agency. References are sent to line managers for approval before a placement is agreed.

540 Thank you.

The Deputy Bailiff: Any supplementary questions? No, in that case, we will turn to your third question, please Deputy Queripel.

545 **Deputy Queripel:** I very much appreciate we need agency staff working within our Health Service, in relation to that can the President please tell me what measures HSC have in place to monitor the performance of agency staff whilst they are working in our Health Service?

The Deputy Bailiff: Deputy Brouard.

550

Deputy Brouard: Thank you.

Once all pre-placement checks have been completed and a placement agreed, the on-going performance of agency workers is monitored by the line manager in the area to which they are assigned. Any minor issues with performance are brought to the attention and to that of the agency
555 through HR staff.

In rare cases, where there are serious concerns over performance of an agency worker, they are removed immediately from post, the agency is informed of those concerns and, if necessary, the professional registrant body would also be notified, although this is very rare. Service areas also offer in-house induction to agency staff to familiarise themselves with the service users and patients,
560 and different working environments.

Thank you.

The Deputy Bailiff: Any supplementary questions?

565 **Deputy Queripel:** I have one, madam.

The Deputy Bailiff: Deputy Queripel.

570 **Deputy Queripel:** The President said in his response that where there are serious concerns regarding the performance of an agency worker they are removed from their post and the agency is informed of those concerns and, if necessary, the registrant body is also notified. My question in relation to that is why would the registrant body not be notified of such serious concerns and who is responsible for notifying the registrant body anyway?

575 **The Deputy Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you and I thank Deputy Queripel for advance notice of that supplementary. We would advise the registrant body in basically all serious cases and maybe even

other agencies as well, such as Police etc. but not all staff that we employ through agency have a registrant body, that is the issue. So in those cases there is not a body that we can refer to but where we can, we obviously do.

Thank you.

The Deputy Bailiff: If there are no further supplementary questions, question four please, Deputy Queripel.

Deputy Queripel: Madam, we often talk about growing our own, so can the President tell me how many trainees there are currently undertaking training within our Health Service and will they be obliged to work in the service when their training is complete and they have attained their qualifications?

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

There are a number of professional pathways available in Health & Social Care. There are currently seven student nursing associates undertaking training, there are also 39 student nurses in training, 10 of whom are in their first year, 14 in their second and 15 in their third. Recruitment is ongoing for the intake later this year and 16 offers have been made to date.

In addition, within mental health services, one mental health nurse has just qualified through the Open University route and two potential candidates are being interviewed later this month and within Adult Disability Service, three learning disability nurses have just qualified and there are two members of staff in year two of a four-year programme.

There are also opportunities for the following trainee pathways: trainee advanced clinical practitioner, trainee clinical psychologist, trainee cognitive behavioural therapist, trainee biomedical scientist, trainee clinical physiologist, trainee electro-biomedical engineer, student school nurse, student social worker, three posts.

Any student – and this is the second part of his question – or staff member undertaking a period of study will be required to work within the role that they have qualified for immediately upon completing their studies. This is proportionate to the length of training. For example, a student nurse who undertakes a three-year programme will have to work for HSC as a registered nurse for three years or they will be required to repay a proportion of their fees.

Thank you.

The Deputy Bailiff: Deputy Gollop.

Deputy Gollop: I am grateful, both for myself and for many people, for the outstanding work the staff and, indeed, the agency staff do and the local staff. But going back to an earlier theme about growing our own and the impressive work the Health Institute, the Guernsey College, the Guernsey Institute does, (**A Member:** Hear, hear.) my point still remains that if you are a Local Market, locally born, locally resident person who wants and will achieve and attain a career in health services, what could Health & Social Care do in conjunction with people like me on P&R to ensure that they received a parallel package to a person on an agency or on a contract to compensate for the fact that they might not get key worker housing and they might not get a relocation or rent allowance package?

The Deputy Bailiff: Deputy Brouard, you can decide whether ... I do not think that comes out of the answer to the question, but if you wish to answer the question, you are very welcome to.

Deputy Brouard: I will have a very short bash, thank you. The answer is, Deputy Gollop, it is really in your hands. That is one of your responsibilities you have taken on and we are very happy

in HSC to work with you, but there are consequences when you change the spine there will be, maybe, extra costs which, if you are happy to bear, we are happy to have the staff.

Deputy Gollop: That is ...

The Deputy Bailiff: Deputy Haskins.

Deputy Haskins: The number of local trainees on the Island seems low, from the response, and given that there are so many vacancies and the demands coming down the line that the President mentioned in a different answer, it could well be limited by the number of bursaries offered. So, what is the cap on the number offered by HSC and given that the locally grown nurses save on agency cost, if it is identified that there could be more places offered, would the President give assurance that he will give his support for this?

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Our qualified support definitely to Deputy Haskins but, of course, there is only a certain amount of capacity that the Hospital can take with, say, student nurses, in particular. We cannot necessarily deal with 40 student nurses coming through in one particular year cohort because we have not got the staff in the Hospital to be able to provide them with the further training that they need.

So the capacity is, to some extent, limited by our ability in the Hospital to provide the ongoing training and also by the capacity through the college which, obviously, he is well aware of through his position on Education. So that is one of the limiting factors and also just the number of people who in the Island wish to pursue a career in health and care is somehow limited.

We have somehow made ourselves a finance Island, which is great. Other countries, some places like the Philippines, there is very much a demand where they grow more staff than they need, we have not got to that position but we do as many initiatives as we can working with Education to encourage students to come forward. We have almost got a full cohort, I think, if they all take up, with the 16 coming through. But there will be a constraint on the Hospital to have too many student nurses coming through and there is a constraint through Education.

Thank you.

The Deputy Bailiff: If there are no further supplementary questions, Deputy Oliver, do you wish to be relevée?

Deputy Oliver: Yes, please, madam.

The Deputy Bailiff: Thank you. Your fifth question then, Deputy Queripel.

Deputy Queripel: Thank you, madam.

Can the President please tell me how much money would be saved per annum if the roles that are currently undertaken by agency staff were undertaken by suitably qualified Guernsey residents?

The Deputy Bailiff: Thank you, Deputy Queripel.
Deputy Brouard.

Deputy Brouard: Thank you.

Staff funding is complex, however, based on a detailed review in March of this year there was an overall 30% agency premium on an hour per hour basis comparing agency hourly rates to budgeted values per hour, this was looking just at direct pay costs only. What this means is that if existing agency that we used in the first five months of the year, to the end of May, was directly replaced

with permanent staff for the whole year a 30% saving would equate to approximately £4 million per annum.

685 Having a full complement of permanent staff in HSC is highly desirable but highly unlikely. There has always been a need to recruit agency and casual workers or bank workers as this provides a flexible way to manage workforce numbers and also to address short-term skill gaps, such as for sickness and other absences, maternity leave and while permanent appointments are looked to be made.

690

The Deputy Bailiff: Are there any supplementaries? Yes, Deputy Soulsby.

Deputy Soulsby: Thank you, madam.

695 Deputy Brouard is absolutely right in his calculations and also that we value the need for agency staff; if we did not have them we could not operate health and care services. But does he agree with me that the cost is actually higher because we do not, from an agency staffing point of view, receive any of the taxes or employee contributions on that front, so it does not actually help our tax coffers?

700

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: If that is the position then I am happy to accept that. I am not aware of the exact tax position but Deputy Soulsby is an accountant so she should well know.
Thank you.

705

The Deputy Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Thank you, madam.

Could the President tell me, on the agency nurses, you were comparing the agency hourly rate with the local wage, but did that comparison, and the £4 million, does it include the housing allowance or is the housing allowance on top?

710

The Deputy Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

715

As I said in the opening paragraph this was just dealing with direct pay costs, not housing. The majority of the staff that we employ will be coming from other countries because we recruit worldwide for permanent positions. Those permanent positions will attract, as we have just been discussing, a housing subsidy or rent allowance, so that rent allowance we would be paying for the four years, as Deputy Gollop will know from his position on P&R, that is what we would give to those people that are coming to bring them into the Island.

720

A very similar amount of money would be paid to agency staff, although they will make a contribution to their accommodation, but on average they will be making a contribution very similar to what we would be paying to permanent staff that come here under a 10-year contract for the first four years. Does that help?

725

The Deputy Bailiff: Deputy Gollop.

730

Deputy Gollop: Bearing in mind Deputy Brouard's last answer and Deputy Soulsby's useful question, would the President agree with me that if we could find ways, in-diverse ways, of incentivising more locally resident people to take up vacancies in the Health & Social Care Department our economy would, arguably, benefit and it would save significant monies in terms of spend on Island, saved costs, saved recruitment costs, etc.?

The Deputy Bailiff: Deputy Brouard.

735 **Deputy Brouard:** I think I can agree with Deputy Gollop, yes. The more we can have from growing our own in the economy ... but there is a limited number of people in the Island who wish to take up a career in nursing or a career in the Hospital. It is going to be an exciting market to get into because it is expanding, there will be more and more demand coming through. But I hear the finance industry also has, I think, 1,000-odd vacancies, who are also looking for staff. We are a very successful first world small country, but that comes along with pressures on housing resources and staffing resources.

Thank you.

The Deputy Bailiff: Thank you, Deputy Brouard.

745 If there are no further supplementary questions, I will ask Deputy Queripel to pose his question to Deputy Prow, as President of the Committee for Home Affairs.

COMMITTEE FOR HOME AFFAIRS

UK National Lottery – On-Island tickets

Deputy Queripel: Thank you, madam.

750 Can the President please tell me if his Committee have ever considered pursuing the idea of UK National Lottery tickets being sold here in the Bailiwick?

The Deputy Bailiff: Deputy Prow.

Deputy Prow: Thank you, madam.

755 Responsibility for gambling legislation rests with the Committee for Home Affairs; in line with its safe and secure mandate the legislation is about controlling and regulating gambling. The Committee does not have a role in promoting or selling lottery tickets. Current legislation would prohibit the National Lottery being promoted and tickets sold locally.

760 The Committee would be responsible for considering any requests from the UK to promote the National Lottery in the Bailiwick and a change in legislation would be required. There has been no such approach this term, therefore the Committee has not considered the matter.

Thank you, madam.

The Deputy Bailiff: Thank you. Supplementary question from Deputy Queripel.

765 **Deputy Queripel:** Madam, the President said in his response there has not been an approach from the UK to promote the National Lottery in the Bailiwick, therefore, the Committee has not considered the matter. So my question in relation to that is does the request have to come from the UK?

770 There must be thousands of Islanders who would welcome the opportunity to purchase National Lottery tickets and have the chance to win lifestyle changing amounts of money. So, would the Committee consider an approach if it came from Islanders in the form of a petition, for example?

The Deputy Bailiff: Deputy Prow.

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

As I have already pointed out, the Committee does not have a role in the promotion and selling of lottery tickets and I would imagine that the UK lottery would have a big say in whether they wish for their lottery tickets to be sold in the Island. Again, I think the answer to my question made it

780 clear that there would need to be a legislative change and that legislative change would need to be agreed by the whole of this Assembly.

If a case was made by Deputies or by Committees of this States, of course, the Committee for Home Affairs would consider it, but I think it would be a matter for this Assembly to decide whether the legislation should be changed so that UK lottery tickets could be sold here.

785 Thank you, madam.

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, madam.

790 Would the President agree with me that it is not only in Guernsey that legislative changes would need to be made, but actually Westminster would need to change the legislation governing the National Lottery which would, at the moment, I think, prohibit tickets being sold outside of the UK and possibly the Isle of Man?

795 **The Deputy Bailiff:** Deputy Prow.

Deputy Prow: Yes, I would agree with Deputy Roffey. That is my understanding.
Thank you.

800 **The Deputy Bailiff:** Deputy Gollop.

Deputy Gollop: Historically, I recall Culture & Leisure were not keen on looking at the National Lottery coming here because it would undermine our own Channel Islands Lottery. But would there not be a case now for seeing whether we could get a small fraction or percentage of the National Lottery for local charities and cultural endeavours, should the legislative changes be made both in our Bailiwick and in the UK to facilitate the National Lottery?

805

The Deputy Bailiff: Deputy Prow, I do not think that comes within your mandate, so you do not need to answer that question. If there are no further supplementary questions that ends Question Time. Thank you very much, everybody.

810

Billet d'État VIII

COMMITTEE FOR ENVIRONMENT & INFRASTRUCTURE

1. Planning Panel – Appointment of Members – Proposition carried

Article 1.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled "Planning Panel – Appointment of Members" dated 19 June 2024, they are of the opinion:

To appoint and designate: Mr Christian Leigh as a Professional Member of the Planning Panel for a term of six years from 1 June 2024; and Mr Anthony Farman as a Professional Member of the Planning Panel for a term of six years from 1 June 2024.

To re-appoint: Mr George Jennings as a Member of the Planning Panel for a further term of six years from 1 June 2024.

The States' Greffier: Billet d'État VIII, Article 1, the Committee for Environment & Infrastructure – Planning Panel, Appointment of Members.

815 **The Deputy Bailiff:** Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, madam.

A very short, small number of words to say but they are important because I would like to put on record the Committee's thanks to the former Members who have served on this panel, Mr Jonathan King and Mrs Linda Wright??? and recommend to the Assembly the appointment of Mr Christian Lee, Mr Anthony Farman; and the reappointment of Mr George Jennings, who actually also deserves our thanks because he has been serving previously. It is an important panel, they do an important job and I think they do a very good one. So I would recommend these appointments to the Assembly.

825 Thank you.

The Deputy Bailiff: Does anybody wish to speak in debate on this? No, then we will go straight to the vote, please. Greffier, could you open the voting on this matter.

830 *There was a recorded vote.*

Article 1

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Aldwell, Sue	None	Mahoney, David	Inder, Neil	None
Blin, Chris			Queripel, Lester	
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				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Prow, Robert				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				

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

835 **The Deputy Bailiff:** There voted in relation to this Proposition, 37 Pour, there was 1 abstention and 2 Members were absent at the time of the vote. So I declare the Proposition is passed.

STATES' TRADING SUPERVISORY BOARD

2. Guernsey Electricity Ltd – Appointment of a Non-Executive Director – Proposition carried

Article 2.

The States are asked to decide:

Whether, after consideration of the policy letter entitled 'Appointment of a Non Executive Director – Guernsey Electricity Limited' dated 18 April, 2024, they are of the opinion:-

1. To approve the appointment of Ms Joanna Coleman as a non-executive director of Guernsey Electricity Limited with immediate effect.

The States' Greffier: Article 2, States' Trading Supervisory Board – Appointment of a Non-Executive Director of Guernsey Electricity Limited.

840

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, madam.

845 First of all, I would like to place on record our thanks to Sir Ian Chapman for the valuable contribution he has made over his years as a Director.

I am sure Members will have read the CV of Joanna Coleman, who is proposed to take his place, and I am sure that all Members will agree with me that GEL have been fortunate to attract such a high calibre candidate and I strongly recommend her to the States.

850 **The Deputy Bailiff:** Does anybody wish to speak in debate on this? Deputy Mahoney.

Deputy Mahoney: Thank you, madam.

855 It is a broken record, I am afraid; Deputy Roffey would be disappointed if I did not stand up and oppose yet another NED. So, same arguments that I have gone on about the last 10 times we have had extra NEDs when we do not really need them. So, again, just to say I will not be supporting this for the usual reasons.

Thank you.

The Deputy Bailiff: Deputy Roffey, do you wish to reply?

860

Deputy Roffey: I have got déjà vu all over again, (*Laughter*) but the number of Non-Executive Directors on GEL is a perfectly normal amount. It is actually exactly the same as Jersey Electricity have, the only difference is that we pay Non-Executive Directors an awful lot less than Jersey Electricity and, under the circumstances, I am in some ways amazed that we attract such high calibre candidates who are, indeed, very necessary for the business.

865

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

There was a recorded vote.

870

Article 2

Carried – Pour 30, Contre 6, Ne vote pas 2, Did not vote 2, Absent 0

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

875

The Deputy Bailiff: There voted in relation to this Proposition, 30 Pour, 6 against, there were 2 abstentions and 2 Members were not in the Chamber when the vote was taken. I, therefore, declare the Proposition as passed. Greffier.

LEGISLATION LAID BEFORE THE STATES

The Children (Placement out of the Jurisdiction) (Guernsey and Alderney)

(Amendment) Regulations, 2024;

The Criminal Justice (Defence Case Statements) (Prescribed Form

and Service) Regulations, 2024;

The Liquor Licensing (Fees) Regulations, 2024

880

The States' Greffier: The following legislation is laid before the States: the Children (Placement out of the Jurisdiction) (Guernsey and Alderney) (Amendment) Regulations, 2024; the Criminal Justice (Defence Case Statements) (Prescribed Form and Service) Regulations, 2024; and the Liquor Licensing (Fees) Regulations, 2024.

The Deputy Bailiff: There are no Motions to Annul, so we will move on to the next item, please.

LEGISLATION

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

The Social Insurance (Guernsey) Law (Amendment) Ordinance, 2024 – approved

885

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Social Insurance (Guernsey) Law (Amendment) Ordinance, 2024" and to direct that the same shall have effect as an Ordinance of the States

The States' Greffier: Yes. The Committee for Employment & Social Security – the Social Insurance (Guernsey) Law (Amendment) Ordinance, 2024.

890

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, madam.

895

This Amendment Ordinance covers two different tweaks to the Social Security legislation, Social Insurance legislation. The first is, as approved by the States previously, to give the Committee powers to reduce the period of time for which Unemployment Benefit is payable. At the moment, it is automatically payable for up to 30 weeks. In future, if this is approved, it might be set by Regulation as low as 10 weeks, or somewhere in between the two, depending on the economic circumstances at the time.

900

The second, unrelated, change relates to the Widowed Children Allowance, which is an allowance that is paid in the unfortunate circumstances where a member of a couple becomes widowed with still dependent children. It does not happen very often, but it does happen from time to time. At the moment it only applies if that couple is married.

905

We feel that that has to be changed for two reasons, firstly we are signatories to the European Convention on Human Rights and this is in breach of that. Secondly, it is just wrong, in principle, the idea that if the parents are not married, that the widowed partner will not receive this allowance. So I strongly endorse both changes and would be grateful if Members would too.

The Deputy Bailiff: Does anybody wish to speak in debate? No, in that case, Greffier, we will go straight to the vote, please.

910

There was a recorded vote.

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	Inder, Neil	None
Blin, Chris			Queripel, Lester	
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
Parkinson, Charles
Prow, Robert
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon
Woodhead, Bruce

915 **The Deputy Bailiff:** There voted Pour 38 and 2 Members did not vote because they were not in the Chamber at the time of the vote. I, therefore, declare the Proposition as passed.

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

Report by the Commissioner for Standards on a self-initiated investigation into Deputy Christopher Blin – Proposition carried

The States are asked to decide:-

Whether, after consideration of the findings in the Report entitled "Report by the Pan-Island Commissioner for Standards on a self-initiated investigation into Deputy Christopher Blin" dated 25th March 2024, they are of the opinion: -

1. That Deputy Christopher Blin be hereby formally reprimanded pursuant to the Code of Conduct for Members of the States of Deliberation.

The States' Greffier: The States' Assembly and Constitution Committee – the report by the Pan-Island Commissioner for Standards on a self-initiated investigation into Deputy Christopher Blin.

920

The Deputy Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, madam.

I have nothing to say on this Proposition, I lay it before the Assembly for approval.

925

The Deputy Bailiff: Deputy Blin, did you want to speak first?

Deputy Blin: Yes, please, madam.

I would just like to apologise to the Assembly and to the three Deputies concerned. I would just like to also say that this was a human, honest error whilst I was performing my work on Planning. Those who know me know, I hope, that I would not have any thought of malicious actions or trying to do something against someone in that manner or try to abuse the situation. But I do realise that I did breach the Code and I, therefore, accept this reprimand.

Thank you, madam.

The Deputy Bailiff: Thank you, Deputy Blin. Deputy Taylor.

Deputy Taylor: Thank you, madam.

Am I of the opinion that Deputy Blin should be formally reprimanded? Frankly, I am all in a muddle, so I will explain my part within this complaint, give some background so Members can get a flavour of why I am confounded at what is, ultimately, a pretty simple Proposition for us to address.

You see, thankfully, I have been on the receiving end of a complaint with some very strong parallels to this particular investigation. So, I have a unique perspective that I intend to share with you today. Madam, as referenced within paragraph one of the investigation this particular investigation stems from a complaint that was lodged by Mr Charles McHugh of Omnibus Investment Holdings against me.

Now, I know some of you will be thinking, oh here goes Taylor again, he is having a pop at Charlie! (**A Member:** Hear, hear.) (*Laughter*) Well if you think that, and I direct this to Deputy Trott in particular, if you think that, I challenge you to open your ears and listen. You see, madam, Mr McHugh has made numerous complaints about me which have ranged from the ridiculous, in that he alleged that I, somehow, had a one star food hygiene rating even though it was awarded in 2014 to premises that I have had no involvement with, to the deeply concerning allegations, whereby he alleged that you, madam, the Deputy Bailiff, described my behaviour as frivolous and vexatious and he even accused you of suggesting that I had run a personal legal vendetta against Mr McHugh himself.

For the avoidance of doubt, whilst Mr McHugh was able to demonstrate the food hygiene rating had nothing to do with me – I have no idea why it was included in the complaint – he has, obviously, been unable to demonstrate any such comments were made by yourself and it is my firm view, for the record, that Mr McHugh lied to the Commissioner when he attributed those comments to you, madam.

Deputy Mahoney: Point of order please.

The Deputy Bailiff: Yes, Deputy Mahoney.

Deputy Mahoney: Thank you, madam.

I just wonder if this is a ... I know Deputy Taylor mentioned that we might think, 'Oh here we go again,' but that is exactly the road that he is taking us right down at the moment. This matter, surely, is whether Deputy Blin did or did not do something wrong and whether we should accept that report. We are hearing about food hygiene and all sorts of other things in relation to Deputy Taylor's dealings with other members of the public, I am just not sure that this is terribly relevant to (**Several Members:** Hear, hear.) whether Deputy Blin is or is not a sinner in this matter or not.

The Deputy Bailiff: Deputy Mahoney, I think we have to wait to hear a little bit more about what Deputy Taylor says to establish whether or not you are right, but I agree that it is a fair point to put Deputy Taylor on notice that the focus of this is the Proposition put forward by SACC, not on his own personal experience within this process.

Thank you.

Deputy Taylor: Thank you, madam.

But on that particular point, regarding the comments about you, I do not, for one minute, think those comments were made and I would call on Mr McHugh to retract those allegations.

But I will give you a run through. The complaint that was made upon which this investigation started ... and I have even written here, I suspect someone might call a 17(6) on me, but I would respectfully state now that in order for us to fully understand the impact that breaching confidentiality rules has on our interaction with other parties, which is something that is touched upon in paragraphs 28 and 29, it is important to understand the frame of mind of a complainant alleging a breach of confidentiality and, of course, this is the complaint which this investigation started.

So Mr McHugh emailed me and all Deputies and the media making statements about GP11. I asked him to explain some of his suggestions, by return of email Mr McHugh threw a load of mud at me and accused me of leaking confidential information. In reply, I politely pointed out that the information was freely available on the gov.gg website, it had even been reported in *The Bailiwick Express* and I included links.

Sadly, I do not think those links were checked but in any event, a second, or this code of conduct complaint had been lodged against me. The complaint was, essentially, that I had leaked confidential information that Deputy Trott had stated in a P&R meeting that I had an obvious conflict and that the Chief Executive of the States said that it was obvious that a certain Deputy, being me, would like to drill holes in Charles' head. (*Interjection*) Again, I am not entirely sure how I was responsible for those comments being made or why there would be a complaint against me, but in any event, it was established that they were not true.

Now things were moving pretty quickly and before I had the opportunity to respond to my complaint, Mr McHugh, by way of email, provided further information to the Commissioner as part of his complaint and this is where the involvement of Deputy Blin comes in. At this point, Mr McHugh established to the Commissioner that the information that I had leaked was, in fact, published on the gov.gg website. He acknowledged my claim that the information was in the public domain, so it was not confidential, but his complaint against me was not dropped and this is the really relevant part for us to consider and he did give some justification on why the complaint against me, for leaking confidential information which was actually publicly available, why that investigation should continue.

So Mr McHugh stated, 'Deputy Taylor has unearthed, it appears, that some commercially sensitive information has found its way onto the States' website, which in itself is a breach of confidentiality. Notwithstanding this unfortunate earlier breach of confidentiality via those publicly available minutes, Deputy Taylor, as President of the Planning Authority, would himself be aware of the need for care and good governance and by choosing to publish, obviously, sensitive information is in breach of the Members' Code of Conduct and the States' own Public Access Information Policy. Two wrongs do not make a right.' It is all very strong stuff but we are talking about information which was publicly available. Mr McHugh went on to say that, 'The cavalier use of sensitive commercial information by Deputy Taylor –'

The Deputy Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Point of Order, you wanted to hear a bit more, you have now heard a bit more, I think the Point of Order has been established. It is the same point Deputy Mahoney made.

The Deputy Bailiff: Deputy Taylor, I will allow you to go on a little longer, but you do need to focus on how this interacts with Deputy Blin's issue. You are rather focusing on the ills you say have been committed to you.

Deputy Taylor: It absolutely will, madam, and to give Members the context, this is the correspondence that led to the investigation into Deputy Blin. These are the justifications for Mr McHugh having this confidential information but he goes on, if I am allowed to continue, to

then justify why he was allowed to receive confidential information. So I think it is quite relevant in the way that this came about.

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The Deputy Bailiff: Well, carry on Deputy Taylor but I am listening very carefully because I have taken, very seriously, the points raised by Deputy Mahoney and Deputy Ferbrache that this needs to be about the matter that is before the Assembly now, not about your own issues.

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Deputy Taylor: Well, it is fair to say there were numerous statements to reinforce the need for confidentiality and I will cut down, but the final one was that Mr McHugh stated, 'The Members' Code requires that correspondence, howsoever received, must be treated as confidential and cannot be disclosed to any third party in any form.'

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Which is why it is almost unbelievable that this particular email starts with the following sentence, 'Deputy Taylor has, over the weekend, circulated to all Deputies an email claiming he has not shared confidential information'. On this occasion I was not copied into his email. He cites some minutes from the DPA, and this is the relevant part, because Mr McHugh, who is clearly well versed in the need for confidentiality was, himself, in receipt of confidential information that he was using to make a complaint.

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Having stated all the above, when asked by the Commissioner to advise how he had received a copy of that correspondence, well you would expect him to just disclose the Member but he did not and this, madam, is where my confusion begins. So, instead of disclosing the source, Mr McHugh stated, the Deputy concerned will wish to remain anonymous.

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The Deputy Bailiff: Deputy Taylor, what has this got to do with Deputy Blin? (**A Member:** Hear, hear.) Deputy Blin is not involved in that correspondence. These might be criticisms of the way others, who are not Members, dealt with it but this needs to be about Deputy Blin.

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Deputy Taylor: Well, madam, in the summary it tells us that 'during the preliminary investigation of a separate complaint provided with evidence which suggested confidential information had been forwarded to an external third party,' so it is setting the background for that summary. So I would argue that it is relevant, madam.

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The Deputy Bailiff: Right, but, Deputy Taylor, you are definitely crossing the boundary and I want you to focus on Deputy Blin, otherwise I am afraid I am going to ask you to stop speaking in this debate. It has to be about this issue and you are focusing, very much, on the edges of that at the moment.

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Deputy Taylor: Yes, definitely close the line, madam, but –

The Deputy Bailiff: This is not a discussion, Deputy Taylor, that is my ruling, so make sure that your continuing part of this debate is focused on the issue in hand.

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Deputy Taylor: Okay. Well, the next request from Mr McHugh was that, 'If you wish me to identify the Deputy concerned, I will first need to ask for his or her consent.' I am not sure how, that does not really work with the Code of Conduct, the requirement for consent would come from the author of the confidential information not from the person disclosing the confidential information.

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Then there was a request that there would be a further need, from the Deputy concerned, for assurances about how the information would be used, which sounds rather much, to me, like a plea bargain, madam. However, the Commissioner repeated her request and eventually had to use the forces contained within, or the powers conferred to her within the Reform Law, to finally have Deputy Blin's name disclosed as the source of the confidential information.

So, in a slightly quicker version, there you go. A Deputy who refers to publicly available information has breached the Code, but a Deputy who shares confidential emails should be

protected and, thankfully, it is the Commissioner that found otherwise and the complaint about me was inadmissible whilst the investigation into Deputy Blin has led us to this point.

If you give me a moment I will skip through because I am guessing Members are not really particularly interested in listening to this. So, madam, next I will jump to paragraph 25, which states there is no evidence to suggest that Deputy Blin had anything material to gain from sharing this information with Mr McHugh. It is my view that on balance Deputy Blin's forwarding of the private email was careless rather than malicious.

Sadly, Deputy Inder is not in the room at the moment, but this is a point I have mixed feelings on, principally because if Members cast their mind back and look at their email inboxes at the same time as this confidential information being shared, Deputy Blin also emailed all States' Members, but emailed in his capacity as a director of a company that was not listed on, or is still not listed on, his Declaration of Interest and he was suggesting that the States could subsidise rents for tenants of a company Mr McHugh was involved in.

Perhaps that is just a coincidence, Guernsey is a small place, but there were definitely conversations going on. Regardless, though, I do accept the Commissioner's point in paragraph 25, but aside from any material gain by Deputy Blin, the fact that the shared information was used within a complaint against me makes this all the more personal and it goes to demonstrate that although a Member may, wrongly, be sharing information 'in confidence' it is simply not possible to know or control how that information might be used by a third party at a later date. Madam, I think that should be, possibly, the biggest takeaway from today's debate.

But in closing, you will be thankful to know, I do think it is paragraph 25 which we can learn the most from. The Commissioner states that, 'Having spoken with Deputy Blin during my investigation I believe he regrets his carelessness.' So I hope that Deputy Blin has learnt and I hope that we all can learn not to share confidential information, that it was careless to trust Charles McHugh and so I am minded to reprimand Deputy Blin. It was a fair cop, he knew the rules and at the end of the day that is all that matters. But I will say that I hold no personal animosity towards him and I look forward to working with him for the rest of the term.

Thank you, madam.

The Deputy Bailiff: Thank you, Deputy Taylor.

Deputy Ferbrache.

Deputy Ferbrache: Madam, just a few minutes ago, before we had the speech from Deputy Taylor, Deputy Blin made a fulsome and humble apology and I think we ought to accept that because he sincerely meant it. (**A Member:** Hear, hear.) Now, in relation to where we are, Deputy Blin is neither a friend nor a political associate and I owe him no fealty, allegiance or loyalty in relation to where we are. But there is a 'but' and I will come back to that 'but' in due course.

Now, I am not in any way seeking to gain, say or vote against the unanimous recommendation of the States' Assembly & Constitution Committee as set out in this report. I am going to vote for that, I will support it. But there is a 'but' and in relation to where we are, the duties of confidentiality are clearly set out. The Commissioner sets it about in paragraph 2, the last paragraph, where she is referring to 25 of the Members' Code of Conduct where you cannot, by any means at all, without the express consent of the author, disclose that correspondence.

But Deputy Blin has been caught up in this maelstrom, which we have heard today and we have heard before, between Deputy Taylor and Mr McHugh; and I hope we can cast that asunder now because we have heard enough of it, both today and on previous occasions. (**A Member:** Hear, hear.) Perhaps they could meet in a open place, shake hands, and perhaps embrace a warm set of affections towards each other. I doubt that that is likely, but in the spirit that we seem to have in this States that we should all clasp hands, dance round and round the mulberry bush, singing either *Kumbaya* or perhaps *Sweet Caroline* (*Laughter*) so good, so good. But in reality, I compare this ... I think this is the 'but', that Deputy Blin, although I am going to support the recommendation, has been harshly treated because he made a mistake, he made a genuine mistake.

He was not going to the *Press* and trying to hide something, he did something that he thought was right. He got it wrong, but he got it wrong in good faith and when I compare it, and I appreciate it was before the Commissioner for Standards was appointed, when a previous Deputy, in the course of this Assembly, who was disclosing on a regular basis to other people the records of the minutes of his Committee and got, I think, a lesser penalty than this, I wonder how this penalty can be justified. But, if we have a Commissioner for Standards and if she comes to this conclusion, if it is supported by the Rules Committee then I think we should adopt it.

It does remind me a bit, really ... I had the pleasure of going to St Helena recently with my good friend and our very able colleague, the States' Greffier – it is a long way, but it was worth going – and I met a Member of the Northern Ireland Assembly there and he had experience of Commissioners for Standards. And he was telling me that just a few years ago their relevant Commissioner for Standards sent a bill, and I appreciate it is a much larger Assembly than ours, to the Assembly for £150,000 for that person's services for the years. A year or two later, it was a bit cheaper, it was between £60,000 and £70,000. So he was cautioning me that in our small jurisdiction we should be careful about incurring that level of expenditure.

Now, I have not given, I know he is on top of his brief, but I have not given Deputy Meerveld any prior notice of this, so he might reasonably say he does not know the answer but I think we pay our Commissioner on an ad hoc basis, so it would be helpful to know – and if he does not I fully accept that, in which case I would be grateful if he says he will come back within a reasonable period of time – what the costs of her investigating this particular complaint against Deputy Blin is, because I bet it was not sixpence and I wonder the point of it.

In relation to it, why can't we, in this day and age, because Deputy Blin, one of the things she said was, 'I do not have the power to make him apologise,' he has apologised. I am sure he would have apologised to the individuals in question if he has not done it previously. I do not know whether he has done it previously, it does not matter. He is the type of person that would say 'I am sorry' both publicly and privately to those involved. So I wonder why we have to go through all the machinations of this and how much it has cost us.

Most Members of this Assembly and most Members of previous Assemblies do not deliberately disclose confidential information to anybody. That is overwhelmingly the case. There are some I can name in this Assembly that I am sure do, there are some that I can name in previous Assemblies that I am sure do, but that is for another day. As I say what I do not really like is the Commissioner, at paragraph 28 of her report, saying, 'I am concerned that some Members are less than attentive to the Code's confidentiality provisions. Deputy Blin is in no way the first or only Member to disclose confidential information, but he is one of the very few I have been able to evidence as having done so in my time as Commissioner. I have no doubt that there are other Members responsible for leaks to the *Press* and other parties.' That is a bit like a judge who makes their judgment and then says something that is outside the ratio of their decision. That is not for her. If she believes that there are people ... There is actually a presumption of innocence – I know it may seem strange, but there is a presumption of innocence – both in this Assembly and elsewhere and she should keep those comments to herself.

If there are complaints that have been made and if there is evidence to justify them, find them proved on a balance of probability, all that means is that something is more likely than not 50.01 to 49.99; that is all it means, that is all she has got to do. So I would be grateful if she would not seek to lecture me and others about conduct that we have not been guilty of.

But, madam, as I say, I conclude by where I began: I am grateful to Deputy Blin for his fulsome apology which I know he meant sincerely. I think we ought to just pass on from this as quickly as possible.

The Deputy Bailiff: Deputy Trott.

Deputy Trott: Madam, I speak briefly because Deputy Blin has, with good grace, accepted the formal reprimand. He made a mistake, he is unlikely to make it again and my advice is that the

1190 Assembly moves on and moves on quickly. The general public are generally disinterested in our internal matters and clearly want us to debate matters that concern the progress of our community. I hope we will do that.

The Deputy Bailiff: Deputy Gollop.

1195 **Deputy Gollop:** Well part of me does not want to move on too quickly because we are going rather fast and in any case we are going on to the accounts soon and that could be quite long winded in a way. But I appreciate the speeches so far. I am sure we have appointed an excellent person with Dr Melissa McCullough, and everything she has said to us through SACC and elsewhere has been commendable.

1200 I did see a strange little television feature the other day I did not know about, whereby it was suggested – back to Deputy Ferbrache’s point – that the Commissioner was unhappy that some Deputies are hard to contact in both Jersey and Guernsey and that needs to be a matter that should be addressed. I do not think it is particularly relevant to this, but it shows that there are people out there who are complaining that we should be more approachable and maybe the Commissioner sees herself as having a wider role of improving our standards of behaviour and maybe her *obiter dicta* points, that Deputy Ferbrache has alluded to, implying we are all guilty, or some of us are guilty, has to be taken in that context.

1205 Deputy Ferbrache implied it is quite an easy matter to adjudicate whether a Member has broken the confidentiality oath or not, but I would say it is not. I remember in a previous Assembly we had a well known Member who I am afraid did get a reprimand and one of his issues was that he had actually given some information from the Committee, which he thought was in the public interest, concerning sensitive matters that he had professional knowledge of to, actually, a Member of the Assembly who was also a very well abled and a well qualified advocate, amongst others.

1210 So it can be quite nuanced and I entirely support Deputy Blin’s apology and do feel that he has been unlucky. He has been a scapegoat in as much that the Commissioner has made the point which, in common sense areas is true that there have been leaks over the years, to the media or to other Members or to other parties, but it is poor Deputy Blin who gets caught with the parcel in his hand when the musical chair stops; and that happened, not because a complaint was made by another Member or senior officer or member of the public, but because he was identified in the issues Deputy Taylor was raising.

1220 So I do understand why Deputy Taylor said what he said, although I would distance myself and not go into any of the issues regarding the personalities that he mentioned, partly because Policy & Resources have a role in dealing impartially with everybody. I am trying to find the email trail which started all this off, I am not even sure I got it because I cannot find it at all but I do remember a dialogue between some Members at the time.

1225 I am sure what Deputy Blin did was well meant to clarify any misunderstandings and to make parties aware of what might be being said that was either detrimental to them or, more significantly, was inaccurate. We sometimes know that, with all good faith, a response from a colleague or somebody else is actually not necessarily true or perhaps has interpreted the facts in a different way and we have to be aware of that; and I rather agree with Deputy Ferbrache that there has been, over the years, inconsistency with the way culprits or contributors are dealt with.

1230 If one looks at the report, although there is a clear duty that Members must bear in mind confidential information may only be used in connection with those duties, well that might imply, or might not, that you could share information with other colleagues, for example, or maybe legal advisers, I am not sure. Obviously, you cannot use it for your own financial gain or your personal interests, but not limited to departmental Committee minutes and other papers circulated. It does not necessarily say conversations there, but that is implied, I suppose.

1235 ‘Members should not disclose personal information about named individuals unless it is both lawful and clearly in the wider public interest to do so.’ Now, defining what the public interest is, and we even have seen the public interest used as to identify whether questions can be asked in

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the Chamber or not, it is not always easy and it probably is best done by a qualified judge. But as I say, that public interest offers a certain amount of uncertainty in this.

1245 Let me come on to the substance of the matter. Deputy Blin identified a report which there was this email chain, that I do not remember specifically seeing myself, and there was a discussion made to an article published in *The Bailiwick Express* and the very complaint seemed to come before the Commissioner because of the issues Deputy Taylor was referring to.

1250 What is a bit mystifying about this is that there is, on page 7, reference to the Avison Young report and a senior officer was advised was it necessary to still have that in the public domain and he adjudicated, yes, but paragraphs were redacted and I have said look to the report, it is still in the public domain, the paragraphs were redacted and there are some points in that that perhaps were not particularly helpful to certain parties, but it is already in the public domain.

1255 There is the nice point made that had Deputy Blin shared a link to that report, rather than an email relating to it, he would not have been guilty of this, which is another nuance, I think. So I think that although we must discourage the sharing of information, particularly for Members on a Planning Authority particularly to developers, I do think that Deputy Blin was almost in the wrong place at the wrong time; and I have sympathies to much of what Deputy Ferbrache has said and this would not have come to light without the curiosity of the inquiry that did not proceed regarding the points that Deputy Taylor made.

1260 I entirely endorsed the views of the Commissioner, Dr McCullough, Pan-Island Commissioner for Standards that we need to create a place and space that is more productive and trust is at the core and non-disclosure of confidential information needs to be adhered to and that is a behaviour ... but I also accept the points she made on 31 and 32 that, 'Deputy Blin should provide an apology. He has, however, under the current legislation that is a matter for SACC, this is not an available sanction in the context of this complaint.

1265 Therefore, I must recommend Deputy Blin be formally reprimanded. I am not quite sure why he could not have got a caution but I can understand the choice between reprimand and sanction. Now she concludes by making a solid recommendation that I would ask the States' Assembly and Constitution Committee (SACC) to look at, 'The case has highlighted issues in relation to the legislation regarding sanctions. I would be grateful for SACC to consider reviewing this, to enable the Commissioner to recommend the sanction of apology in cases that are beyond minor in nature.' 1270 Well, clearly on this basis she felt that it was slightly above minor but maybe did not warrant a reprimand but there, sadly, was not the option of an apology. So I think we need to take that on board.

1275 We have to accept that Deputy Blin, in a well-meaning way, did forward these emails but in a way, although I accept the report, I would not want to vote against it; I might be minded to abstain on the vote because I think the point has been made that we need to improve our behaviours but this was an unusual case and I would not wish to see Deputy Blin's reputation or career jeopardised.

The Deputy Bailiff: Deputy Dyke.

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Deputy Dyke: Thank you, madam.

1285 I will be brief on this. I have listened carefully to what Deputy Gollop has just been saying and Deputy Ferbrache before him. The Commissioner seems to have clearly taken the view that Deputy Blin's infringement was careless rather than malicious and, obviously, he and all of us must be very careful with not forwarding emails without clear authority to do so. It is sometimes difficult when you have got long chains but, clearly, care and attention is required.

1290 The Commissioner, having said that the offence was careless rather than malicious, did go on to say that, as Deputy Gollop said, an apology would be the appropriate sanction but she could not prescribe that because of the way the Statute is drafted. Therefore, with no other options, she recommended the reprimand.

Deputy Blin has given a full and frank apology and, I think, he is genuinely sorry about it, (A Member: He is.) so my inclination is to accept the apology, note the view of the Commissioner

that an apology really was the appropriate sanction, and not go on to formally reprimand him. I do not think that is necessary and I think that would be a fair end to this case.

1295 Thank you.

The Deputy Bailiff: Thank you, Deputy Trott.

Deputy Trott: Madam, could I invoke a Rule 26(1)?

1300

A Member: Hear, hear.

The Deputy Bailiff: Does anybody else wish to speak in this debate? Deputy Queripel wishes to speak. Deputy Trott, do you wish to take a vote?

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Deputy Trott: Yes.

A Member: No.

The Deputy Bailiff: Greffier, I am going to do this on the electronic voting.

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A Member: I am going to stop voting for too many Rule 26s now.

The Deputy Bailiff: This is a motion to guillotine the debate in relation to the current Proposition. The States' Greffier will open the vote.

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There was a recorded vote.

Rule 26(1)

Carried – Pour 19, Contre 13, Ne vote pas 6, Absent 0, Did not vote 2

1320

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

The Deputy Bailiff: In relation to the motion to guillotine the remaining debate on this matter, there voted Pour 19, Contre 13, there were 6 abstentions and 2 Members were no longer in the Chamber so did not exercise their vote. Therefore, I declare that this debate is guillotined.

1325

Deputy Meerveld.

Deputy Meerveld: Thank you, madam.

First, I would like to say this investigation was actually initiated by the Commissioner herself, having discovered evidence inside another complaint that a breach had happened and I support the fact that she has pursued it, in that, I think all of us would say that we should have a Commissioner for Standards who takes a zero tolerance approach to breaches of the Rules. And, to answer Deputy Ferbrache's question, yes, we do pay the Commissioner on an ad hoc basis, it comes out of an approved budget and SACC does not see the costings for individual investigations, although I am sure there will be a number to disclose to the Assembly once a full year has happened or the accounts come up.

Part of the investigation and part of the recommendations of the Commissioner was for just an apology; an official apology. But as she found out when she made that recommendation to the Greffier, it was pointed out that our Rules do not have that provision – they do in Jersey, they do not here. I think an apology would have been the suitable route and SACC will certainly look at bringing the suggestion back to the Assembly to introduce that as a vehicle to, hopefully, avoid utilising States' time on a debate like this when an official apology would have served the purpose.

I do want to compliment Deputy Blin for the way that he has handled this and for his apology and his acceptance and recognition that, unwittingly, he did breach the Rules. The fact is I am sure that a lot of us in this room could have easily been caught in a similar manner and, actually, of all the people in this Assembly, Deputy Blin is the person I know that is the least likely, I think, to have done anything like this deliberately and it is very unfortunate that it has fallen to him to be the example.

So I think, personally, unlike Deputy Dyke's recommendation, there has been a breach of the Rules, there has been an acceptance and an apology, therefore I would recommend to all Members and Deputy Dyke that there is a unanimous vote for a sanction because that is the only option before us and it does recognise that we respect the Rules as an Assembly, Deputy Blin has accepted responsibility for his actions and I think that sends the right message to the public.

So I would recommend to the Assembly that everybody votes for this sanction and it becomes a matter of record that we have accepted there has been a breach and, in the absence of a lesser and more preferable penalty, the Assembly has accepted this one.

Thank you, madam.

The Deputy Bailiff: Thank you, Deputy Meerveld.

There was a recorded vote.

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Aldwell, Sue	Dyke, John	None	Inder, Neil	None
Blin, Chris			Leadbeater, Marc	
Brouard, Al				
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				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				

Mahoney, David
Matthews, Aidan
McKenna, Liam
Meerveld, Carl
Moakes, Nick
Murray, Bob
Oliver, Victoria
Parkinson, Charles
Prow, Robert
Queripel, Lester
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon
Woodhead, Bruce

1365 **The Deputy Bailiff:** In relation to the Proposition there voted Pour 37, Contre 1 and 2 Members were not in the Assembly at this time of the vote. Therefore, Deputy Blin, it is my duty to advise you that you are hereby formally reprimanded.
Greffier.

Billet d'État IX

COMMITTEE FOR POLICY & RESOURCES STATES' TRADING SUPERVISORY BOARD

1. The States of Guernsey Accounts 2023 – Debate commenced

Article 1.

The States are asked to decide:

Whether they are of the opinion to agree with the Policy & Resources Committee's approval of the States of Guernsey Accounts for the year ending 31 December 2023.

1370 **The States Greffier:** Billet d'État IX, Article 1, Policy & Resources Committee – The States of Guernsey Accounts 2023.

The Deputy Bailiff: Deputy Trott. Oh, I am terribly sorry, Deputy Soulsby.

Deputy Soulsby: Thank you, madam.

1375 I have pleasure in presenting the States' Accounts for 2023. The document in front of you represents the most comprehensive statement of the financial activities of the States of Guernsey ever recorded and reflects just how complex and diverse our public sector is; and by that, I mean all the work done by people who serve our community in so many ways, from those on the front line who keep us safe and secure who look after those in need and who seek to give the next generation the best start in life, to those behind the scenes who research and develop policy letters and provide subject matter expertise to, hopefully, help us make evidence-based decisions in difficult and
1380 challenging times.

I think everyone here would agree that the world has changed immeasurably from 50 years ago in the days before mobile phones and social media, when Leeds United were top of the league and *Tie a Yellow Ribbon Round the Ole Oak Tree* was number one. Whether that was a better time, I will leave to others, but it was certainly different and nowhere is this more evident than when contrasting the accounts of now and then.

For a start, those who look askance at the fact these Accounts cover over 150 pages, excluding the trading entities, the equivalent accounts for 1973 ran to 255 but showed much less in the way of explanation. It was a time of a surplus on the accounts with Alderney. There was an accumulated surplus of £1.8 million, equivalent to £29 million today, after a revenue surplus of £3.2 million in the year and capital deficit of £2 million.

No balance sheet was shown but perhaps not much has changed as the Ports Holding Account has an accumulated deficit of £410,000. A summary shows that Income Tax was £6.4 million out of a total of £10.3 million, followed by £2.7 million from import duties imposed on wharfage.

Out of a total expenditure of £8.8 million it was Education that cost the most at £2 million, followed by £1.5 million for Health Services and hospitals. There was just one entry of £1,370 for the Arts Committee, which was described as being for cultural activities and we find that printing Billets cost £11,000, equivalent of £174,000 today. Just think, if Deputy Queripel had been in the States in 1973, we might not have a black hole now!

Clearly our world is more complex today and so are our financial statements. Whilst in the past we could just issue schedules of income and expenses without any explanation, today there are accounting principles and acceptable accounting standards that are constantly changing, reflecting how the world is constantly changing.

Certainly displaying not one but several suspense accounts as was done 50 years ago, would not pass muster. The accounts Members are being asked to approve today are a world away from those in 1973 and provide more information than ever before. We have done this not only as a result of the move to International Public Sector Accounting Standards (IPSAS), but because we have chosen to because we are not afraid of doing so.

The year 2023 has seen a further advance on the road to full IPSAS compliance, which will be complete for this financial year and reported in 2025. This has been a major, and not cheap exercise, it has to be said. Following on the changes for 2022, including the recognition of the hundreds of properties held either operationally or as investments, this year has seen the analysis of social benefits and Social Security funds, including the investment in unincorporated entities such as the Dairy, Works and Ports and enhanced investment reporting. As a result of legal advice confirming that the Public Sector Pension Scheme is held by the States on a fiduciary basis, this has been taken off the balance sheet and tangibles – that is basically software development – have for the first time been included in fixed assets.

So moving to what the Accounts show, in terms of performance for the year it is, of course, pleasing to see that an operating surplus of £10 million was made, the books have been balanced. Overall, a net surplus of £63.7 million is made. Now that is not the surplus after a good catch, but rather after all book entries and which reflects the reverse of the deficit on unrealised investment returns last year. We cannot look at it and think all in the garden is rosy – and more on that later.

Income was buoyed by banking profits rising as a result of interest rates going up and Income Tax and Social Security contributions from increased wages, as well as more employees. At the same time, operating income has increased by 14.7%, 7% in real terms, primarily from HSC's significant increase in Emergency Department and private patient income of £2.7 million.

From an expenses point of view we see that pay, by which we mean cost of people to the States, not earnings, represents approximately a third of all costs. Another third is third party payments, primarily social benefits, which include the state pension, Income Support and other allowances. Now pay is always of intense interest, indeed that is nothing new, 50 years ago the States did not provide any analysis of pay as we do, but did publish in a separate Billet the salary scales of established staff in quite some detail, covering 15 pages.

From this it appeared that the highest paid employee was the Director of Economic Development on £8,264 plus 10%, it is about £150,000 in today's money, followed by the States' Supervisor and States' Treasurer, who were on about £2,000 less. To give some perspective, a clerical assistant, copy typist and telephonist were on between £606 and £1,108 and the States even paid for the court reporter.

Today, salary scales can be found online with the accounts providing an analysis of individual employees who cost the States over £105,000 when taking account of all employment costs. That the numbers in this band have increased 45%, of course, requires explanation. Firstly, it needs to be understood that this does not equate to basic pay but the total cost to the employer, the States.

From the analysis undertaken, it is apparent that this increase reflects not just pay awards for the year, but back pay and for those who are at the lower end of the £105,000 band, some considerable over time. In fact, there is a number of staff who have been earning more than their basic pay in over time, these will be frontline staff in Health & Social Care and reflects the resourcing issues in that area.

We are grateful to those staff for the hard work they do, but this is not sustainable either for them or the Civil Service as a whole. Neither is the increased reliance on agency staff, which made up 61 of the 142 increase in FTE average over the year, both required by HSC and ESA. What the figures do not show is that whilst FTEs are up on last year, we have over 400 vacancies across the public sector. Now, just as Deputy Burford did ask this question, why the disparity between our figures and that provided by HSC, our figures are after taking account of positions being filled by agency and over time, whereas I think Deputy Brouard's figure was gross. So that accounts for that disparity.

So we have over 400 vacancies across the public sector compared to the Budget agreed by the States, a figure that largely reflects that changing demand for services is as a result of the changing demographics, such as Social Care. But it does show we cannot continue as we are and we need to do things differently.

Moving to the statement of financial position, or balance sheet in old money, it is probably fair to say that any entity with assets of £4.25 billion and liabilities of just half a billion would be very satisfied with where it stood. However, it is important to look at the other balancing half of the balance sheet and see what that means in terms of reserves and what the States has at its disposal.

One point seven billion pounds represents the Accounting Adjustment Reserve, this is really just a book entry and was called the Fixed Asset Adjustment Reserve last year as a result of the inclusion of fixed assets for the first time, but has been renamed as a result of the inclusion of the other accounting adjustments, like unincorporated entities, this year.

Taking out the half a billion of trading entities this leaves distributable reserves of £1.6 billion, of which £1.2 billion covers the Social Security Funds, a core investment reserve as our rainy day fund, health reserves and others earmarked for specific purposes, which leaves £365 million unallocated.

This is the amount left available for capital spending. It is not enough to meet what has been agreed by the States and set under the States' current fiscal framework, nor to meet States' policy of maintaining the core investment reserve at a year's general revenue, nor to pay for the 400 vacancies. While some work has commenced to improve matters and we see Pillar 2 may well be better than previously thought, decisions will still need to be made early next term to put ourselves on a sound footing.

Now it can be interesting reading the Billets from 50 years ago to get an understanding of the major issues of the time. Most are very much of an administrative nature, it has to be said, but the reports of various professionals at the time were enlightening. The Medical Officer of Health, in 1973, referenced how Guernsey had some of the highest smoking rates in the world and commensurate levels of lung cancer, heart and circulatory issues. The German Measles vaccine had just been brought in and the Smallpox vaccine stopped. There were 790 live births and 613 deaths and 1,200 pupils had to have a general anaesthetic for tooth extractions.

1485 This was also a time when phase 1B of the Hospital was being developed on a budget of £1.5 million and when La Mare de Carteret primary and secondary schools were being built for £860,000. It was more a time of tomato growing than financial services. The population was 53,000 not 63,000, there was net natural growth, not decline and the accounts reflect that.

1490 The States of Guernsey of today does not compare to that time, but then neither do the public's expectations, understandably so as the world has changed around us. In 1973, Black, Geoghegan and Till were the auditors and their audit report ran to five pages, but said only that the accounts fairly summarise the transactions made during the year. Today it runs to four pages and states that the financial statements are prepared in all material respects in accordance with the accounting policy stated in note one to the financial statements.

1495 That does not mean we have made up all the accounting standards, by the way, as lobby groups have stated; they are pretty much in line with IPSAS, except in a few areas and next year our accounts will be fully IPSAS compliant with the full consolidation of entities, including our trading entities and the GHA and it will not be a simple task. We will also have segmental reporting and the deficit of the Public Sector Pension Scheme on the balance sheet.

1500 We expect that the opinion our auditors, Grant Thornton, will give on the 2024 Accounts will be that they show a true and fair view, but it will not stop there as standards change and as we look to provide more information that gives a clear picture of the activity of the States and where it stands at the end of the year.

1505 I would like to thank the staff involved across the States for putting together these financial statements. I am well aware of what a difficult task it was, particularly as not only the 2023 figures had to be compiled, but the 2022 comparatives had to be restated as a result of the changes made, which I hope Members will agree make for a more readable document. I, therefore, ask Members to agree with the Policy & Resources Committee's approval of these Accounts.

1510 **Deputy Trott:** Well said.

The Deputy Bailiff: If anybody wishes to remove their jackets, please feel free to do so.
Deputy Ferbrache.

1515 **Deputy Ferbrache:** Thank you very much, madam.

I am grateful for that analogy of the historical left of 1973. In relation to 1973, she talked about Leeds United but that was the year of shocks because Leeds United played Sunderland in the FA Cup in that particular year, they were the Second Division, they lost one nil and the goal was scored by Ian Porterfield. So shocks occurred in 1973.

1520 It was also the era of lots of actual heavyweights – a great era of heavyweights: we had Mohammed Ali, Joe Frazier, Ken Norton and George Foreman, to name just but four. Towards the end of 1973, I remember it well because I still was driving, as a young barrister in England, my Guernsey registered Ford Escort with Guernsey plates on and you were going to have a problem from about October of 1973 because you could not get any petrol in England because of the oil crisis, OPEC. So the world was in crisis then.

1525 What I do know is that some things do not change because 1973 was the first full year of my practice as a barrister of the United Kingdom and I earned, my accounts show, £2,900. Now, allowing for the ravages of inflation over the years, not much changed over the next 50 years in relation to actual and real earnings. So things did not always change but what is very clear, indeed, is that the States has changed; the aspirations of our economy and our population have changed. As Deputy Soulsby said, the biggest spender at 50-odd years ago was Education. Overwhelmingly, now, the big spender is Health and that is not going to change.

1530 Now, as I said earlier in relation to the previous issue that we briefly debated, we can all be happy and clasp all 40 hands together – or 38 I do not think we have 40 today – dance round and round the mulberry bush and sing happy tunes. But we have got to realise that the world is not like that and when we look at our finances, what I would like to say also is that for all but about 18 days of

last year I was President of Policy & Resources and I had four very able Members with me and the person who was responsible, he was not called Treasury Minister, but the person who actually was our Treasury Minister was Deputy Mark Helyar and he guided us through the difficulties that we had in 19 ... last year – not 1973! I do not think he was born; he might have been born in 1973, but he would have been a baby.

He guided us through 2023, which was a year of some trial and tribulations with considerable skill and these accounts, although he was not party to them because he was not a member of P&R when they were promulgated and finalised, are in large measure down to his skill and the way that he led us through and the budgets that he led us through last year. So I would like that to be acknowledged when we look at the surplus and the figures that we have got.

Now, what we do have is we have fewer than 20 people earning more than £160,000 a year and that is calculated. Compare that with our sister Island, Jersey, and I heard, and I know it is a different organisation and they put commercial titles on people and they give them different wages, but I heard on the media outlet last week, I think it was, that the head of their Ports, that is Ports and Harbours, was earning in excess of £450,000 a year, which is far more than any public servant is earning in Guernsey. So we have got to put that into context.

But what we have to realise when we look at these accounts is that we do have a surplus: Income Tax revenue has gone up and the stock market changed from a desperate year in 2022 to a better year in 2023, but we have more people that we are employing. The wage bill went up, in real terms, i.e. after inflation, by 1.4%. Now that does not seem much but 1.4% in real terms is a significant sum. That is not what would have happened in the private sector because people in the private sector were still tightening their belts last year, by and large.

So these Accounts will, of course, be approved, they have to be approved but they are telling us a story that is one of both optimism, in the sense that we did balance our books as the way that Deputy Soulsby says, but realism in the fact that we are, as she said, facing a black hole. We can continue to do nothing for the next 12 months and I have not been critical, either publicly or privately, of my successors in P&R in the six months that they have been in and I do not intend to be, but I do intend to look at what they are intending to bring with the Budget in four or five months' time; because if it is just a 'let's wait till July of 2024 and see what the new States might do' Budget that will be failing Guernsey because we have issues that are addressing us now, we have financial issues that we need to concern ourselves with, we have a growing Civil Service.

Now, expert advice is such that, and I commended him previously and I re-commend him or doubly commend him, Deputy Parkinson was almost a lone voice in relation to Pillar 2 and the amount of money that we would get from Pillar 2. I am still irked, I have got to be honest, I have got irked because I am an animal, if I am kicked I bruise and I do remember things, to be told by advisors that we had, extraneous advisors, time and time again that the maximum we could get from Pillar 2 would be £10 million and we were also told that by our in-house team and then five days after I, and others, were cast asunder by the States, that figure trebled. I wonder how you can treble a figure in five days when we were given information just before that, but it was the figure that we were advised. But, hey-ho, life goes on and you have got to pick yourself up, dust yourself off and walk towards the sunset.

So, in relation to these accounts, they are generally good news but we do, as a community, have major challenges. We have not controlled our health costs and that is no criticism of Deputy Brouard, who I have great admiration for in the way that he has led the Health Committee over the last three and a half years or so, the public do not want to hear the message that they need to be told and I do not think there are enough people in this Assembly who have the courage to tell them that.

The Deputy Bailiff: Thank you.
Deputy Aldwell.

Deputy Aldwell: Thank you, madam.

1590 Like many people today, I was not going to speak on this but, actually, something happened this morning and I thought that I would relay my concerns. So when the release came out from the media I was quite surprised really, because everything seemed tickety-boo and I thought we know it cannot all be tickety-boo, but this is what had been portrayed that it felt like and I felt that it gave a false sense of security because I knew what was coming down the line. We all know what is coming down the line.

1595 We all know, in our Committees, how difficult it is to employ people. We know that in Jersey the police, teachers earn 25% more and we know that we cannot retain our staff. We know that our nurses elsewhere earn more money and we cannot retain them, besides the housing, we just cannot do anything about that.

1600 But we are going to have to do something about salaries, we are going to have to change this and then we have SLAWS coming, the Supported Living and Ageing Well Strategy, which this States does not seem to want to answer either. But as Deputy Brouard has said, again, we have people in the community and they need to be looked after if we want them to stay in their homes; and if we want those people in their homes, we are going to have to pay a decent wage because people are not going to be in the care sector unless they are paid. This morning you have spoken about adult disability, that has been mentioned a couple of times about the staff, this morning at twenty to eight I had a message to say, 'I am sorry your son cannot go to adult disability this morning, we have got nobody in for you.'

1605 So what happened was, on this occasion, I was very lucky my husband was just at the Carlton and I got him to turn back and he came home. So, thank goodness for the Anti-Discrimination Laws with the carers in it because he could use that and he could come home and he is there with my son today. Thank you for that.

1610 But it just seems like, to me, we are giving out this message and we are going to have an election next year and we have seen in the *Press*, I saw a couple of letters, there is nothing to worry about, everything is tickety-boo and I know that Deputy Soulsby has said, all in the garden is rosy, but it is not really and we understand that it is not.

1615 So, really, I just wanted to speak to say to the public I am sorry it is not all tickety-boo, it is not all rosy in the garden, we have all of these things coming down the road we are going to have to deal with SLAWS we are going to have to deal ... we want to move our economy, we want more staff in the pre-schools, we want more staff in the nurseries. It is low pay, they need a decent salary; we are not going to get those staff, locally, unless they get paid well.

1620 So it is very nice to see we have made £10 million profit that is really good. We have been trying to balance the books and everything seems great but, for me, I am worried about next year, I am worried that the Deputies coming in will not have that reality and there needs to be a real reality check on the problems which we face because we are facing them today and they are only going to get worse. But thank you for the Accounts.

1625 Thank you.

The Deputy Bailiff: Deputy Vermeulen. Oh, no, he is just leaving the room! (*Laughter*) I thought you were springing up. Does anybody else wish to speak on this debate? Deputy Trott.

1630 **Deputy Trott:** Thank you.

I want to start with a bit of good news and then do, I think, some of the reality checks that Deputy Aldwell would wish. But let us turn our attention to page 144, which is the analysis of income and expenditure attributable to Alderney and it is an improving situation because in 2022 the net cost was only £11 million – was £11 million – whereas in 2023 it was £10,300,000. So, we are still at or around £5,000 per citizen. But let us give credit where credit is due, madam, the situation is improving, albeit marginally.

1635 Now, the Policy & Resources Committee, yesterday, reviewed the finance report for the first four months of the year, including the first full year end forecast and I, therefore, thought it would be timely to update Members of the Assembly on this position during this debate. Members can see

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from the Accounts of 2023 that the operating deficit in 2022 of £5 million became an operating surplus of £10 million in 2023 and the current forecast is that the outturn for 2024 will, again, be a deficit in the order of £12 million.

Now, on the subject of reality checks and being honest I would remind through you, madam, Deputy Ferbrache and others that I fought the last election making it very clear that there is no way that a community of ours can continue to be bottom of the table in the amount of tax we take from our output at 21.4% to 21.5% when our nearest competitor, Jersey, is many percentage points ahead of that. You cannot sustain the sorts of public services that our community wants on only 21.4% of our output. Nothing has changed in that regard and I know it is a matter that is understood by my friend Deputy Ferbrache.

Now, before I break down the expected deficit of £12 million for 2024 I think it is important to note that this deficit compares to what was budgeted by this Assembly of a £3 million deficit, so the situation is forecast to be worse than expected. But, of course, in comparing these numbers to those in the Accounts I am talking about core Government which is, effectively, General Revenue plus Social Security.

At this point, it is worth me saying that it is early in the year to be forecasting with a high degree of accuracy and that the next forecast, halfway through the year, will confirm, or otherwise, the current estimates and I would also like to say that of the civil servants and accountants involved in the forecasting of these numbers they do not share, in many cases, the same natural optimism as me. I have an optimism bias; more often than not, that optimism bias is the accurate position to take and I hope, therefore, that the eventual outturn will look slightly better but it could look slightly worse. But those are the sorts of numbers we are dealing with.

I should also say, through you madam, that I do respect the numbers as they currently stand. I am not trying to disabuse them I am just saying that history shows that things often turn out better than we had hoped. Now, in terms of Social Security, the budget contained within the operating report of the Committee for Employment & Social Security was for a combined operating deficit on the Guernsey Insurance Fund and the Long Term Care Fund of £14 million.

The current forecast is expecting a deterioration in this deficit to some £16 million, based on performance in the first four months of this year. These are the most up-to-date numbers available to us and this deterioration is being caused by a small shortfall against anticipated contribution income and a slight increase on expected benefit payments.

So I want to turn to general revenue now. The Budget agreed last November anticipated an operating surplus for the year of £11 million and the latest forecast expects this may reduce to £4 million. So we need to keep a sense of perspective, numbers are forecast to deteriorate, slightly, on those forecasts but the numbers, I am delighted to say, are not enormous.

Revenue Income, in the first four months of the year, is just over £1 million short of the budgeted position. Income Tax and contribution income make up over three quarters of the overall income and receipts from these taxes are, overall, in line with budget in the year to date. This position is made up of ETI and contribution income being in line with the budget set, other individual and Company Income Tax being £3 million behind budget and tax from banks remaining high at nearly £3 million ahead of budget and this is leading to a year end forecast just shy of the original budget. The States is not used to receiving this type of granular update in this way, but I think it is useful, particularly as we enter the final, or that we are now in the final, year before election.

Now, the year-to-date customs duties are over £3 million short of the budget, some of this is due to stockpiling of dutiable products at the end of the year in advance of duty increases and this makes it, somewhat, difficult to accurately forecast the full year position but this is currently estimated at £1 million short of budget.

Other income streams are largely anticipated to end the year in line with budget and Document Duty is looking healthy in the year to date at nearly £1.7 million ahead of budget, but the numbers have been skewed by one exceptional transaction and by year end the receipts are forecast to be in line with budget. Overall then, income is currently anticipated to be only some 0.2% or £1.4 million short of budget. So they are the facts as we know them today on the income side.

Now, turning to expenditure, Committees, Authorities and Departments have collectively under spent by just under £4 million in the year to date. However, this collective underspend masks the pressures being felt, once again, in Health & Social Care, with that area having overspent in the year to date by just over £1 million and that is in spite of the fact that we heard this morning there are over 400 vacancies. A point, I think, Deputy Inder was making was if we were at full capacity those numbers would look very much different.

Now, the first four months of the year have seen an exceptional call on the use of the Budget Reserve, and this is a really important point here, with the whole of the general provision already having been committed. So we are not even at the end of June and the Budget Reserve is, to all intents and purposes, exhausted. This is due to several urgent and unplanned projects requiring funding, but it means that it will be difficult for the Policy & Resources Committee to approve any further requests from the Budget Reserve this year, unless compensated by delayed expenditure or underspends elsewhere.

Looking at the forecast for expenditure overall, with the Health position set to deteriorate to an estimated £4 million by year end, several of the Committees facing severe expenditure pressures and the calls on the Budget Reserve already mentioned, it is currently estimated to end the year some £5 million over budget.

So, madam, I hope this 2024 update has been useful to Members. I have today written, on behalf of the Policy & Resources Committee, to all Committee Presidents to share this information with them in even more detail and to urge restraint over the remainder of the year to try and reduce the expenditure over the coming months.

Thank you, madam.

The Deputy Bailiff: Thank you.
Deputy Gollop.

Deputy Gollop: I might as well speak now. We have had some excellent speeches from Deputy Trott and Deputy Soulsby who, between them, are like a two-headed chancellor and who keep us on line. Deputy Trott alluded to progress being made on Alderney and I had a look at the figures recently and saw, to my surprise, the cost of Mignot Memorial Hospital, for example, has dropped by £300,000 and there have been similar savings in many areas. The only area that has not been so good has been the Alderney Airport which, of course, is linked to the STSB and that may reflect upon the state of the runway, the issues of the aeroplanes and other factors but I think it is a good news story there.

The UK General Election exercises us a bit with the uncertainties but with the exception, perhaps, of the outliers, like the Green Party that I have been a member of and the Reform Party which I am not a Member of, those parties perhaps have been a bit extravagant in some of their manifesto pledges but the mainstream parties have been cautious and it has to be said that our £4 million increase in Health & Social Care would be £4 billion, approximately, in England and Wales, pro-rata, and that would, indeed, be rather large.

Deputy Trott is, of course, right that our proportion of revenues that we take from taxation are comparatively low, compared to other places. What I find interesting with the Budget compared to the days of the Blue Book is the many side lines. It is sometimes, perhaps, difficult to work out how much we spend in certain areas, I do not know on pens and paper or paperclips or whatever, compared to the old days, but there are other things that are interesting and sometimes, although I have now heard the accounts at least three times in different contexts, there are always new things to learn and appreciate.

One area, for example, is I see that we pay a grant of £3 million to £4 million to the Guernsey Therapy Group and £3 million to £4 million to the MSG, but I do not know why it is only down at £3 million there when the overall value of the grant is £23 million. Yes, it is actually on table 42, page 80, at the top of it, Medical Specialist Group £4.5 million grant or subsidy and yet that is only a proportion of a wider subsidy. But you look through it and you see we are giving a very wide

1745 number of grants and subsidies to everything from colleges to charities and we do, indeed, support the third sector.

One area that interests me, of course, is the issues of employment and one sees earlier that there has been a degree of restraint on the rise of higher paid officers in certain bands. We have, I do not know, this is of course on costs, the total cost which may include not just the gross salary but other forms of remuneration, the related pension contribution as well as social insurance, possible other issues, so you cannot take the figures out of context. But nevertheless, for example, this is on page 53, one sees the number of staff who are paid between £150,000 to £170,000 yearly has dropped from 29 to 24 and in the category above from 18 to 17.

1755 On the other hand the numbers, overall, have increased from 159 to 230 and in the marginal band, the first band £105,000 to £129,999, one sees what amounts to perhaps a 40% increase from 72 to 118 which possibly means people have suddenly, due to the significant RPI, gone over a barrier.

But, nevertheless, that is a factor that we have to observe with a degree of caution and understanding; and, indeed, we know that comparing 2023 to 2022, we already had some confusion this morning about how many roles are vacant in Health & Social Care, but if you look at the number of full-time equivalents overall and that can include people doing excessive overtime and other factors, one saw that the established staff has risen a little bit from 1,639 to 1,683, but the nurses have improved at a faster rate, as have teachers but they may be catching up for lost time.

1765 But to cut a long story short, the number of full-time equivalents in 2022 was 4,916 and today, or rather at the end of 2023, it is 5,058. So, again, we have seen an increase which is about 3%. So we are still rising and because of our ageing population and other factors it may be impossible to change that and we are seeing, of course, that the pay costs have increased.

It is interesting States' Members' remuneration, one or two Members not taking the pay increase, sadly I was not amongst them, has gone up from £1,866 to £1,000,984, but that is a comparatively small rate compared to established staff, who have gone up from £98 million to £106 million.

1775 There are other interesting areas too about how long-term assets are being used, of how loans are placed to Jones and Water and Electricity and other areas of our infrastructure. I found it intriguing that we make money from issuing notes and coins in our society because we issue 61 million to 63 million but there is still a liability if everybody demanded them back. But, nevertheless, some of them are deemed now to be out of circulation. So we have, clearly, gained overall and it is something nice to have for our independence.

But I think the message from this report is although some savings have been made and some budgets have been restrained, we are still seeing a gradual increase in the number of staff in certain pay bands and in staff and resources, particularly, needed for Health Care. And whilst that goes on, the States' Members, as Deputy Aldwell reminded us, and Deputy Ferbrache in a way, we have an uncomfortable set of decisions to make, eventually, that we either restrain ourselves and cut and readjust and maybe reassess universal offers and what we currently do, or we say to the public, I am afraid we need more taxation, not just for the most successful in our society, because that could harm our economy and our future, but from the broader population. And I do not think Deputy Soulsby or Deputy Trott would disagree with me there that we do have challenges and, I think, we do need to spend more on our environment and on developing our economy, especially, so that we ensure that we have the infrastructure and the investment to ensure that we can pay for all these growing demands.

1790 **The Deputy Bailiff:** Thank you.
Deputy Queripel.

1795 **Deputy Queripel:** If we look at page 51 we see the combined salaries of every Member of this Assembly comes to £1,984,000. We look at page 5 and we see it costs £864 million to run the Island and there are many out in our community who say Deputies should not be paid. Well, I would just

point out to them that even if we were not paid it would still cost just over £862 million to run the Island.

1800 Anyway, where are all these people who would work for nothing as a Deputy? I do not know anyone who would be prepared to do that. I look forward, actually, to candidates in the next election, in a year's time, saying that they would be prepared to work for nothing, 50, 60, 70 hours a week, week in, week out and put up with all the stress, the frustration and the constant criticism.

On that note, madam, it has been quite a while since I referenced a song in one of my speeches. I will take the opportunity to quote lyrics from a song entitled *Money*, which was recorded by the Beatles way back in the 1960s. One of the verses goes like this:

The best things in life are free.
You can keep 'em for the birds and bees.
Now give me money.
That's what I want.

1805 And I certainly go along with that man because there is no way I could have worked for nothing as a Deputy for these 12-plus years and I am sure a lot of my colleagues are in the same position. So my message to the community is be careful what you wish for and I will close by referencing another song. It was a hit for Lynn Anderson, a long time ago, called *Rose Garden*. In that song, the immortal line:

I beg your pardon,
I never promised you a rose garden.

1810 Thank you, madam.

The Deputy Bailiff: Thank you, Deputy Queripel.
Deputy Helyar.

1815 **Deputy Helyar:** Thank you, madam.

Thank you, Committee, first for delivering the Budget, the Accounts are looking much tidier. I think, generally speaking, the public seem to understand them better than in the past. I also appreciated the update, particularly from Deputy Trott because I was going to ask about the Budget Reserve because those who have been in my role or on P&R in the past will appreciate that the only
1820 real area of power in terms of fiscal restraint is stopping people having access to the Budget Reserve and if you look at the accounts for last year, you will see that P&R actually saved £15 million by not allowing access to it.

I suspect some of the pressure that has built this year is as a result of that, but had P&R not said no to access to the Budget Reserve this would not have been an operating surplus; it could not
1825 have been. I also think we need to move away from the way in which we described our old accounting position because we used to do effectively revenue accounting, so we looked at surpluses and deficits and so on.

The first part, the operational surplus of £10 million, is fictional. We have started to take account of our capital assets and we have included depreciation in our accounts, so we need to take that
1830 into account because that effectively represents what we should be investing in our capital assets, but are not. In other words, the amount by which they decrease in value every year. When you do take that into account and the costs of financing, which are included, the operating loss was actually £56 million. Now the effect of that is that wipes out £56 million of the investment return that we received, which could not then be credited to our reserve accounts.

1835 So I was quite concerned to hear Deputy Trott, because Deputy Trott's speech came with a warning at the end of it, and the warning was do not come and ask for any more money because there is not any. Which is exactly the same warning that I have been giving for the past three or four years, but it is a concern because I do not think that ETI tax receipts are going to continue to rise, it is in the nature of inflation that there must, eventually, be a gap between wages and costs

1840 because that is how you deflate a currency and that is what governments need to do to recoup all the free cash they have been printing for the last 10 years.

So this is going to catch up with us and I think it is going to catch up with us quite quickly because the other problem is we are living ... effectively, the reason that we have got such a good result this year is primarily because of investment returns, which is something which I was also supervising; we cannot continue to live off those if we spend them.

1850 If we spend everything we have on the capital projects in the list, which are already far in excess of the cash that we have in our reserves, we will have no investment return. This result will very quickly turn into a major disaster. So this is a message for those considering standing again in the next election, this will need to be resolved super urgently. I do not think it can be resolved with Income Tax, we already rely very heavily on income based taxes and those who wish to stand will need to face up to that.

Thank you.

The Deputy Bailiff: Does anybody else wish to speak? Deputy Dyke.

1855 **Deputy Dyke:** Thank you, madam.

First, I would like to thank Deputy Soulsby, and prior to her Deputy Helyar, for getting these financial statements in the state they are in. They are actually, I think, much better presented and I know Deputy Helyar, from our days back on the Public Accounts Committee about 14 years ago has been working towards IPSAS off and on for well over a decade. So I am so pleased that we are finally getting to where we want to be and might even have the accountants sign off in the normal way, which would be excellent.

1865 I have asked Deputy Soulsby a number of questions for which she has given me the answers, so I will not dwell on all those and I am grateful for the answers, which are clear and crisp. But I would make a few points that are concerning me at the moment. The first is this constant rise in the headcount; there has to be, at some point, a 'No, no more'. I know there are certain pressures, in particular, in the nursing sphere but before we take on any more nurses we have got to get the accommodation sorted out. To my mind that is a huge issue.

1870 I am sort of disappointed that we have not made any ... well I am disappointed, not sort of, with the Civil Service Pension Plan in terms of closing it to new entrants. I think the States voted to do this many years ago, before this term and, I think, before the last term. So I think that is something that seriously needs to be looked at.

1875 I did raise a question of Deputy Soulsby who redirected it to Deputy Roffey that I am concerned that some of the Social Security payments we are sending out, particularly Income Support, which appears, and I may be wrong on this, I can be corrected, to be paid out to anyone moving to the Island, potentially from day one, according to how it is explained in the notes to the financial statements. That is an issue that probably needs to be looked at in terms of spending generally.

1880 I note the warnings from Deputy Helyar and I think there is some merit in those. I note the projections for Pillar 2; that one does worry me, I just feel that that is likely or could well have a sting in the tail. If we succeed because we have lower tax rates relative to the rest of the world and that is a base point for our success, if once these things start evening up we are going to be at risk of losing our advantages. I think there is a concern there but I hope in the short term we do make that £30 million which would make life a little bit easier.

1885 But the other area where we must, I think, focus now when we are talking about working on matters is we must focus very heavily now on our income side, on our growth, on growing our economy, (**A Member:** Hear, hear.) on dealing with the problems we have got. Obviously, the finance sector is vital and we must focus on that, but we must look at other sectors as well, including hospitality which is now suffering, we must make the Island as attractive as possible.

1890 At the moment there are going to be a lot of footloose people seeking to escape the next government in the UK and I think, speaking to one real estate agent, we are beginning to see signs of that, but we need to make Guernsey the most attractive place. It is a lovely Island, the people are

nice, it is safe but we do have problems with our air connections, relative to say Jersey, and we must bear in mind that when people are moving with their families and they bring their businesses and they build our economy they are not just looking at us, they are going to be looking at Jersey and Switzerland and the Cayman Islands; they are looking all over the place. So we must compete well and we do need good airline services and I go back to that runway point, we do need to look at the EMAS thing, really we do.

So to my mind, I think, we are not in a terrible position, but I am a glass half full sort of guy. The upside takes care of itself, we must worry about all the downsides and that is what we are paid to do. I thank our Policy & Resources Committee and the previous one for doing what, I think, has been a good job in keeping us reasonably solvent but I can see there are some problems coming down the line.

Thank you.

The Deputy Bailiff: Alderney Representative Woodhead.

Alderney Representative Woodhead: Thank you, madam.

Deputy Trott has pointed out that we have a deficit of some £10.3 million and over the years there has been a deficit. This deficit goes towards a very good medical centre that we have, if we ring up in the morning and ask for a doctor's appointment you would be very unlucky not to get one that day. Thank you for that, it is brilliant.

We have an excellent Fire Service – very good indeed, it covers the Island beautifully and thank you for that. We have an excellent school that is paid for through the Education Authorities and, hopefully, that will expand and go into further lengths of education but, at the moment, it is very good indeed. We have many good things from this money that is a deficit; a deficit is the wrong word, but is an over spend on services.

So, on behalf of Alderney, what I want to say to you all is thank you very much indeed. We are very aware of the deficit, we are working as hard as we can, under the circumstances, and would love to reduce it down to zero. But in the meantime, thank you so much. *[Applause]*

The Deputy Bailiff: Thank you, Alderney Representative Woodhead.
Deputy Roffey, no claps for you, I am afraid. *(Laughter)*

Deputy Roffey: Sorry, madam?

The Deputy Bailiff: No clapping for you, I am afraid.

Deputy Roffey: Absolutely not, no. My speech is anything but virgin. *(Laughter)*

First of all, I would like to, although we are really here to debate the Accounts for 2023 and, therefore, to some extent, just as Deputy Taylor went off piste on the Deputy Blin thing, I think, Deputy Trott, in a way went off piste by talking about the current financial performance. I was really delighted to hear it and he is not in the Chamber but Deputy Soulsby is, I would love to see a return to the situation where we got quarterly updates of exactly how our finances are doing, which used to be a regular pattern and if they could be expanded to have the sort of granular detail that Deputy Trott gave this morning, I think that would be very welcome. So there is that point.

Deputy Dyke leaves me in a slightly difficult situation because he gave fair notice of three areas of questioning he was going to bring up today in relation to the Accounts that impacted Employment & Social Security but in the end his speech only addressed one of them. Nevertheless, I think he had circulated the questions to all States' Members and, therefore, I think it is probably useful if I address all three.

The one he brought up this morning was in relation to people who have relatively recently arrived in the Island and their access to Income Support and, in particular, in these questions that

he circulated, he actually questioned whether people living in Open Market properties would be able to access Income Support and the answer is not quite straightforward.

1945 There is a provision that anyone living in Open Market properties which are houses in multiple occupation, in other words, those on Part D of the Register are not eligible for Income Support for five years. There is no such provision for those in Part A of the Open Market, the classical Open Market owned properties. Maybe there should be an equivalent and we are happy to look at that. But frankly, this traditionally has not been an issue because Part A properties tend to be incredibly
1950 expensive and, therefore, the occupants relatively well to do. In my knowledge, there has only been one application in living memory from somebody in Part A, which was declined. However, technically, I think he is right that we probably should have the same rules there as we do for Part D.

As for somebody coming to live and work lawfully, perhaps under an employment licence, yes
1955 he is right, they are able to claim Income Support if they meet all the eligibility criteria, so long as they are not precluded from doing so under the condition of a visa, or not living in Part D of the Open Market property. There are unintended consequences here. We did talk about putting in a time scale. It would bite in strange situations; for instance, we welcomed in and provided Income Support until they could find work, people from the Ukraine, if there was a firm rule that nobody
1960 coming to the Island could get even access or be considered for Income Support for a number of years, that would not have been able to be done.

But it is an area, I think, that my Committee is happy to look at. However, we do have quite a lot of prioritised work under the Government Work Plan that we are really straining to get done by the election date. So I cannot promise that it will be done in this Assembly but it has, actually, already
1965 registered on our consciousness that this is something that might need to be look at.

The other two areas that Deputy Dyke did not bring up this morning, but did in his circulated set of questions that, I thought, he was going to bring up and, therefore, I think needs to be addressed, is that there was quite a significant increase in payments on Unemployment Benefit between 2022 and 2023 and Deputy Dyke, in those circulated questions, asked the reasons for that.
1970 There are three really; the first was a 7% increase in the benefit level, which was approved by the Assembly and that just matched RPIX, if you remember; it is coming down now, but RPIX, at the time that we looked at the operating report for 2023, was 7%.

The second was that there was a modest uptick in unemployment rates, the number of people unemployed in 2023 from 2022. I think, it should be stressed that unemployment last year was still
1975 really low by any international standards or by Guernsey's historical standards. Indeed, throughout the year there was never a time when there was more than ... at every point, there was less than 300 people unemployed. But that was still a bit higher than the exceptionally low rates that we saw in the middle of 2022. I would say, in this context, that we know we need to keep those rates as low as we possibly can and that ESS, and particularly job centre staff, work incredibly hard to help people
1980 back into work as soon as possible and we also run a number of innovative schemes to help those, how can I put it, for whom work is more challenging than most, to actually find gainful employment.

But the third reason – and I think it is almost a positive – that unemployment benefit went up is that early intervention in cases of sickness benefit claims under the SOHWELL Scheme has led to quite a lot of people being moved from sickness benefit onto unemployment benefits and it is
1985 interesting to note in this regard that last year's spend on sickness benefit was a full £532,000 under budget which, actually, more than offsets the increase in spending on unemployment benefits.

The other question that Deputy Dyke raised in his questions that he circulated to all Members was the fact that there has been a 15% increase in severe disability payments between 2022 and 2023 and he is absolutely right. About half of this, again, was due to the RPIX rise approved by the
1990 Assembly, but the other half was due to an increase in the number of claimants. What I cannot be sure of is how much of that trend is down to more Islanders having severe disabilities and how much is down to a better awareness of the benefit existing amongst health care professionals and, indeed, the third sector who then advise people to apply for it.

1995 Certainly we are seeing a significant increase in claims amongst those with terminal illnesses and amongst older people who are being looked after at home. But what I would say to Members is that the bar for this benefit is set very high indeed. Severe disability benefit means severe, you really do have to cross a high bar and, therefore, in some ways, or maybe not in the context of the accounts, but in some ways I am pleased that those that do qualify are applying in greater numbers because they certainly need and deserve this sort of support, I think, from the broader community, which is a caring community. (A Member: Hear, hear.)

2000 In closing, I would like to echo, perhaps, the comments from Deputy Helyar and one or two others about looking forward, because I think it is true it is partly down, I suppose, to the media – you cannot blame them, they are looking at data and it looks really good and they trumpet it but I think it did give the signal to some in our community that all of the siren voices who were saying that there were problems coming down the line were totally exaggerating, that there was really no problem, that we had been making it all up and we just wanted to tax people for the sake of it. And it just ain't true!

2005 It is absolutely certain, largely driven by changing demographics and that is not blaming – I am a baby boomer, it is certainly not blaming – the generations for causing it, it is just a fact that this relatively good result for 2023 should not disguise the fact that there are real thorny issues that need to be tackled and which, in my view, this Assembly has fallen short on tackling and they do need to be tackled and tackled quickly.

2015 **The Deputy Bailiff:** Thank you.
Deputy Vermeulen.

Deputy Vermeulen: Thank you, madam.

2020 So it was good to receive the Accounts and also have the meeting up at the Vilette Hotel, which was very useful to explain the results therein. What I would say is that it is always difficult to do long-term forecasting. Sure, we know how old people are going to get and what the population is going to look like and that people are living longer, but it is more difficult to forecast growth and growth is something that, some of you might be aware, I am rather keen on.

2025 I think growth of the economy is very in the mind of the next government in the UK and it should be on the mind of this current Government and the next one in Guernsey; and growth is there to be had. If we look at things like our Airport, that affects people in finance, that affects local people, that affects tourism, that affects people in retail, in all our industries on the Island and they really are struggling at the moment and our numbers still have not recovered at the Airport to pre-2019 figures.

2030 So growth is there to be had, we should be pushing for that. Absolutely we need to be pushing our construction industry and creating more and more units of accommodation. And savings are also there to be had, madam, and we should not be afraid to put that front and centre. It is not impossible to make savings and we should be putting a high priority to making efficiencies wherever we can going forward and I would be very keen to see the rest of my Deputy associates adopt those parameters.

2035 Thank you, madam.

The Deputy Bailiff: Thank you. Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you very much.

2040 Firstly, can I just say thank you to P&R for putting the Accounts together, they are quite detailed and I think they are a bit easier to go through and review. However, because it was raised a little bit, we do need to come to some sort of future with Alderney runway. I know there are a lot of capital projects we are working on, but we do need to get some clarity because, at the moment, we are burning through quite a lot of money patching it up the whole time and not really moving forward. So I think we do need to move forward with that, as we can see from the Accounts, because

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it is silly putting money into the ground on patch and repair the whole time and not moving forward with it.

I have got a few queries, which I am not actually going to go through now, from Alderney Members and I think we probably need to have a bit more of a discussion with P&R about the Accounts and how they look in a little bit more detail around the table in a productive way. I know we are having those discussions but maybe a bit more detail when we have another meeting together.

I would also like to touch on that the Alderney Care Board, which is set up between the States of Alderney and States of Guernsey, is actually really important to try and improve the delivery of health care services but also, hopefully, trying to save some money as well. I know that Deputies here and Alderney States' Members are working quite hard on that, so hopefully that can keep the momentum and we will start to see the rewards of the Alderney Care Board coming through which I think is really important.

We have also got a number of work streams with P&R and I know that resources are hard and it is hard to actually get all these different work streams together but, from Alderney's side of it, I think we are quite keen to work with P&R and other Committees, where appropriate, to try and make things happen and take certain directions forward that we have agreed, working with P&R, that we would do.

But I think it has been mentioned as well that the elephant really in the room, and we keep coming back to it, is we do need some sort of tax plan. So I appreciate we were looking back at 1973, I believe, but what are we going to look at 2075; where is the future headed; where are we moving with it? So it is good to look back because we learn from looking back, but we need to also move forward.

So I think, as an Assembly, we need to take the lessons that we see of the Accounts and the directions that we are seeing in the Accounts and how we can make things from an ageing demographics, things costing more money, how are we going to move forward, which we will be after the election, but how are we going to move forward and actually make sure that the community understand all the aspects of the current situation and where we are headed.

So I do appreciate we are looking back at 1973 but I think it is really important we also look to the future as well. But thank you to all of the Members of P&R for presenting the Accounts today.

Thank you.

The Deputy Bailiff: Thank you. I think we will adjourn now for lunch then please.

*The Assembly adjourned at 12.30 p.m.
and resumed its sitting at 2.30 p.m.*

POLICY & RESOURCES COMMITTEE

The States of Guernsey Accounts 2023 – Debate continued – Proposition carried

The Deputy Bailiff: Who else wishes to speak in this debate on the Accounts from P&R? Deputy Prow.

Deputy Prow: Thank you, madam.

All we are actually being asked today is to agree the accounts of 2023. However, I thank all those Deputies who have put our finances into a wider context, in particular the speeches of Deputies Trott, Ferbrache, Aldwell, Helyar and Roffey. I am not going to repeat the points they have made,

but they have all made extremely valid points around putting the 2023 Accounts into the context they need to be put. I think I would just simply summarise that there must be absolutely no doubt whatsoever, despite an arguably operating surplus in 2023, that the overall current position is one of a major deficit. Various sums have been mentioned; one was the deficit of £56 million. But this is without looking at the financial emerging challenges that are upon us.

Madam, the message is a stark warning. The unfortunate fact is that, whether this Assembly or the previous one, has not grasped the nettle of fiscal policy: it was not grasped in the previous term; we had two attempts to grapple with it this term and despite having viable suggestions, we failed to deliver on a fiscal policy. So that is two terms. And I think the observation has been clearly made, that we have now left this challenge to after the election. So, madam, what we are left with is a call for restraint – and I hear that call and I think many in this Assembly, particularly those in Committees, hear that call. So I just want to say a little bit about what that means for the Committee for Home Affairs.

Well, madam, safety, security and justice should be an enduring priority for any government and is key to economic prosperity. Safety, security and justice is as important as education, health care and housing. But it is something which politically – and as a community – we currently take for granted. (**A Member:** Hear, hear.) The Committee for Home Affairs is responsive, the demand for services is not something that can be easily curtailed. But madam, the Committee has directed that service review their target operating models and challenged their risk appetite.

But there are other factors that contribute to pressures which shall be in the Committee's control. I give one example, the courts are increasingly demanding more from probation, Family Proceedings Advisory Service and community service, but have no responsibility for funding these activities. Home Affairs services are delivered by people with pay accounting for 92.5% of its budget, and it is not a Committee that can traditionally charge for its services, except where it is appropriate to do so. I can say with confidence that services are already lean.

This term, the Committee has consistently challenged services that come under our remit to consider innovative opportunities for service delivery. But at the end of the day, transformation, greater efficiency and sustainability all require investment and time. And there reaches a point where it is not possible to do more with less. Madam, if we can resource and invest, we will have to think seriously about what we will not deliver and this will have a direct impact on our community.

Thank you, madam.

The Deputy Bailiff: Thank you.

If nobody else is going to speak, I will invite Deputy Soulsby to respond. (*Interjection by Deputy Burford*) Oh, Deputy Burford. (*Laughter*)

Deputy Burford: I was a bit caught out there. Right.

Madam, having pursued the issue of accounting standards over an extended period of time, the Scrutiny Management Committee welcomes the intention to present the States' Accounts to an international standard by the end of this term. In a scrutiny hearing with P&R at the start of this term, Deputy Soulsby and Treasury staff confirmed that the four-year transition process would be completed by 2025, and the SMC commends the work done to date to achieve this outcome.

The Committee acknowledges that such an initiative requires a significant amount of work from Treasury. I thank the Policy & Resources Vice-President for the formal confirmation provided this morning that the 2024 Accounts will be fully compliant with this standard and it seems quite appropriate that Deputy Soulsby, who led the charge for this change from 2012 onwards as Chair of the then Public Accounts Committee, should be the Deputy who actually delivers IPSAS, albeit no doubt somewhat later than she might have hoped. Much has been covered in the opening speech and from other Members so I will keep this brief, but I would like to make a couple of comments.

Firstly, regarding infrastructure spending, whilst fully understanding that major infrastructure projects are, as always seems, about to put spades in the ground, the Committee is conscious of

the limited capital expenditure once again in 2023. Whilst it is accepted that 2023 may not be the typical year, the Committee is mindful of the targets within the fiscal policy framework and will seek to ensure that either the ongoing spend trend is aligned to the principles set, or that the principles are reviewed. This has been a constant message from various financial scrutiny Committees or Public Accounts Committees for well over a decade.

Expenditure on the recruitment of the States' workforce was £5.3 million in 2023, an increase of £1.8 million from 2022. This figure represents in excess of 63% of the total of staff-related non-pay costs for the year. My Committee is conscious of the need not to only have the right recruitment systems in place but is particularly interested in the activities undertaken to promote retention of staff. As a result, the Scrutiny Management Committee has formed a review panel tasked to consider recruitment and retention within the States of Guernsey. The panel includes representation from members of the Committee, the Assembly and individuals independent of Government with expertise in this area, with the intention of making recommendations before the end of this term.

The central importance of investment performance is once again demonstrated in these Accounts, with the improved performance in this area compared to 2022, which represents a significant part of the general improvement in the financial position of the States last year. The work of the States' Investment Board and their overarching governance is of huge importance to the future financial wellbeing of the States. For this reason, the SMC decided to undertake a review of this essential function – a review which will make recommendations before the end of this political term; and I thank the Scrutiny Vice-President, Deputy Fairclough, for leading on this important piece of work.

Last year's investment returns achieved 6.7%; 2.4% below target. Whilst we can put last year's dip down, in part, to the adoption of a new investment strategy, three-year returns were just 1.2% and five-year returns were 4.7% – both significantly below target. COVID may have played some part in the five-year return performance, but once again, we need to be clear that my Committee has been raising this throughout the term – that our returns are nowhere near our target. I think it would be appropriate to ask whether Treasury and the States' Investment Board believe the new strategy will achieve better returns than have been achieved previously and when it is anticipating that the increase might be seen.

And finally, Deputy Roffey made the point about quarterly updates. This is also something that the Scrutiny Management Committee has asked for numerous times this term – and indeed been promised on several occasions – and I wonder if Policy & Resources can commit to providing such updates quarterly.

Thank you.

The Deputy Bailiff: Thank you.
Deputy Matthews.

Deputy Matthews: Thank you, madam.

I was not going to make a very long speech but there was a point that I wanted to expand upon. I think it follows on from Deputy Dyke's email. There was an answer to a question there really about the increase which is on page 54 and it is under the heading, Staff Related Non-Pay Costs, Recruitment cost, which has gone up from just over £3.5 million in 2022 to £5.3 million in 2023. And the answer, which Deputy Soulsby circulated by email, was that most of that increase was due to an increase in relocation and rent allowance this year – more than just over half of it.

And so my question, really – and I apologise to Deputy Soulsby for not having presented this in advance, though I think we did briefly discuss this at the presentation that was held on it – was how much of that total number is relocation and rent allowance? I assume if it is the same sort of ratio as the increase, that it would be just under half, which would mean that we are spending just shy of £3 million a year on that cost.

And I think that that highlights a point that was made in an earlier debate between Deputy Gollop and Deputy Brouard: although in the grand scheme of the Accounts that number is not a

huge number, the increase is concerning and the trend is concerning and of course, as a Member of Health & Social Care, I know that most of that, or the lion's share of that, will be health care recruitment. Of course, we need to be able to recruit from overseas, it is important that we are able to do that, but the issue of rent subsidy is one that has consequences.

Of course, it rankles amongst existing healthcare members of the workforce where they can be working alongside someone doing the same job and the same conditions but their colleague will be paid a rent subsidy, whereas, as a locally-qualified member of the workforce they would not, and that also serves to sort of depress local recruitment. But I think the third impact is that it will inflate the local private rental sector, which is of course something that is very tight at the moment and it will be causing an effect on that.

So I think it is something that we do need to get a grip of. I know Deputy Gollop mentioned in his speech on a previous debate that it is something that he would like to get to grips with. And I think that that is something that as a number on its own, it is not the highest cost in the Accounts, but the trend is a matter of concern. So other than that, I thank P&R for having presented the Accounts.

Thank you, madam.

The Deputy Bailiff: Thank you.

Does anybody else wish to speak in debate on this matter?

Deputy Soulsby, I think really it is now your time.

Deputy Soulsby: Thank you, madam.

I think a lot of comments were comments more generally, rather than the specific Accounts. To Deputy Ferbrache, the point around increase in numbers in the States and comparing it with the private sector. In one way, we are seeing growth in employees and people within the Island, which is another thing that is adding to our housing pressures. But in particular, when it comes to the public sector, there are areas where we actually do have to find people to fill seats – either for statutory reasons or for safety reasons, and particularly in health and social care.

Pillar 2, if I was in Deputy Ferbrache's position, I can totally understand his frustration around Pillar 2, and how we are where we are. I do think a clear explanation has been given as to why it has changed so much and really it is around finding out just how it was going to be applied in different places, but still I do have sympathy with where he feels on that front. Deputy Dyke, I think on that talked about we need to be cautious with Pillar 2 and is concerned about what impact that might have. I think the figures that we have got do take into account potential negative impact that Pillar 2 might have as well.

So the £30 million that we have got at the moment is like a net figure but Members will have an opportunity to debate that later in the year because that will require approval from the States to make such a change. Now, Deputy Aldwell – and I think these comments all came from having listened to some media commentary on the Accounts because they certainly were not from anything I said or anything that anybody from P&R said when it comes to 'everything in the garden is rosy'. In fact, I said in my speech that we could not say that, I actually used the very same phrase, in fact, and I very much talked about how we need to look at the operating surplus rather than the net surplus.

The operating surplus explains more or less where we are – and we are, more or less, breaking even. Even the year before, £10 million ... £5 million one way; £10 million another way. Deputy Trott talks about the £12 million that is estimated at the moment; from a short-term point of view, and we are looking at the Accounts which are a historic record, that is a fair and balanced statement to make about where we are. But we know that we have demographic issues that are affecting us over the medium term. We are seeing the pressures in health and social care, seeing issues in housing.

So it is making sure that we are not just talking in the doom and gloom story and doing the Island down at the same time as saying but we do have issues that we need to address. But certainly, nobody from P&R has been saying, 'Nothing to look at here, it is all fine and dandy and tickety-

boo,' as Deputy Aldwell said. That is not the case and we have been very open about that in all the briefings that we gave to the media because we did a pre-briefing to go through the Accounts and the changes, we made that clear – and we did that when we did the formal interview.

So there has been no plan and there has been no attempt to hide what the current situation is, but at the same time, giving a balanced picture of what the Accounts show us and the underlying pressures that we have got. Alderney Representative Snowden talked about the future, and I say again, the Accounts are a historic record. The Budget deals with the future – it deals with the very short-term future and we will be debating that later in the year. And it is the Funding Investment Plan that looks into the medium-term future. We have had that debate. We had a lot of debate last year on that and we did not make that decision that we know that we should have and so those longer-term decisions are still needed and will have to be addressed in the next States' term.

Deputy Trott, giving the position, I think Deputy Trott might not be the glass half-full person like I might be a glass half-full person, he is more a glass that is 75% full, I think. (*Laughter*) (**Deputy Trott:** Guilty as charged.) But I hope that what we have been given is a balanced view of where we are now. I think an important point to make has come out of this, and something that P&R have been talking about at quite some length and what we do on this and have already started, is advising the public of what our position is. We should be doing that now and we should also be saying so candidates know when they become Deputies – and successful ones – they can hit the ground running.

I think a good place to start is looking at these Accounts so they can go in there and find out what the actual position is and work from that. P&R have been – Members might know – having what is being called the 'fact of the day', which we have published in *The Guernsey Press* and I know it is a little small bit on, I think, the opinion page but we intend to bring that all together into one booklet, as it were, but it gives an indication of where things stand in all manner of areas – from finances to employment to housing, health and social care, education – so people have got something that they can refer to and understand what is going on.

So yes, from P&R's point of view, we really are not trying to hide anything at all. Deputy Queripel talked about the Beatles' version of *Money*. I think I prefer Pink Floyd, (**A Member:** Hear, hear.) 'It's a gas,' but there we go. Deputy Helyar talked about the Budget Reserve and how we are having to use it this summer; some of it, absolutely, I think was stuff that probably was not approved last term and I understand why there was a desire not to do that then, but these things have come back as unavoidable, that we have had to take on. And literally it is like, what do we do?

There is no chance, no ability not to do something and it is a whole vast panoply of stuff that we are looking at. I mean, it would be great if everything could stop, nobody did anything and nothing went wrong. But that does not happen and that is what the Budget Reserve is for. But as Deputy Trott said, we are running out and we need Members to be aware of that. Of course, if there is something really urgent that comes along and if the Budget Reserve has run out, then we would have to come to this Assembly to seek more funds and that will then eke out into our other reserves, but that is what Members need to be aware of.

In terms of the investments, Deputy Helyar mentioned this, I think that is something that has been made in a commentary somewhere else about using our investments up. Yes, we are using investments, but it is wrong to say that all the investments are paying for everything we are spending. I mean, our investments at the beginning of the year were broadly the same as they were at the end of the year. So it is not as if we are bringing down that value. It is all related to what is realisable and what is not. But I think when you see that £100 million net was spent on investments, that does not mean that is what we are relying on to pay for everything. It is a bit more nuanced than that.

Deputy Dyke talked about the Public Sector Pension Scheme and whether we should be closing it to members. I think you will be aware that there is that extant Resolution that we put forward last year. And Members would like to know that there will be some consultation happening in relation to that and presentations being given to various parties, including States' Members, so you will get a better idea of all the different issues arising from it because it is not straightforward.

I think that there are opportunities and means around how we deal with it and I think we do need to do something about it, but I think all Members need to know in advance of anything that comes to this place is what all the issues surrounding it are.

2300 I thank Alderney Representative Woodhead for his maiden speech and I must say, I was quite impressed by how he demonstrated how positive an overspend can be – I thought that that was great – but I do appreciate that appreciation for the services provided there.

2305 Deputy Roffey – and I think Deputy Burford, I think I heard her right – talking about the quarterly updates. I think we can. I am looking at Deputy Trott; he is nodding. (**Deputy Trott:** Yes.) I think the problem with the first quarter of the year is that things are so fluid and we did see that the figures for the first two months and three months do not give you any real indication of the trends at that point, and so we do not know whether it is actually worth doing that first quarter. But certainly from now on, I think we will probably have a better idea of how things are going and we could probably do that for later on.

2310 Deputy Vermeulen talked about longer term forecasting and I think ... Oh, yes, Alderney Representative Snowdon talking about having questions. The States of Alderney Members had questions over the Accounts; I will be over there in a few weeks' time. I am Chair of the Takeovers, Chair of the Alderney Care Board, and I will be there for that as well and I would be happy to discuss it with Members when I am over, if that is seen as helpful.

2315 Deputy Burford – I put Deputy B so I think this is Deputy Burford now – I am aware of the work being done by Scrutiny Management Committee. From a P&R point of view I know it is stuff that fits within our mandate and we are happy to provide you with that information and look forward to the reports because I think scrutiny in those areas will always be helpful.

2320 When it comes to the investments, we have met with the acting Chair of the Board dealing with the investments and I understand that there will be a presentation to Members on that, later on, which I think would be helpful. But from what we were advised, the underperformance – the fact it has not performed as well as we would like – we have been advised has more to do with what was already there, rather than as part of the restructuring that is going on. We are also told that it will take time for that to come out as well.

2325 But I leave that to Members for any questions that they might have for that Board. Deputy Matthews talked about cost of relocation and rental; that it is going up and that is a concern. Well, I think, yes, it is but it just reflects the problems we have in housing people and the one thing we absolutely do need is more affordable housing, which will hopefully help matters, and social housing as well. That is something that I know is actively being worked on at the moment and hopefully we will see that happen and change happen, physically, very soon. I do thank Deputy Burford for mentioning my *desire* to get IPSAS in place. That has been for about ever since I have been here.

2330 The actual process began with Deputy Parkinson when he was Treasury Minister an awful long time ago – before I was in the States – and I know it has taken a hell of a long time to get here but we are nearly there. Sadly – and I know I am an accountant, so it is sad – but I have actually been quite excited seeing these Accounts. I was excited last year to see the fixed assets for the first time but now actually to see a set of accounts which is far more helpful in providing an explanation; and I know it is technical at the same time, they cannot be anything other than that because we have to follow certain standards.

2340 But hopefully Members have seen that they are far more transparent ... well, I think, given the lack of questions that we have had coming through, that they do provide a lot of explanation about the activity of the States and where we were in 2023. So I do ask Members to support P&R's approval and to note the accounts.

The Deputy Bailiff: Thank you, Deputy Soulsby.

2345 Members, as you will see from your computers or laptops, the Proposition is: are you of the opinion to agree with the Policy & Resources Committee's approval of the States of Guernsey Accounts for the year ending 31st December 2023. So I will now ask the States' Greffier to open the voting on that Proposition.

There was a recorded vote.

2350 *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	Inder, Neil	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				
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				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				
Woodhead, Bruce				

The Deputy Bailiff: There voted Pour 39, and one Member was not in the Chamber at the time of the vote. I therefore declare the Proposition passed. Thank you.

STATES' TRADING SUPERVISORY BOARD

**2. Guernsey Dairy Accounts 2023 –
Proposition carried**

Article 2.

The States are asked to decide:

Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Guernsey Dairy Accounts for the year ending 31 December 2023.

2355 **The States' Greffier:** Article 2, the States' Trading Supervisory Board – Guernsey Dairy Accounts 2023.

The Deputy Bailiff: Deputy Roffey.

2360 **Deputy Roffey:** Thank you, madam.

Obviously, the Accounts for the States' Dairy for 2023 are what they are. I could sit down after saying that but I think it would be helpful that I provide some context.

2365 Overall, the deficit for the year was £90,000, which was a considerable improvement on the £462,000 deficit the year before. But that does not mean that the Dairy is on a glide path to recovery and indeed, the current forecast losses for this year are circa £200,000.

2370 The Dairy is an interesting sort of business. In many ways it is not a business at all, but rather a vital enabler for the maintenance of Guernsey's countryside. However it is run – *however it is run* – I do not see it ever generating significant revenue profits. For example, it will never be profitable enough to fund the construction of the urgently needed new Dairy through commercial borrowing alone. That said, it is crucial that we run it as commercially and efficiently as we possibly can – and we very much try to do that – but two factors are holding it back.

2375 The first is the building and the equipment therein, they are not only old to the point of causing significant concerns over the sustainability of the food processing plant, but they are also inherently inefficient. To put this in context, had the States been able to see through on the Resolution of the last Assembly to build a new States' Dairy, that facility would have had estimated operating costs of more than £1 million a year *lower* than the current ageing facility.

2380 Now, of course I understand why, despite the overwhelming approval of the project in the last States, this Assembly then bumped it from its portfolio of capital projects and put it into the pipeline category instead. It is really hard to argue against priority for schools and hospitals. But, madam, if the next Assembly does not find a way to move it from pipeline to delivery, I really worry about the future of Guernsey's dairy industry and with it, the Island's traditional countryside.

2385 Now the other factor holding back the Dairy in running as an efficient business is the fact that it pays *way* more to buy the milk coming in through its doors for processing than any other dairy. Now that is partly down to the inherently high-cost space of dairy farming in Guernsey, but it is mainly down to one thing that we do in this Island glaringly differently to any other community: the level of direct taxpayer support for dairy farmers in Guernsey in recognition of the vital work they do in countryside management and enhancement is a tiny fraction of what it is elsewhere. Indeed, it is a tiny fraction of what it was in Guernsey back in the noughties.

2390 That wretched decision taken under the Financial Transformation Programme to, first of all, half the support given to dairy farming and then to freeze it in cash terms, means that today it is about one quarter of what it was in the noughties in real terms and obviously that keeps dropping every year it is frozen in cash terms. Now, madam, that is all fine and dandy for the taxpayer – it is very good for the taxpayer – but far less so for either the Dairy or the consumer. It means the only way to keep our dairy farms viable is for the Dairy to pay more and more in producer prices each year.

2395 And that cost, together with all of the other costs in turn, added to the other cost pressures it is added to, drives up both the gate prices and the retail prices, meaning we have one of the most

expensive retail prices for milk anywhere. Yes, for a very high-quality product indeed, (**A Member:** Hear, hear.) but there is still a limit to how high that price can go and personally I think we are getting very close to it. Indeed, I would ideally like to see retail prices drop. Madam, all this comes
2400 against a backdrop of declining milk sales. Now I cannot claim that is due to our high milk prices because the declining trend in the UK, where milk is cheaper, is even steeper than it is here.

So it is probably mainly down to changes in lifestyle choices but obviously against that backdrop, adding in the extra factor of high and rising milk prices is very far from ideal. So I am very glad indeed that both E&I, and as I understand it, P&R recognise this problem and that E&I will be
2405 bringing a policy letter soon to address Guernsey's disastrous policy on taxpayer support for farming. In my view, that policy letter cannot come soon enough. But in the meantime, back to the matter in hand, I am pleased to report a much better and much improved performance during 2023, but I have to warn Members it is getting harder and harder to deliver.

2410 **The Deputy Bailiff:** Deputy Gollop.

Deputy Gollop: Thank you.

Well, I am on P&R and as far as I know, I am supportive of the Dairy. In fact, sometimes I say things like, 'I want to do things whatever the cost', and other Members say that is a bit irresponsible.
2415 But no, there are challenges though. I am sorry if I annoyed, politically, Deputy de Sausmarez earlier when I said, the farms were 'suboptimal' – I did not mean that, the farms are very well run. They are a credit to our Island.

But I mean the industry has fallen below, *perhaps*, a size that can make profits easily in this world and Deputy Roffey has made the point for me really that there was a necessity back in the noughties, when I was first a Member, to fund the farmers for the environmental conservation of the countryside; and as that disappeared – apparently because of inefficiencies, but in reality, it was a policy change and a policy change for the worse – we have seen the price rise and potentially that does not help demand to increase. So I think when you have only 11 players, it is a small sector and on the face of it, it cannot necessarily afford to have an agricultural vet permanently on the Island,
2420 for example.

Now I would like to see a new Dairy. The price estimates that were seen in the past were horrifying, but I think there is a trade-off with the Dairy's site being useful potentially for the Island in other ways but I did hear a rumour through the media – I have had no political confirmation of this – that perhaps for the first time, some people in the farming industry, the community, are
2430 interested in looking at working to acquire the Dairy, (**A Member:** Hear, hear.) and I think that would be worth reflecting on whether that is a viable solution or at least a partnership because that could be the basis of new developments.

But returning to the Accounts, actually they are not too bad for last year because you see liquid milk revenue actually topped the £7 million mark, quite liquid in a sense, and went £600,000 higher than before and other dairy products went up £200,000 – RPI being a factor, of course – but the expenses went up too by £300,000 and administration expenses went a little bit higher as well. Depreciation stayed about the same.

The operating deficit for the year reduced. The overall position is not that great and what it suggests is even if the Dairy is able to make more money from what it achieves, the costs and the expenses mitigate against a profit, or at least a significant surplus, to refine for the future. So I do hope all of the States appreciate the position the Dairy is in – that we support it to carry on in as good a state as we can, but like Deputy Roffey, I await with interest the report from Environment & Infrastructure.

2445 **The Deputy Bailiff:** Deputy Vermeulen.

Deputy Vermeulen: Thank you, madam.

I am grateful to the President for his update on the Dairy and I can accept these Accounts and will be supporting them. But one thing I think I should draw attention to is the quality of the produce that the Guernsey Dairy does knock out. If we turn to page 26, you will see that there are three areas of revenue of the Bailiwick of Guernsey, the UK, and the Netherlands. Now I know that in Holland, our Guernsey butter ... in particular in top establishments, Michelin stars, Relais & Châteaux, the top end, hold our butter as the best in the world, and it has got a unique following amongst Michelin-starred chefs for a little island producing this lovely yellow butter.

But the milk, the organic milk, butter, cheese, cream, ice cream, everything that we produce, we should not take for granted just how high that quality is and I often think we forget about that. (**Deputy Gollop:** He's right.) Moving forward, I, too, would like to see engagement with the farmers and I am sure there is mileage for a better marketing of our product further abroad. (**A Member:** Hear, hear.) The Isle of Man, for instance, have their cheeses on some of the Virgin flights, so that gives them worldwide exposure. But yes, that is the way I would like to see it go but I am happy to ... [*Inaudible*]

So, thank you.

The Deputy Bailiff: Thank you.

Deputy de Lisle.

Deputy de Lisle: Thank you, madam.

The point that Deputy Roffey makes, I think, is a valid one – that the taxpayer support for the dairy industry is a tiny fraction of what it is in other jurisdictions – and this has led to the change in the conservation subsidies scheme that we did have, which was £2 million a year, being reduced gradually to £1 million a year. But what that did was to put ... well, we thought at that time that there would be more competition at the retail end and, like in the UK, milk would become a sort of loss leader within the supermarket chains, but it has not worked out that way here in Guernsey to the extent that we thought.

And as a result, as we push the price up at the farm gate, that is reflected more and more on the increase in the price of milk to the consumer. Now that, of course, partially makes the consumer aware of increasing prices and also perhaps reducing the amount of milk sold across the Island. So essentially, we have got to be looking again because emergency funding has been put in on top of the £1 million. It was put in in 2023 and then the producers are asking for another round of emergency funding, which will probably bump it up to pretty near the million, so we are back to the £2 million mark and perhaps that is something that we should be looking at from now on.

Otherwise, the price of milk is going to, at the retail level, go up and up and we are going to have a real challenge, really, in the farming industry and further rationalisation of the industry to the detriment of dairy farming in Guernsey. So I am pleased to see, though, an operational surplus at the Dairy, rather than a deficit like 2022, but this was done by reducing really-needed capital expenditure; and the Chairman elaborates on this challenge as the Dairy faced ongoing difficulties arising from the ageing plant, unreliable equipment and failing infrastructure, and the fact that the States did not prioritise investment in new facilities.

Perhaps an interim solution may be to increase the current site area to allow new equipment on an extended site where the Dairy is at the current time. But the Chairman also points out the uncertainties really, also, at the farm gate. So it is uncertainties really in the dairy industry overall, what with the Dairy and the farm producers' level because it has led to one third of a million fewer litres supplied to the Dairy from the farms – a reduction in the milk supplied – and prices increasing to the consumer. But I hope that through the Dairy marketing of liquid milk and other products, that will enable the aggregate target from the Dairy of farm output at 7.4 million litres over the next three years – that is 2024-26 – to be actually achieved.

So it is a good target and we need to achieve that because the continuing purchase of fresh Guernsey milk contributes to the local economy and each litre purchased helps to preserve the Guernsey countryside, its biodiversity, the traditional farming heritage and safeguards the iconic

2500 Guernsey cattle breed. We have a number of areas there that we need to be very concerned about; just what we would do without the dairy industry's conservation activities and production activities within the rural countryside, I do not know. We would have quite an overgrown situation very quickly on our hands. And of course, the Guernsey cattle breed is at risk internationally or globally and we need to look at that from a positive point of view.

2505 So there is much that we need to do to resolve this uncertain situation within the total dairy farming industry in Guernsey. The point that Deputy Gollop makes is also a valuable point, of outside investment, in fact, into the Dairy. I know that the farmers have looked at that and Deputy Gollop is talking of investors also looking at that to relieve perhaps some of the costs to the public in the future.

2510 Thank you.

The Deputy Bailiff: Thank you.
Deputy Dudley-Owen.

2515 **Deputy Dudley-Owen:** Thank you, madam, and thank you to the President for laying these Accounts before us.

I personally think that the Guernsey Dairy is in an invidious position. Looking at the overview – and I think Deputy Roffey has already said this – but just reading from the Chairman's Report:

2023 has been another challenging year for the Dairy as it faced ongoing difficulties arising from ageing plant, unreliable equipment and failing infrastructure with no clear direction, other than a planning assumption as to when the States may prioritise investment in new dairy facilities.

2520 How long can an organisation continue to run when we are not able to give it any clear strategic direction? It is clear that the model needs to be looked at and that there is an appetite for them to further themselves and I am pleased that the policy letter which will help start this process will be coming forward from E&I in relation to the relationship with the farmers. However, I have picked up on one small area from the business performance narrative and I do wonder whether we can be
2525 a little bit more creative about how we go across marketing and this is a debate I think we have every single year.

And I am not going to talk about yoghurt flavours – (*Laughter*) I am not going to go down into the weeds there. But I just wonder if there is leverage that we can have with other States' funded or taxpayer-funded entities that we run, for example, Health Improvement Commission, Public Health;
2530 because looking at milk volumes sold in 2023, these have decreased again by 1.1% compared to 2022 and we know that there has been a big shift in public consumption towards so-called plant based non-dairy alternatives, which actually have been found to be, in the main, ultra-processed food, which is really not very good for people – huge amounts of sugar, a lot of additives, emulsifiers and starches, etc., which do no good for the human body and are even less good for the
2535 environment.

So I think that it would be really nice to have some more joined up initiatives between the Dairy Health Improvement Commission, education, trying to get raw milk back on people's consciousness and promoting that for health and wellbeing. If we get Islanders when they are young, we get teenagers, we get health-conscious adults starting to re-engage with whole foods and especially
2540 our amazingly high-quality product of milk. Then, actually, we can assist in boosting sales and promoting this amazing naturally grown product that we have got.

So really, I just look forward to hearing other comments, as well, because it seems as though we are all a bit downbeat around this and cognisant of the fact that we really do need to do something about the Dairy. But we come back to the big problem: capital investment can only happen if we
2545 have a sustainable fiscal plan! (**A Member:** Hear, hear.)

We passed up three opportunities last year in order to get that in the bag and here we are lamenting that fact. And my goodness, we are leaving the next States' Assembly with a massive issue yet again, because I think it was left over from the previous term, as well, and not all is rosy in

2550 the garden, to repeat Deputy Soulsby; and I do hope that prospective candidates for the next States' term really heed this warning that some big, bold decisions need to be made because things are not getting any better.
Thank you.

The Deputy Bailiff: Deputy Dyke.

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Deputy Dyke: Thank you, madam.

I have just got one thought to add on this. I agree with everything that everyone said about obviously we have to maintain the dairy industry here – it is just part of the heart of the nation. So there is no question about that – whether it is done through taxes or excessively priced milk – one way or another, we are going to do it. I just wonder if I could pick up on a point that Deputy Vermeulen made about the quality of the milk. The Michelin star restaurants are apparently using our butter and dairy products; is there more scope for marketing this – and at the same time possibly marketing the Island as well – into London?

I am thinking the expensive food shops – Harrods, Partridges, the London Cheese Company, all that sort of thing – would probably go for our product if we can market it, and I do not know if we can get some famous chef to front up a marketing campaign or Deputy Vermeulen himself perhaps. **(Deputy Vermeulen:** Hear, hear.) That was just my thought: can we do that? Because obviously the farmers have the capacity to produce more milk and they produce more than we can use. So we have got to use it up and I do not know if that is an answer to it.

2570 Thank you.

The Deputy Bailiff: Thank you.
Deputy Oliver.

2575 **Deputy Oliver:** Thank you.

Just coming in on what Deputy Dyke said, I agree with everything that was said but at the end of the day, the machinery that we have is on its last legs and producing the input of it – or the export of it – is going to be tricky unless we actually get to the fundamental root of the problem, which is to either rebuild the Dairy in a different location or actually fix the machinery –and I think that is the first thing that we actually really need to concentrate on.

2580 Thank you.

The Deputy Bailiff: Deputy Ferbrache.

2585 **Deputy Ferbrache:** Madam, in my day as President of the STSB, we had exactly the same problems and I have no doubt the presidency of my predecessor had exactly the same. We have heard all these platitudes about how we know the product is second to none. We have had suggestions from Deputy Dyke that we could process more in these posh restaurants in London – that perhaps he eats in *(Laughter)* when he goes to London and lives in his flat – but in relation to all of that, that is just not practical. **(A Member:** Hear, hear.) The milk is produced as best as it can be. The farmers are efficient. The Dairy is as efficient as it can be.

Deputy – and I always like and I am going to buy it when he writes it – Deputy de Lisle's book on economics because he wants more money for this, wants more money for that, but we cannot raise taxes. So we had a couple of examples of that this morning, we have had another one this afternoon. The truth is we have not got enough money. We have not got enough revenue. We bottled – both in this last three and a half years, and we bottled at the last Assembly – making major fiscal decisions.

I have got a feeling that we might have an even more populist Assembly next time, where they will not make any difficult decisions. If so, Guernsey is really in a difficulty. The real answer is we have got to keep the cows in the fields. It is part of our environment. The sale of milk is almost

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secondary because it is part of our DNA to keep that going. We should build a new Dairy. We should release the land where the Dairy is to the Health Committee so they can build some accommodation on it. It is as simple as that. But, I see Deputy Blin nodding – I do not think he was in favour of GST when we put it forward or any fiscal package – it is easy to nod. Let's make some decisions.

Let's not just – as I said for the third time today – all run around the mulberry tree saying how wonderful we all are. Let's actually make some difficult decisions. (**A Member:** Hear, hear.) If that happens – and I have written down what Deputy Dyke said – I am going to quote this again because I have never heard him say it before, 'whether it is to be done, be it through taxes.' Well, that is a new one from him. That is jolly good. (*Laughter*) And I am very pleased about that. The only other time I heard him say that was when he wanted the post office in Town kept open even though it was losing money, because it suited him.

But in relation to that, we have got to make some real hard decisions. That is what has got to be done. It is as easy as that. Build a new dairy somewhere else, release the land to the Health Committee and get on with it. No chance of that happening this year. That is the easy answer.

A Member: Yes!

The Deputy Bailiff: Deputy Haskins.

Deputy Haskins: Thank you, madam, and there I was thinking this was a debate on the Accounts, not what to do with the Dairy, which I think we can all agree, we are very proud of our Island and our product. (**A Member:** Hear, hear.)

But only a couple of things, madam, to the President. I did actually have a brief word with Deputy Roffey earlier about the depreciation and the tangible fixed assets and I will take that outside because I do note that these are past historic figures. It seems to me, though, that the depreciation falls outside – the depreciation is on page 29 for whoever wants to look at it – it falls outside of the depreciation ratings in page 22, it is either very high or very low, to me. But that might be my misunderstanding and that is why I will take this offline.

But when I was looking at that, I did notice that in there is 'plant and equipment' – this is very pedantic but I thought I would raise it as I am speaking – whereas in the list on page 22 it is 'plant and machinery' and I note that on other accounts it is 'plant and equipment'.

The only other one I will mention is on page 27, I think it would be really helpful – especially because there is a Resolution in the States to entertain the idea of captive insurance within obviously our whole essence, vehicle, that third one from the bottom, we have 'repairs, maintenance and insurance'. I think it would be very helpful if we could separate out the insurance so you know exactly what is being spent on. I think that would be very useful, as is done in other accounts.

Thank you.

The Deputy Bailiff: Thank you.
Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, madam.

I will be very brief, I really just wanted to say that this has been a very interesting and useful debate from my perspective. As President of the Committee that is putting together the policy letter referred to when Deputy Roffey opened on this – and I will be scraping *Hansard* to include as many of the positive supportive references as possible – but it is just a bit frustrating. It was this Assembly that made an active decision to pipeline, to put into abeyance, that future Dairy project. So, as someone who did not support slowing down on that project, it is a particular frustration. But, anyway, this is supposed to be a debate on the accounts, and I thank the STSB for presenting them.

Thank you.

The Deputy Bailiff: Anybody else wish to contribute to this debate before I turn back to Deputy Roffey?

Deputy Roffey.

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Deputy Roffey: Thank you, madam.

Deputy Gollop was the first in and he talked about his interest in the fact that the farmers might possibly want to take on the Dairy. I have to say, so were we and the keys are swinging behind the door and if they can put forward a logical, sustainable and sensible bid to do that, nobody would be more pleased than the STSB. I think anybody that knows me would realise that I actually think co-operative solutions are usually a good response to things.

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However, I have to put a health warning. Our offices did work alongside some of the farmers and put a great deal of time and effort in trying to help them put together exactly that sort of plan and I think we are probably a very long way from actually being in that position. But certainly, they will not get any pushback if there is a sensible proposal that comes forward.

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Deputy Vermeulen, I am glad he has noticed the high quality of our goods. Looking at both him and me, I think we probably both notice the high quality of our dairy goods. He points out that we used to sell butter to Holland and we did. It was mainly for ice cream making, actually, and my understanding now – I hope I am not saying something that is wrong, I believe it is right – is that certification to actually send this produce into post-Brexit EU will not be achievable with our current Dairy. Although the Dairy is safe and it is much better in its health styles than it was some time ago, it does not come up to the standards expected to get that sort of certification. It was a very useful, little niche market while it lasted.

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Deputy de Lisle said that when the changes were made to the whole milk price and the support for farmers, that the hope was that the supermarkets would basically enter into a price war and have loss leaders. In fact, absolutely the opposite has happened. This Assembly used to set, believe it or not, the retail price of milk through a statutory instrument and when they did that, the profit margins for supermarkets were negligible. There were really tiny profit margins. But of course, they all stocked it anyway because it was not going to be very good for them if they had no milk for customers coming through the door. So that really helped the situation.

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When we decided to go for a gate price and then let's see what happens beyond, all the supermarkets – I am not say they are profiteering, I think they just reverted to a normal level of profitability, normal percentage of mark-up, that they would do with all their other goods. So actually the price went up very considerably. So the pious hope that they would all be doing loss leaders, I think, proved illusory. I am not suggesting we go back to setting the price of milk, but I do not think that is the direction of history in these ways – in fact, I think some of the other prices that are set by SIs probably ought not to be any more – but that is the background.

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Deputy Dudley-Owen, I take on board what she says, I think that our promotions team do an amazing job on a small budget, but she made some interesting ideas about interaction with other States' agencies and I will take that back to them, certainly. She also talked about milk alternatives and obviously if one is a vegan for philosophical reasons I completely understand it, but I am a bit bemused by why people who are not vegan actually choose these. They are actually, despite our milk being expensive, far more expensive; typically we are talking, I think, £2.30, £2.40 a litre for most of these milk alternatives and, as she says, they are very often highly processed foods. But it is freedom of choice and people are happy to do that.

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Deputy Dyke, yes, I am happy to talk to famous chefs. I think it goes beyond actually just our dairy produce. I am a vegetarian, but I am told by meat eaters that Guernsey beef, although it is very unusual and it looks strange to people who are not used to seeing it because the amount of yellow fat, a lot of really top chefs regard it as an absolute delicacy, so we ought to be trying to promote that as far as we can. But, again, that is going to be a niche area.

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Deputy Ferbrache, let's get on, build a new Dairy, let's give the Dairy land over to HSC, maybe for staff accommodation that we were talking about this morning. Yes, yes and yes. I can tell Deputy Ferbrache that the amendment that he and I put ages ago asking for a check on the work that had

been done by STSB in this area is now beginning to show fruit. I am told that stage one has been completed. Stage one shows that STSB were absolutely right, we do need a new Dairy and it ought to be on a new site. Well, I do not know how much was paid for that because to me it was as plain as a pikestaff! The next stage is looking at the figures we came up with, to see whether the scoping of the project and the cost was right, and I hope that that is completed fairly soon because, as I said, I think this project really cannot be put off much longer.

It will not be in this Assembly, it will be in the next Capital Portfolio for the next Assembly, but if they bump it to pipeline then I think it would only take our Dairy to be out of action for a week ... What would happen to the milk? It would get poured down the drain. There is nothing you can do with it – or it will not get poured down the drain because that is dangerous but there will be other ways. We would have to bring in milk from outside. I think that sort of thing would be catastrophic. So I really urge the next Assembly – which I will not be a part of – to realise why this absolutely needs to be a priority.

In fact, I would like this Assembly in a handover note to make that absolutely clear, that is something that they ought to do. I know it is probably my fault that we have gone rather beyond the Dairy Accounts for 2023, because I did give the context. (**A Member:** Hear, hear.) But I thought the debate was very interesting; and I think that if people have the same sort of ethos and feeling that they have expressed today, this afternoon, when it comes to discussing the E&I policy letter which I do not know the exact contents of but I think we all have some rough idea of what it is going to be, then I think we will be able to make a very important step forward.

A Member: Hear, hear.

The Deputy Bailiff: Thank you, Deputy Roffey.

Members, you will see on your screens the vote on this Proposition, which is to agree with the STSB's approval of the Guernsey Dairy Accounts for the year ending 31st December 2023. Greffier, would you kindly start the voting?

There was a recorded vote.

Carried – Pour 36, Contre 0, Ne vote pas 0, Did not vote 4, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Aldwell, Sue	None	None	Helyar, Mark	None
Blin, Chris			Inder, Neil	
Brouard, Al			Le Tocq, Jonathan	
Burford, Yvonne			Mahoney, David	
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				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Leadbeater, Marc				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				

Oliver, Victoria
Parkinson, Charles
Prow, Robert
Queripel, Lester
Roffey, Peter
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon
Woodhead, Bruce

The Deputy Bailiff: There voted Pour 36, and there were 4 Members who were not in the Assembly when the vote was taken. Therefore, the Proposition was passed unanimously by those attending.

STATES' TRADING SUPERVISORY BOARD

3. Guernsey Waste Accounts 2023 – Proposition carried

Article 3.

The States are asked to decide:

Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Guernsey Waste Accounts for the year ending 31 December 2023.

2735 **The Deputy Bailiff:** Deputy Roffey. Sorry, States' Greffier, I will allow you to announce it first. I got over enthusiastic.

The States' Greffier: Article 3, the States' Trading Supervisory Board – the Guernsey Waste Accounts 2023.

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The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, madam.

2745 I am going to be a busy boy this afternoon. I think next year though, P&R will be answering all of this off together and the consolidated accounts. *(Laughter)* So maybe I should stay, it will be an easier life in future.

2750 Madam, despite the fact that this Assembly has actually taken a conscious decision that general revenue will underwrite any losses at Guernsey Waste, the STSB is still straining every sinew to ensure that those losses are as low as they possibly can be. We want the burden on the taxpayer to be as low as possible and, ideally, nothing at all. The deficit on 2023 was slightly up on 2022 – not helped, I have to say, by a States' decision to limit increases in some of our charges, both black bag and the annual waste charge, to a level significantly below inflation.

2755 The good news is that the deficit was far lower than expected. It came in at more than three quarters of a million pounds below the budgeted deficit for last year and, at the risk of tempting fate, I expect the revenue outcome for this year to be significantly better again. That is the good news. The bad news is that within every silver lining there is a dark cloud. This year's figures will be skewed and made better by the fact that we are receiving income for inert waste which is then just being stockpiled due to the States having thus far failed to identify a new inert waste disposal site. So we are obviously building up future double-handling costs. Plus, if the decision is that the preparation of any future inert waste disposal site is funded out of the charges, then we will have

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that future liability on that front, too. So, certainly, the sooner a decision is taken on where our inert waste is to go in future, the better it will be.

2765 But returning to 2023, we are pleased the losses were three quarters of a million pounds below budget, but driving that down further will rely on all States' Members backing the STSB in its efforts to operate more commercially. And I think if you asked, 'Do you want STSB to act commercially?' most Members say yes. The consequences of that sometimes, particularly on the charges side, actually meets a fair, stiff resistance. So it will be interesting to see what happens going forward.

The Deputy Bailiff: Thank you.

2770 Does anybody wish to speak? It would appear not. In that case, we will go straight to the vote then. So would you kindly open the voting on agreeing STSB's approval of Guernsey Waste Accounts please, Greffier.

There was a recorded vote.

Carried – Pour 34, Contre 0, Ne vote pas 0, Did not vote 6, Absent 0

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

2775 **The Deputy Bailiff:** In relation to this Proposition there voted Pour 34 and there were 6 Members not in the room at the time of the vote. I therefore declare the Proposition has been passed.

Thank you.

STATES' TRADING SUPERVISORY BOARD

**4. Ports Accounts 2023 –
Proposition carried**

Article 4.

The States are asked to decide:

Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Ports Accounts for the year ending 31 December 2023.

2780 **The States' Greffier:** Article 4, the States' Trading Supervisory Board – the Ports Accounts 2023.

The Deputy Bailiff: Deputy Roffey.

2785 **Deputy Roffey:** Thank you, madam. I thank Deputy de Sausmarez for being my microphone monitor again. *(Laughter)* It is now on, I think. Thank you, madam.

Of course, I am very pleased that losses at the Ports last year were £1.3 million lower than had been budgeted, but at £4.88 million they were still far too high. So the STSB is determined to press on with its three-pronged strategy to drive them down. The first is efficiencies and savings, the second is exploiting commercial opportunities, and the third is moving to a realistic charging policy. 2790 We will only deliver this strategy with the help of the whole Assembly. The breakdown – which I know Members are always fascinated by – between the Airport and the seaports, is that the Airport made £5.5 million in losses, whereas the Harbours made an £859,000 profit. That does not – repeat *not* – mean that the Harbours are currently subsidising the Airport.

Rather, the hefty subsidy that the Airport is relying on is coming from one source, and one source only, and that is the taxpayer from general revenue, a subsidy which absolutely must be reduced. 2795 But looking at the Harbours in isolation, it is very good to see a modest surplus. But due to the fact that for historic reasons, the depreciation levies are way below the level of capital investment required going forward over the years ahead, there is no way that we can claim that the Harbours have reached a self-sustaining level of income. Indeed, there is still a very long way to go. So the 2800 Harbours are definitely not subsidising the Airport at present.

But make no mistake, if we were to wean the Ports as a total business off any taxpayer support, it would mean in future that the Harbours would start to cross-subsidise the Airport, just as they have done for more decades than I have been involved in politics. Now I am picking up, madam, that some Members have some kind of philosophical objection to that sort of arrangement and if 2805 that is the case, then another way needs to be found for making the Airport sustainable. Of course, that could simply be through much higher airport charges, but the STSB believes that raising them to the extent that would be required would have a very damaging impact on the wider economy.

And as regulatory demands only crank up over the years, this issue is going to become more and more acute. That is why we raise the possibility in these Accounts of a fixed general revenue 2810 grant for the Airport as one possible approach which we would like to explore with P&R – and I understand that they are happy to explore that with us, from a letter I received recently. After all, the money is already coming from general revenue now, so actually quantifying and reducing that subsidy would, I think, make a great deal of sense. However, returning to the 2023 Accounts, the Ports made a loss of £4.88 million, which was £1.3 million better than Budget so it has moved in the 2815 right direction, but it has still got quite a way to go.

The Deputy Bailiff: Thank you.
Deputy Gollop.

2820 **Deputy Gollop:** Yes, I appreciate the nuances here – and I am certainly not speaking on behalf of P&R in any way – but I did pose a couple of questions a week ago, but they got cancelled on the

grounds that we were having the Accounts debate. They were ruled out of order. But the questions were more philosophical questions than specific on the Accounts. And my points were that, given the report – this is where it gets confusing because – to be technical, on page 7 the financial performance is abbreviated, but actually when you get to it later on page 19, the statement of comprehensive income, the figures are a bit different.

For example, the expenses over the revenue of the Airport indicate a loss of £4.5 million. But the summation that the media publicised suggests £5.5 million, but that there are of course, no doubt, technical reasons for that. But the questions that I raised were specifically about that, given there is a £5.5 million deficit on the Airport, that clearly means that the arguments for maybe looking at supporting the Airport as an economic enabler – which was suggested years ago by the Chamber of Commerce – is an interesting one.

But when one looks at the Ports finances – the Harbour revenue – you have a surplus there of £850,000. Clearly that probably is not enough, as Deputy Roffey has rightly said, for investment, but it is still a surplus. So you have one organisation called the Ports, with two different parts to it that no doubt have a synergy – the Airport and the Harbour – and yet, one's feeling is they are actually two very different businesses. They have got different purposes, they have got different customers. The Harbour is not only our main freight entry into the Island, but it has a large number of leisure users.

The Airport is much more about connectivity of business and personal travel all year round – and I know we heard earlier that the Head of Jersey Ports – and there is no comparison here with Guernsey – has had a very large salary, perhaps, of over £400,000. Jersey, apparently, has had a successful period of investment and trading and yet we heard from a leading expert on Island aviation recently, actually Guernsey Airport has increased its passengers at a faster rate than Jersey but we of course have more challenging issues of scale.

So my view – notwithstanding the point Deputy Roffey raised about potentially the idea of a grant – is to contemplate ring-fencing the Airport entity and consider it actually as a separate business and reflecting on it as economic enabler, developer of tourism – the kind of things Deputy Vermeulen is always talking about – facilitator of additional connectivity, and that we make the decision at some point that the Harbours and Ports is a different kind of business. It is not a Dairy, but it is a different kind of business and, therefore, I think we would find it easier to contemplate maritime services improvement, investment and, I will mention it, more affordable fees for users and boat owners, if Harbours became a standalone entity separate from the Airport.

I know that goes beyond the Accounts, but I think rarely could you have seen an example of an organisation of two halves where one of the halves clearly has one set of economic and cost issues and the other half does not? It could not be clearer that you have a deficit, repeating, of £5 million for the Airport and a surplus, or at least a very minor deficit, for the Harbour. And in fact, in 2022, you had over £800,000 surplus and a projected deficit for this year was actually another good surplus of £850,000 – not enough to make huge investments in, but still keeping its head above water.

And so I think as we are looking forward for these things, we should regard both as economic enablers but treat them differently and I do not fully understand why nowadays – we had a Ports holding account at one time, but why – we have to put the Harbour in with the Airport, because I think they are two vital organisations but they do different jobs and have different cost bases and obviously different securities.

The Deputy Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Thank you, madam. I thank the President for this report.

I am delighted that he has, true to his word, broken down the Airport and the Harbour separately. He said he would and so it is. So if we turn to page 31, I am filled with this feeling: I think we are chasing the wrong business model in Guernsey. If we look at Jersey, they have a Director of Ports *earning* a substantial salary because he is producing a substantial profit and of course, in business,

2875 one does not mind paying a good salary if somebody is delivering a decent profit. In Jersey, they have got an open Airport and they have got pretty much a closed Harbour. In Guernsey we have got an open Harbour and, pretty much, a closed Airport, I have to say.

2880 It is very Aurigny concentric and that has thrown up its own problems in the last six months. But turning to the Accounts, at the Airport we have got a new terminal there which was built 20 years ago and it actually handles less people than the old terminal that it replaced, used to handle. So that is the direction of travel we are seeing. We have not recovered our pre-COVID ... the number of air passengers coming through the Airport to 2019. It is a fact. We just have not recovered those numbers and other airports, Isle of Man, Jersey, are making that recovery. But I do notice on page 31 that we have –

2885 **Deputy Roffey:** Point of correction.

The Deputy Bailiff: Deputy Roffey, point of correction.

2890 **Deputy Roffey:** The percentage recovery from pre-COVID, i.e. 2019, to last year has been stronger in Guernsey than *either* the Isle of Man or Jersey.

The Deputy Bailiff: Deputy Vermeulen.

2895 **Deputy Vermeulen:** Well, you cannot bank a percentage, can you? (*Laughter*) You cannot bank a percentage and it is the number of passengers. We have not recovered our number of passengers to 2019 levels in 2023. There is still a long way to go. But the point I was trying to get to is if you look at the staff numbers and costs – operational – at the Airport we have increased another layer of management; I believe we have gone up four more people and the wages have increased from £10.160 million to £12.758 million. So, approximately £1.8 million increase now. I believe in the 2900 American model of management, which is a very flat pyramid – if at all a pyramid – you have got one manager and the rest is below.

2905 But what we see at the Ports is a huge layer of management – managers managing managers, managing managers, and it seems to be very inefficient, in a way. I think there could be much savings made if we were to look at how we deliver fewer passengers coming through our new terminal. I would like to see us doing what Jersey is doing, which is at their Airport they are going for two million passengers. That is their target and that is with no increase in the population at all. That is the direction we are going.

2910 In Guernsey, the master plan for the Airport shows no increase in passengers, whatsoever. So I think that has got to be revisited and I think time tells us now we should be looking at how we attract more business, more passengers, through that Airport. We still need Aurigny, we still need it safeguarding our Gatwick links, yes, but it does not have to be doing every flight, which is what it is currently trying to do and failing quite badly, at the moment.

Thank you.

2915 **The Deputy Bailiff:** Deputy Kazantseva-Miller.

2920 **Deputy Kazantseva-Miller:** Madam, I want to draw Members' attention to the section on the capital programme on page 8 because the Accounts say that the Ports invested £2.9 million, which was a reduction in the previous year even though we all know the pressures on capital expenditure, the importance to reinvest – so £2.9 million. Further down on the same page, the Accounts also indicate that Guernsey Port has a significant, and this is now stated as, circa £100 million medium-term capital programme which is required to ensure that it can keep operating, with the vast majority of that, some, circa £75 million being focused on the Harbour estate.

2925 So what is incredible is that we started this political term with a figure of about £30 million in our heads that we thought we needed for Harbour; that figure went up to about £60 million, from

memory, the last time we had the Accounts; and this keeps going up to now £75 million. Well, at the rate of the current capital expenditure by Guernsey Ports – so this is the combined capital expenditure which, as I said, was £2.9 million – the required medium-term – *just medium-term*, not long-term – £100 million. Well, the Guernsey Ports is never going to meet that required capital expenditure.

Which really brings me to the point that actually Deputy Dudley-Owen made, because if this was an organisation and we were looking at these Accounts as a standalone business, well, actually this business is totally unsustainable. If I draw Members' attention to page 12, which is in relation to going concern:

The financial statements have been prepared on the going concern basis of accounting. The STSB and its Principal Officers have reviewed the cash flows and projected income and expenses ... and deem that Ports, as an essential part of the island's infrastructure and part of the States of Guernsey, has access to adequate financial resources to meet obligations as they fall due ...

Well, what this is actually saying is that, if this was a standalone business, like Guernsey Dairy, it would not have a leg to stand on. It would not be a financial concern. It is only a going concern because they can continuously tap in to the States' coffers for capital expenditure.

But this really then puts us in this interesting position, because we continue living in this cuckoo land of trying to treat our trading assets as unincorporated, presenting these Accounts, making them look like they are proper accounts of financial business; they are not because they are effectively an extension of the States of Guernsey.

Then we have an STSB function which is supposed to discharge, actually, all the functions of the shareholder with the financial controls but the argument is that these accounts present a picture, which is an unsustainable financial picture. So the question is: is STSB actually discharging its function correctly? Because the Accounts are showing that it is completely an unsustainable financial position, because this business cannot replace and is not replacing anywhere close to the depreciation value of its just basic assets. Never mind the investment we actually *need* to put in those critical assets.

So the questions that then arise: first of all, is STSB discharging its function? Secondly, and why isn't STSB, because that is the shareholder function, coming back to us and telling us what is the plan for transformation, so that these Accounts can actually at some point start representing a real financial position of those trading assets? So actually, continuing to look at them, I do not think they are representative of ... They are accounts that really only tell a very small part of the picture. But really the question is, at what point are we going to see something different? At what point will STSB come to us and say that this position is unsustainable?

Because somewhere something is not working. Either STSB is not discharging its function, or the States' Assembly is also not discharging its function, because we have to treat these assets in a different way and stop hiding them in this quasi-Government Department position. So this is a question to Deputy Roffey: at what point will STSB come with a plan for transformation for the Ports? Because we had the debate on the tariffs for the Ports, and I think Members were strongly indicative that it would be only ... the fees and charges were approved by very narrow majority but that the Assembly was not willing to continue just putting the charges up without seeing what is the medium- and longer-term plan for the Ports. So really it is the question I ask every single year but nothing really happens. So, a question back to Deputy Roffey when ...

The Deputy Bailiff: Deputy Kazantseva-Miller, questions should be addressed through me, not directly to Deputies.

Deputy Kazantseva-Miller: Apologies, madam.

The question to Deputy Roffey, via the Deputy Bailiff, is at what point will STSB come back to the States with a plan for transformation for the trading assets, which are clearly making a loss and are not able to reinvest in the capital programme?

My second point is in relation to the Airport and I think this was raised by commentators in the industry. We know that the Airport runs its own landing fee subsidisation policy, so if there is new route development, the Airport, as I understand, continues having a certain schedule through which it subsidises fees for a certain period of time. So I think they start with a certain subsidy which then tapers off as the new route is developed. The point of that is to incentivise new carriers, new route development and so on.

This potentially means that there is a double subsidy, because when Economic Development undertakes route development, such as with the Paris link, it is a route that is currently being subsidised by the Government Work Plan as part of the Economic Development budget available for route development. The question is, does the Airport also subsidise that route development? And, if so, what is the volume of those subsidies?

And really the question is, should the Airport, given its financial situation, continue to have such a programme of subsidisation of route development? Because I think there is an argument to say that this is something that Economic Development should be doing, and that it is not something that the Airport should continue doing, given the losses it is making.

Thank you.

The Deputy Bailiff: Deputy Dyke.

Deputy Dyke: Thank you, madam.

One quick point for Deputy Roffey: it is the staffing issue again. On page 31 of the Accounts, the Harbour seems to have staff, in 2022 it is 84 and 2023 it is 98. So that is an increase of pushing 20%. The Airport is up from 109 to 113. With something losing money hand-over-fist, if it were run in any sort of commercial way, this would be looked at. This is a major point that needs to be looked at in what is basically a loss-making outfit. (**A Member:** Hear, hear.) So that is my one point.

Thank you.

The Deputy Bailiff: Deputy Haskins.

Deputy Haskins: Thank you, madam.

Right, only two quick points. One relates to what Deputy Dyke was just saying: in total, the staff number has increased by 18, and the wage and salaries has increased by £1.8 million – 18 people, £1.8 million. I will let people draw their own conclusions. (*Interjection by Deputy Dyke*) Exactly, Deputy Dyke. The other point was in relation to Deputy Kazantseva-Miller of a going concern. I might agree but there is another school of thought, so it would be interesting to hear what Deputy Roffey does reply to, because we do need to take into account that the Harbour and our Airport are our lifelines and really this is a question of subsidy, or the level of, for the economic benefit that we get. So I look forward to Deputy Roffey's comments.

Thank you.

The Deputy Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, madam.

The point of Deputy Vermeulen, that the Accounts are segregated, is a total mirage. If you look at them in detail, you will see that under the Ports Group arrangement, the trading position of the Guernsey Airport and Guernsey Harbour is separately identified but the assets and the liabilities are consolidated in the form of the combined Ports, and that is where we have to look at total segregation, which is the point that Deputy Gollop is making, that I hope is to be really undertaken and considered. The point in the Accounts that Deputy Dyke just mentioned is quite something because here we are trying to restrain the costs within Government generally, according to Deputy Ferbrache; yet here we find in the Harbours, for example, a 16% increase in staffing just in one year, from 2022–23 – from 84 to 98 staff.

When Deputy Dyke and I went to Ports for discussions with regard to the boat stakeholders, we were made aware of another two managers in the wings coming up. So really that 98 will be a grand 100 within moments. So that is something that needs to be really looked at very seriously because for a number of years now, the Harbours have been criticised for building on and on and on numbers, in terms of employees. So I think there needs to be some rationalisation there and it is a good point that has been brought up by both Deputy Vermeulen and Deputy Dyke, and I add my point to that.

Madam, the Marine Traders and Boat Owners Associations have shown after six months of pulling together the data that the amalgamation of Harbours and Airports into Ports Holding Account conceals a cross-subsidy issue – a problem that needs correcting. They have shown that in the last 27 years, the Airport has taken £54 million from the Ports Holding Account, while the Harbours have contributed £32 million over the same period.

A cross-subsidy of the Airport by the Harbours in the amalgamated Ports Holding Accounts. The finances of the Harbours and the Airport need to be presented separately in future and not in an amalgamated format, as presented here; Harbours and Airport need to stand alone each to generate revenues to cover operations, maintenance and repairs each year, with some profitability, in their own right, not as a joint amalgamation.

Secondly, the Associations have also drawn attention to the fact that there is no independent regulatory body to oversee fairness to the public in terms of rate increases – those annual increases – as independent powers to regulate and investigate States' increases in fees have been withdrawn.

It is important to bring back an independent regulator of the States' company trading boards in order to ensure just price reviews and information gathering of utility charges in future. The intention was to work without independent regulation for three years, as I recall it, in order to get over the hurdle of regulatory denial of Guernsey Electricity charges over the years, but it has led, madam, to inflation-busting price increases in service tariffs and bills.

The intention to introduce a second review by Ports this year to consider further opportunities for cost savings and efficiencies to be applied from 2025 and commercial opportunities to pursue requires a return to independent regulation, given the public outcry and those of representative associations to this year's above-inflation increases in Harbour dues. I would like to make the third point that the requête to reduce mooring fees increases gained overriding support in the recent States' debate to consult fully with the leisure boat stakeholders in advance before any mooring fee increases are made for 2025 and 2026.

Given substantial and unprecedented mooring fee increases this year, 2024, many consider those increases of 20% to 31% would carry for the three-year period 2024-26; and I ask Deputy Roffey will this be a consideration? This idea of that very large increase this year being continued over the three-year period, rather than just to the one year to show some actual restraint for the boat owner and other harbour dues, will this be a consideration in negotiations for 2025 and 2026?

Thank you, madam.

The Deputy Bailiff: Thank you, Deputy de Lisle.
Deputy Soulsby.

Deputy Soulsby: Yes, I will just be brief, madam.

I have just gone back over Deputy Dyke and Deputy de Lisle's questions, in terms of the increase in staff. I think it is in the Managing Director's Report explaining the increase in numbers and part of it is they have improved recruitment of a number of maintenance roles which they had not been able to fill for several years, and insourcing of Harbour maritime security. And apparently that is the biggest reason for the increase because previously the staff undertaking that function were employed by a third party service provider and we are told this transition has been successfully completed and will result in greater efficiencies in the short term.

3080 So hopefully when we see the next set of Accounts, that will come out. But it is a good indication of just because you have more staff does not and that underlying cost might be *more* actually, it might make savings elsewhere. And we were talking about the main accounts, about having 400-odd vacancies; the Ports at least have been successful in recruitment. If we have more staff, which we actually need, it will cost us more, but hopefully it will make things work more efficiently elsewhere. But, anyway, so it is in the accounts, that is why I have mentioned it.

The Deputy Bailiff: Does anybody else wish to speak?

Deputy Roffey.

Deputy Roffey: Thank you.

3085 I think I will go through the speakers one at a time. Deputy Gollop was first and talked about the separation as a theme, that one or two other people warmed to, the separation of the Harbours and the Airport as separate businesses. I would warn very strongly against that. There are, he used the word synergies, and there are synergies. The cost base would undoubtedly increase if they were treated as entirely separate businesses. There are people that carry out functions that apply to both Harbours, commercial harbours, and the Airport, which would have to be replicated if they were separate businesses. It would not be an efficient way of doing things.

3090 That does not mean that we cannot strip out the costs, that we can allocate those people's costs in time across them and show the different accounts – which is what we have been trying to do here and I think which we previously have done. I think he mentioned ports of Jersey; well, it is noticeable, isn't it, that that fully-commercialised business – which is proving very successful, I have to say, as a commercialised business – there is no question there of separating the Harbours from the Airport. They see the synergies; they understand that it is far better and more cost effective to operate that business as one.

3095 Deputy Vermeulen, whether it is percentages or whether it is numbers, it is not really a competition but it is simply a fact that the recovery from the impact of COVID in passenger numbers has been more robust in Guernsey than it has in either the Isle of Man or Jersey. However, the Jersey market is very different to us and I think that when looking at the results coming out of the ports of Jersey recently, there are certain functions, I am afraid, that do have to be replicated, whatever the size of your organisation. Which does mean that we have far greater diseconomies of scale in Guernsey. Deputy Vermeulen, Deputy de Lisle and several others went on about rising staff costs inside the Ports, and to some extent it has been answered by Deputy Soulsby, but they are absolutely right, this has saved money.

3100 It is ironic that some people were castigating the Board of Health – sorry, going back in time, Health & Social Care – for using agencies and the extra costs and shouldn't we have permanent staff, when actually the insourcing that has been going on at the Ports has been a considerable efficiency compared with the situation before. So, yes, the security at the harbours for passengers, etc. is now insourced. It is not only slightly cheaper but the people deployed on that can now do other things around the harbour as well, which brings greater efficiencies.

3105 Yes, when Deputy de Lisle came to see us he was shocked there were another two managers coming along. These were project managers to deliver the capital programme that is needed and that project management function had previously been outsourced to consultants, which were costing us a lot more. So, by insourcing it and employing the talent that we need inside, not only are we driving down costs but actually, people, I hope have noticed the uptick in the amount of capital investment that is going on in the Ports – far more big projects are now being delivered.

3110 Deputy Kazantseva-Miller is quite right, there was, because of a timing issue, a drop in 2023 compared to 2022. That has been more than caught up since; the underlying trend is for increasing very strongly, the amount of capital investment around our Ports because they have been neglected for far too long and on the £30 million, £60 million, £100 million, the £30 million was a figure that was put forward at the time of the commercial ports of late, referring to the historic backlog that will be needed to catch up on things that had not been done in the past. The £60 million related to

that, plus the forward-looking investment that needed to be done in our maritime ports – I think that figure was quoted at the time of the debate on mooring fees. The £100 million also includes the capital investment that needs to be done at the Airport, so the Ports as a whole business.

Yes, she is quite right that we are not generating anything like the income that we need in order to not only maintain ourselves as an ongoing business, but to put in the amount of investment that is required and the STSB has not been ‘dog in a manger’ trying to stick to the current model, in fact – and I am sure it is not happening quickly enough for the Deputy, but we are the ones who have been driving looking at alternatives. We have actually brought in consultants to look ... and I think her real desire has been expressed many times to see the incorporation of some of the non-incorporated assets. We brought in consultants to look at that, we have received that report. We received it positively. We would like to bring a report to the States but it is very important that that is done at least in consultation, if not in conjunction with P&R. We have asked P&R for a meeting so that our consultants can present it to them and have a good talk about it; and we have now got a date – it has taken a little while, but we have now got a date – when that is going to happen. And it is the earnest hope of STSB that they will be able to bring forward proposals around this subject to this political term, hopefully this year. I have to say, though, in relation to the Ports, which is under consideration today, it would be a far from straightforward process to commercialise.

I think if we were to commercialise something like Guernsey Water it would still be a lot of legislative changes, it would probably take several years to actually get completely done – but it could be done. The Ports are far more complex. Apart from anything else, I think if this is going to become a totally incorporated commercial entity, then the taxpayer would have to come up with a significant dowry because of the undercapitalisation of the business at the moment, or promise ongoing support, which it is not ... and I am not sure quite how we would ... I do not want to go back to, ‘We have not raised enough money in this Assembly’, but it almost comes back to that.

But what we are doing is cranking up that investment and trying to make the situation less bad and less chronic than it has been in the past and certainly most of that, actually, is at the Harbours now. So not only are there two big pontoons and a pontoon where the old Condors used to come in, out between the two railway ramps that we are looking at, and there will be the North Beach or QE2 Marina Gates, there are some really big chunky things moving forward. So we are trying to turn that around.

Deputy Dyke was talking about the extra staffing. Yes, as I have explained about insourcing the project management, but also Deputy Soulsby is quite right, we had lots of vacancies for electricians and various technical people – the maintenance staff around that we carried for a long time. We spoke to HR, we had a regrading, it was very successful. We have filled lots of posts that had been vacant for a long time, and it has brought about a sea change in the level of maintenance now going on around the Harbours. We could, I suppose, have saved that money by leaving those posts vacant as they were the year before and that maintenance would not be being done. I do not think that would be wise and it almost brings me to the fact that I did write to all States’ Members saying if they had any detailed questions about these Accounts, could they please let STSB know in advance and we might be able to help. And yet there is a back story behind nearly all of these questions that I am doing my best to explain now, but I am sure that I am doing it far more clumsily than if I had had the expert narrative to actually put forward, having been pre-warned.

As for Deputy de Lisle, ‘bring back an independent regulator for the unincorporated trading assets’, there never *ever* has been one.

I recommend these Accounts for 2023 to the Assembly.

The Deputy Bailiff: Members, you are now being asked to vote on whether you agree with STSB’s approval of the Ports Accounts for the year ending 31st December 2023. States’ Greffier, will you kindly open the vote?

There was a recorded vote.

Carried – Pour 36, Contre 0, Ne vote pas 0, Did not vote 4, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Aldwell, Sue	None	None	Helyar, Mark	None
Blin, Chris			Inder, Neil	
Brouard, Al			Mahoney, David	
Burford, Yvonne			Taylor, Andrew	
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				
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				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Trott, Lyndon				
Vermeulen, Simon				
Woodhead, Bruce				

The Deputy Bailiff: In relation to this Proposition, there voted Pour 36, 4 Members did not vote because they were not in the Chamber at the time of the vote. I therefore declare that the outcome is that the Proposition is passed.

3180

STATES' TRADING SUPERVISORY BOARD

5. States' Works Accounts 2023 – Proposition carried

Article 5.

The States are asked to decide:

Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the States Works Accounts for the year ending 31 December 2023.

The States' Greffier Article 5, the States' Trading Supervisory Board – the States' Works Accounts 2023.

3185

The Deputy Bailiff: Deputy Roffey.

Deputy Roffey: I have nothing to add to the policy letter.

The Deputy Bailiff: Does anybody wish to debate?

3190 **Deputy Gollop:** I will be castigated again, no doubt, because theoretically I could have raised
the point earlier but what is interesting is the States' Works, they are a good Accounts as a surplus,
again. The surplus is not huge, it is about 4% to 5%, which probably is not enough for long-term
reinvestment, again, which is a point to take on board. But it looks a little bit more like a commercial
3195 company. The budget of spending £4 million on capital was not realised, it was less than £1 million,
perhaps due to the reasons that they have said. Capital purchases of vehicles, ICT software, plant
and equipment were delayed, which resulted in depreciation being lower than budget.

So we have a situation here of capital being postponed and expenses – more or less – staying
on the level, but a bit of a decline in revenue by £2 million and the explanation for this, being
£2.25 million below budget was primarily because of the reduction in services such as highway
3200 repairs and commercial rounds, along with pass-through costs and income relating to cleansing
services. I am none the wiser about all the technicalities of that. But I was puzzled because we have
seen in the last year or two, a very strong and robust economy, all these roads being up, lots of
building activity – almost too much – and yet we have seen an unlikely reduction in demand for
States' Works, and I do not know if that indicates a bigger trend or not, but it is intriguing at least.

3205 **The Deputy Bailiff:** Deputy Haskins.

Deputy Haskins: Thank you, madam.

Just to highlight that same point that Deputy Gollop was making, which is on page 26, the
3210 highway repairs element has gone down – well, they have ceased the repair operation branch – but
the bit that did not make sense to me was that staff numbers remained the same, similar. Well,
actually, they had increased from 223 to 237 and I did also note that in their business plan for States'
Works, the highway repair operation was still in it until 2025. So I was a bit confused with that and
also I noticed that the fuel costs, again, very small, but I would have expected those to have
3215 decreased, instead, they have increased – so any commentary on that would be great.

Thank you.

The Deputy Bailiff: Anybody else?

Deputy Dudley-Owen.

3220 **Deputy Dudley-Owen:** Thank you, madam.

I may have a bit of a controversial view here – and I think that the previous two comments from
Deputy Haskins and Deputy Gollop possibly speak to this – insofar as the purpose of States' Works
Department. I understand that in terms of supporting Island infrastructure, there is an emergency
3225 need and a crisis call out response but there is a lot of work that States' Works Department
undertake that previously has been undertaken by private business.

I have always had a significant concern – and I know that Deputy Inder has shared this concern
previously as well – about the amount of work that States' Works Department has, let's say, maybe
there is a better way of saying it but, *taken* from private service providers and it is clear to me that
3230 employment by States' Works Department is more expensive than it would be if it was undertaken
by a private going concern. I do worry about the cost of keeping people employed for the same
purpose, a reason that Deputy Haskins and Deputy Gollop have alluded to, insofar as work is
reducing but actually the workforce is not commensurately reducing.

I wonder what it would look like if we reduced the number of employees, in large part, in States'
3235 Works and encourage business to take up the slack there in terms of contracts for States'
Committees, which is where the Committee for Education, Sport & Culture, Environment &
Infrastructure, and have internal contracts with States' Works Department that previously were held

by external contractors. It is possibly a controversial view, but if we are looking to save money but also looking to boost the economy, (**A Member:** Hear, hear.) even in a sustainably growing way, is what I would countenance, then maybe some of these steps need to be a bit more radical than carrying on with what we have done for the last few years.

Thank you, madam.

The Deputy Bailiff: Does anybody else wish to speak?

Deputy Roffey.

Deputy Roffey: The conversation about the role of States' Works or whether it should even exist is one that has been going on since before I entered into politics and it is difficult. Yes, you could leave everything to the private sector. Indeed, even the emergency work that is done, you could have contracts with private firms to step in and do that emergency work. But sometimes there is a fragility.

I have not had notice – and I do not sit on the Board of States' Works, myself – but I suspect some of the increase in staffing, for example, came down to the fact where States' Works were doing just that: they largely got out of, or reduced very significantly, their involvement with the maintenance of commercial vehicles, for instance, and Rabey's was taking up the slack and had all of the employees, Rabey's went to the wall and very rapidly States' Works had to come in and actually employ those people in order to make sure that there was sufficient capacity in the Island to do that and I suspect that some of the numbers ... although I need to go back and check it again, none of these questions having been submitted in advance, to see exactly what has happened.

So Deputy Dudley-Owen's approach is an approach, and I think there are strengths and weaknesses to both approaches. She said that States' Works do some contracts that used to be done by the private sector. That is true, but it is a two-way process: the private sector do some contracts that used to be done by States' Works. I think the question is, do we want to maintain in-house some sort of workforce that can be deployed, particularly *in extremis*, on a whole range of things? On balance, I still tend to think that that is a very good idea but I do not deny that there are alternative approaches. But that is a discussion that certainly goes well beyond the Accounts for 2023.

The Deputy Bailiff: Thank you.

Members, I am now going to ask you to vote on whether you agree with the States' Trading Supervisory Board's approval of the States' Works Accounts for the year ending 31st December 2023. States' Greffier, would you open the voting on this, please?

There was a recorded vote.

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	Inder, Neil	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
Haskins, Sam
Helyar, Mark
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
Roffey, Peter
Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon
Woodhead, Bruce

3275 **The Deputy Bailiff:** There voted Pour 38 and 2 Members were not in the Assembly when the vote was taken. I therefore declare that the Proposition has been passed.

STATES' TRADING SUPERVISORY BOARD

6. Guernsey Water Accounts 2023 – Proposition carried

Article 6.

The States are asked to decide:

Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Guernsey Water Accounts for the year ending 31 December 2023.

The States' Greffier: Article 6, the States' Trading Supervisory Board – the Guernsey Water Accounts 2023.

3280 **The Deputy Bailiff:** Deputy Roffey.

Deputy Roffey: I tried the 'nothing to add' on the last one; it did not work. So I will say a few words on Guernsey Water.

3285 Guernsey Water is a sound business – it really is – but it is one that has faced some significant financial challenges and headwinds in recent years; and probably prime amongst that is the fact that it needs to carry out a very large and regular programme of capital investment. It is a very capital-intensive business – not only to maintain its distribution network but also its collection infrastructure, its storage infrastructure and its processing infrastructure.

3290 The problem with a business that is very capital intensive is that we all know, don't we, as the States of Guernsey, what has happened to the costs of capital programmes and capital investments over recent years? There has been very rapid inflation in that particular area. Now Guernsey Water, rightly or wrongly, has tried not to pass on all of these sudden increases in costs to its consumers

during a period when it was aware that there was a wider cost of living crisis that was proving a challenge to many Islanders, but I have to say there is a limit to how far they can take that policy.

3295 Guernsey Water now has – or at the end of last year, the end of 2023 had – level of debt of £11 million, compared to just under £9 million a year earlier, and I can tell Members that it has gone up more since then because the income is not sufficient to carry out the capital works that are required, simply out of the revenue stream. I have to say the STSB is determined that Guernsey Water should never be put in the position that GEL was by years of dysfunctional regulation.

3300 It must continue to maintain a good level of investment in its infrastructure. That infrastructure *cannot* be allowed to fall desperately behind what is required by the Island and it must not do so by being buried under a mountain of debt – and that debt is increasing and that has to stop. So with this in mind, the appropriate actions will be taken to return Guernsey Water to surplus within the next two years.

3305 Thank you, madam.

The Deputy Bailiff: Thank you.
Deputy de Lisle.

3310 **Deputy de Lisle:** Thank you, madam.

Notes 2 to 18 are not included in the Accounts, although the notes 1 to 26 form an integral part of the financial statements. The notes are very important, madam, in interpreting the Accounts and I think that was remiss. The notes may help the reader in understanding why wastewater revenues are double those of water revenues. Can I ask why that is currently the case? Because it is not as though we have treatment costs of any size through a sewage plant. Those numbers are on page 21, that I am asking for explanation. Secondly, the wastewater services section highlights increased cesspit collection charges. Given that two thirds of the cost of the service is shared amongst all customers, is it not time to roll all sewer collection charges under one?

3320 In other words, it would be shared – the total – amongst all customers. This would cut down on administration costs for the separate billing for cesspit collection charges and I would like comment on that as well from Deputy Roffey. Thirdly, under 'Principal Activities' of Guernsey Water Accounts, the Managing Director's Report on page 6 states the:

... wastewater collection service which treats and returns flow to the environment sustainably and efficiently.

3325 Madam, the flushing out of 16 million litres of raw sewage every day into Belle Grève Bay and the Little Roussel is by no means sustainable. Other systems in Europe and the UK have to comply with the UK-EU Water Directives. Why is Guernsey so different from that point of view? It is important to note that we cannot turn a blind eye to the European Marine Strategy Directive, which aims to restore European waters to their natural biological condition. This will have to be applied to our waters. It will generate international pressure for implementation of the Urban Water and Wastewater Treatment and the Water Framework Directives.

3330 There is already pressure for Guernsey to implement this Directive. In fact, in August last year, the French were appealing to the EU over the UK threatening health and marine life on the French coast by allowing raw sewage to be dumped in the Channel, and Guernsey is the closest to their shores. 'The Channel is not a dumping ground,' said Stéphanie Yon-Courtin, a Normandy politician who is on the EU Parliament's Fisheries Committee. The strategic direction of Guernsey Water is to protect our environment and ecology, and it is remiss in so doing from this particular aspect. And so is Environmental Health; they should have never allowed this, but they are allowing this to go forward. It is a disgrace, madam. A total disgrace.

3340 In fact, there appears to be little concern that flushing all our raw sewage into the sea around us, without secondary treatment with EV disinfection added, constitutes a pollution risk to our beaches, a health hazard to bathers and shell-oyster fishermen and those partaking in water sports, and continues to be a stain on our Island's reputation and international image, in light of global

ecological thinking and environmental responsibility. Guernsey has been dubbed Europe's dirty secret by oyster farmers – oyster farmers here in Guernsey, calling for a sewage treatment works in Guernsey. The dirty little Island that continues to discharge all its raw sewage into the sea. Right outside there, *right outside*.

Deputy de Sausmarez: Point of order, madam

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: I am just wondering whether Rule 14(6) may be applicable, madam.

Deputy de Lisle: I did not hear that remark.

The Deputy Bailiff: Deputy de Lisle, she has asked me about Rule 14(6). I am just reminding you. There is not a 14(6). (**Deputy de Sausmarez:** Rule 17(6)?) (*Laughter*) I had to check up on the Rules, I could not remember if there was a 14(6).

Deputy de Lisle, I think Deputy de Sausmarez raises a fair point that we are rather going off-kilter off the Accounts. I recognise the passion with which you are speaking but this is about the Accounts.

Deputy de Lisle: I thank you, madam, for allowing me to so progress because it is a very important issue. It has to be brought to the light of all people in Guernsey and it is a flagrant abuse of our global –

The Deputy Bailiff: Deputy de Lisle, what I wanted to draw to your attention was that under Rule 17(6), the debate needs to be about the Proposition in front of us, which is the Guernsey Water Accounts. So I think you have made your point but I do think you are now going off the Proposition at the moment, in terms of this debate.

Deputy de Lisle: Thank you, madam, and I have made points on the Accounts, as well. Thank you.

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

Deputy Gollop: Madam Deputy Bailiff, we have heard an impassioned speech from Deputy de Lisle, albeit rather broader than the subject today. But a senior Member reminded me, back in the old days we used to have five-year plans we could discuss, which I think would be helpful in a way.

My specific point is on the Accounts because I actually agreed with people who said there are challenges. Deputy Roffey made a strong argument that the biggest challenge for the STSB is, of course, the investment of capital, something that has been going on for 20 years, and that is an aspect of a trading business that, to a degree, is semi-commercialised.

But Deputy Kazantseva-Miller made an excellent speech – as she invariably does, especially on this kind of subject – where you actually have to reflect and work towards understanding whether these businesses are really commercial or whether they are more like political entities with, for example, hidden subsidies or essential utilities that in reality could not wash their face as businesses. Guernsey Water is doing better than most because before you get into depreciation and amortisation, it has clearly got stronger revenue over expenses.

But returning to page 21 again, as Deputy de Lisle did, there is an interesting pattern that is beginning to become quite common in these Accounts – again, we as Members should probably attend more workshops on all of them, as we did a few years ago – but it is quite interesting, how can I put it, the revenue income has gone up 4% to 5%, which is not bad, but the operating expenses

have risen by 10% from £8.5 million to nearly £9.5 million, but the management expenses have gone from £3.9 million to £4.7 million, a rise of nearly 20%.

So we are seeing, again, a little bit of a pattern, without going into the reasons why and we have not got the notes as Deputy de Lisle pointed out, that revenue is buoyant and capital investment is happening, but the day-to-day expenses are increasing faster than the growth in revenue and the management expenses, more than that. Clearly, we have to reflect on the reasons for that and maybe one of the challenges of the next term for those who are here will be to actually restructure, maybe, the States' Trading Supervisory Board and work out which parts need to be more commercially driven and which parts are probably needing political management.

The Deputy Bailiff: Thank you.
Deputy Haskins.

Deputy Haskins: Just very briefly, madam. It is a point that Deputy de Lisle did make – I just do not want it to be lost – the notes of the financial statements, which at the bottom of page 47 it says, 'The notes 1 to 26 form an integral part of these financial statements'. However, from what I can see, it only starts from 21. So I would like Deputy Roffey to confirm this as an omission because I am, right now, currently struggling with being able to approve those.

Thank you.

The Deputy Bailiff: Thank you.
Deputy Roffey.

Deputy Roffey: As to the notes, I have got no idea what has gone wrong, but it was rather a conspiracy, it is the alternative, I think. (*Laughter*) Which I will not mention, obviously, in here. It may be a bit too late, but I will ask for all the notes to be circulated. But it is only too late because nobody actually bothered to contact us earlier and say, 'Can we please have these notes?' I do not know why – whether it was a printer, whether it was somewhere in the centre or whether it was us, but there is no wish to disguise the notes at all.

Deputy de Lisle, where to start? He wants basically the whole of the cesspit charge taken into the waste water charge. Well, yes, that is a possible approach. At the moment, everybody that pays a wastewater charge, even if they do not have a cesspit, pays £110 a year towards the cesspit emptying service. If we went the other third instead of two thirds, it would be an extra £55 a year. I think you would find it is one of those classic situations where I think everybody without a cesspit would find that absolutely outrageous, why their wastewater charges are going through the roof, whereas everybody with a cesspit would say, 'This is equitable, we haven't had a main drain put in our road at taxpayers' expense'.

The two-thirds is something that we have taken as being a fair compromise between the two, but it is certainly up for debate. Although he was ruled out of order, I think I do have to respond slightly to this business about raw sewage going into our sea. Firstly, I have to say that 15 to 20 years ago I would have been completely with Deputy de Lisle because I thought this cannot be acceptable. But I was in this Assembly when a very major piece of scientific work was done to establish really what was resulting from our discharging sewage after only primary treatment – which is maceration, basically – and as I said, it was extensive, it was expensive and the conclusion came back that it was absolutely no issue for public health at that time.

And at that time, this Assembly decided that in that context, they did not want to invest the very many millions of pounds, leaving alone finding a site to actually put a full secondary, maybe tertiary, sewage treatment plant; and that is the policy of the States. Deputy de Lisle clearly disagreed with it and he is free to bring a requête. But the STSB, we keep being told we are not primarily a policy driver, we are primarily a policy taker; and the policy of this Assembly is not to go beyond primary treatment because of the evidence coming forward at that time.

I do not want to sound like the other Peter – Deputy Ferbrache – but I am also fascinated to know where the money is going to come from, because I am quite happy, if it is essential, to raise the money that is needed but any time anybody tries to raise anything more than two and sixpence, Deputy de Lisle says, ‘No, this is an outrage.’ Now he wants us to bring in, despite the scientific evidence suggesting it is unnecessary, an incredibly expensive bit of kit – more than just a bit of kit: a huge facility, which will also have to find somewhere ... Will it be up the north, I wonder? *(Laughter)* But wherever it goes, I am sure we would have a lot of resistance.

I think the evidence-based decision of the States is right. Deputy de Lisle disagrees. But really it has got very little to do with the Accounts of 2023, which I ask Members to pass and we will make sure that the notes are circulated. I know I have not answered a number of small technical questions on the Accounts of not just the Guernsey Water but a number of these issues, but I know that my staff are listening and I know that they will be doing what they can to send out replies to those questions over the next week or two.

Thank you, madam.

The Deputy Bailiff: Thank you, Deputy Roffey.

Members, before you is the Proposition, whether you agree with STSB’s approval of Guernsey Waters Accounts for the year ending 31st December 2023. States’ Greffier, would you open the voting on this?

There was a recorded vote.

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Aldwell, Sue	None	Haskins, Sam	Inder, Neil	None
Blin, Chris			Queripel, Lester	
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				
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				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				

Trott, Lyndon
Vermeulen, Simon
Woodhead, Bruce

The Deputy Bailiff: There voted in relation to this Proposition, Pour 37; there was 1 abstention and 2 Members were not in the Chamber at the time of voting. I therefore declare that the Proposition is passed.

POLICY & RESOURCES COMMITTEE

12. Schedule for future States' business – Propositions carried as amended

The States are asked to decide:-

Whether, after consideration of the attached Schedule for Future States' Business, which sets out items for consideration at the Ordinary States' Meeting on 17th July 2024, they are of the opinion to approve the Schedule.

3470 **The Deputy Bailiff:** I will turn to Deputy Soulsby to deal with the Schedule for future States' business.

Amendment 2

To insert the following wording at the end of Proposition

"subject to inserting immediately after "P.2024/50 – Committee for Economic Development – Deposit Compensation Scheme Amendments" the following items:*

P.2024/53 – States' Assembly & Constitution Committee - Reform (Guernsey) (Amendment) Law, 2024

P.2024/54 – Committee for Home Affairs - Offences (Fixed Penalties) (Guernsey) Law, 2009 (Amendment) Ordinance, 2024

P.2024/55 – Policy & Resources Committee - Matrimonial Causes (Bailiwick of Guernsey) Law, 2022 (Commencement) Ordinance, 2024"

Deputy Soulsby: Thank you, madam.

3475 I have nothing to say on the original Proposition; it is as it is. There are two amendments. So the first amendment that we wish to put forward from P&R's point of view is because of a few items of legislation that apparently just missed the deadline, so that is straightforward; and the other amendment, I know it has not been laid, but just to say that P&R does not object to it. It is quite happy to support it.

3480

The Deputy Bailiff: Thank you. Deputy Le Tocq, do you formally second the amendment put forward by Deputy Soulsby?

Deputy Le Tocq: I so do, madam.

3485

The Deputy Bailiff: Let's deal with that amendment first, please, States' Greffier.

The States' Greffier: Would you like me to ...?

3490

The Deputy Bailiff: At the moment, the one in front of me is the other amendment, so I think ... That is the other amendment again, I am afraid, States' Greffier. There we are.

Members, in front of you, you will see the amendment proposed by Deputy Soulsby and seconded by Deputy Le Tocq, in relation to the three additional pieces of legislation. States' Greffier, would you kindly open the voting on that?

There was a recorded vote.

Amendment 2

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	Inder, Neil	None
Blin, Chris			Queripel, Lester	
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				
Parkinson, Charles				
Prow, Robert				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				
Woodhead, Bruce				

3495

The Deputy Bailiff: There voted in relation to the amendment, 38 Pour and 2 Members did not vote as they were not in the Assembly at the time of the voting. So therefore, I declare that amendment has passed, and I will ask Deputy St Pier in relation to the other amendment.

[Amendment 1](#)

To insert the following wording at the end of the Proposition:

"subject to:

- 1) deleting "Item for States' Meeting Commencing on 4th September 2024 P.2024/52 – Commonwealth (Latimer House) Principles: the Role of the Parliamentary Assembly within the 'Three Branches of Government'"
- and*

- 2) inserting immediately after "P.2024/50 – Committee for Economic Development – Deposit Compensation Scheme Amendments" the following item "P.2024/52 – Commonwealth (Latimer House) Principles: the Role of the Parliamentary Assembly within the 'Three Branches of Government'".

3500

Deputy St Pier: Yes, thank you, madam, and briefly my thanks to Deputy Ferbrache for agreeing to second this.

3505

The requérants wish to have the requête debated in July. We are grateful that the Policy & Resources Committee have considered this and do not object; the business for July is otherwise quite light, in any event. My understanding is the reason for it originally being scheduled for September was to allow SACC an opportunity to comment. SACC has already considered the matter informally and therefore my understanding is they have advised the Policy & Resources Committee they are in a position to respond in time for a July debate, as indeed, will the Policy & Resources Committee themselves, so all the ducks are in a row for a July debate and I hope that Members, therefore, support this amendment.

3510

3515

The Deputy Bailiff: Do you formally second that amendment, Deputy Ferbrache? In that case, as P&R have already indicated they are not opposing the amendment, we will move straight to the vote in relation to that amendment, please. *(Interjection)* No, under Rule 3(18), I am afraid the debate in relation to the amendment to the Schedule of Business is limited only to those who put forward the amendment and Policy & Resources. States' Greffier, would therefore you open the voting in relation to this amendment?

There was a recorded vote.

Amendment 1

Carried – Pour 35, Contre 4, Ne vote pas 0, Did not vote 1, Absent 0

Pour	Contre	Ne vote pas	Did not vote	Absent
Aldwell, Sue	Le Tissier, Chris	None	Inder, Neil	None
Blin, Chris	McKenna, Liam			
Brouard, Al	Prow, Robert			
Burford, Yvonne	Vermeulen, Simon			
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 Tocq, Jonathan				
Leadbeater, Marc				
Mahoney, David				
Matthews, Aidan				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Parkinson, Charles				
Queripel, Lester				
Roffey, Peter				

Snowdon, Alexander
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon
Woodhead, Bruce

The Deputy Bailiff: There voted in relation to this amendment, 35 Pour; 5 against, and 1 Member was not in the Chamber at the time of the voting. Therefore, I declare that that amendment has been passed.

Does anybody have anything to say in relation to the Schedule of Business, as amended? No. In that case, we will go straight to the vote unless you wish to add anything, Deputy Soulsby? (**Deputy Soulsby:** No.) Let's go straight to the vote then, please, States' Greffier.

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	Inder, Neil	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				
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				
Roffey, Peter				
Snowdon, Alexander				
Soulsby, Heidi				
St Pier, Gavin				
Taylor, Andrew				
Trott, Lyndon				
Vermeulen, Simon				
Woodhead, Bruce				

The Deputy Bailiff: There voted in relation to that Proposition, 39 Pour, and 1 Member was not in the Chamber at the time of the vote. Therefore, I declare that Proposition is passed and I think

that draws us to the end of today's business, thank you very much, everybody – and indeed this Meeting's business. Would you kindly close the Meeting please, States' Greffier.

The Assembly adjourned at 4.54 p.m.