



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Thursday, 25th April 2024

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Present:

Sir R. J. McMahon, Esq., Bailiff and Presiding Officer

Law Officers

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

People's Deputies

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

The Clerk to the States of Deliberation

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

E. Gallienne (Deputy Greffier)

Absent at the Evocation

Deputy A. H. Brouard (*relevé à 10h 14*); Deputy P. T. R. Ferbrache (*relevé à ???*);

Deputy C. N. K. Parkinson (*absent de l'Île*);

Alderney Representatives S. Roberts and E. A. J. Snowdon (*absent*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

EVOCATION

Billet d'État V

REQUÊTE

7. Affordable Housing – GP11 – Propositions carried as amended

The States' Greffier: Billet d'État V, Article 7 – the continuation of the debate.

5 **The Bailiff:** Deputy Meerveld.

Deputy Inder: Meerveld? Easy mistake to make!

10 **Deputy Gollop:** I want a long speech!

Deputy Inder: I think I might just sit down. Rule 26(1), please, sir.

Deputy Gollop: No!

15 **The Bailiff:** I invite those Members who wish to speak in general debate on the amended Propositions to the Requête to stand in their places.
Deputy Inder, is it still your wish that I put the motion?

20 **Deputy Inder:** It is, sir, and recorded please.

The Bailiff: The motion is that debate be curtailed on the amended Propositions, subject of course to full return of all the Presidents in reverse order, and Deputy Dyke as the lead requérant to be able to speak. And there has been a request that that be done by way of a recorded vote, so I will not even put it to you *aux voix*.

25 And I will invite the Greffier to open the voting, please.

There was a recorded vote.

Carried – Pour 21, Contre 12, Ne vote pas 2, Did not vote 0, absent 5

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

The Bailiff: So on the motion pursuant to Rule 26(1) proposed by Deputy Inder there voted in favour, 21 Members; 12 Members voted against; 2 Members abstained, 5 Members did not participate in the vote, and, therefore, I will declare that duly carried, which means, as I say, that, because it is in accordance with Rule 28(3), I will take the Presidents of the Committees in the reverse order to which I took them, before turning to Deputy Dyke as the lead requérant.

So, Deputy Oliver, is there anything you wish to say on behalf of the Development & Planning Authority?

Deputy Oliver: Thank you, sir.

To be honest, I think everything was said yesterday (**A Member:** No, it was not.) and I just hope that people can actually get behind this and support it, something that will really help developers, and the amendment is a lot better than the Requête. And I do know that the requérants are behind this even though it is not their original Proposition.

I just hope everyone can actually support it.

The Bailiff: Thank you very much
Deputy Roffey, on behalf of Social Security.

Deputy Roffey:

Thank you. I should not have got to my feet under the Rule 26 thing because I had my right to speak anyway.

I have to say I am slightly shocked that this Assembly is not going to debate at all, not a single speech on the amended Requête because the debate yesterday was not about the amended Requête it was about whether the amendment was better or not better than the original Propositions.

So we passed quite a significant – I think we are going to pass, I am sure we are going to pass, a really significant – change in the IDP – although is it because I will come back to the Comptroller's advice in a minute – without allowing a single Member to speak on whether or not that is a good

idea. I really think that the guillotine Rule needs to be looked at again. I know I am going slightly off *piste*, so I will come back to the amended Requête.

As I say, I am assuming it is going to go through. I could make the arguments against, as set out in the letter of comment from ESS, but I think that would be a pointless waste of everybody's time.

60 What I will say is I think it puts the onus on two sets of people to do something about affordable housing. Certainly, it seems clear that the DPA want to ditch their own policy here. And if they want to ditch their own policy, it is very difficult to argue that they should keep it, but the onus will then be on them and the revised IDP to have a mechanism to make sure that sufficient land is available for the affordable housing development programme. And I heard some encouraging allusions to
65 the possibility that that was going to happen in yesterday's debate and I look forward to seeing those specific proposals to see how they are going to work.

But I think the other onus it puts is on the whole of this Assembly, if we are not expecting – and I understand it is a burden on developers, and therefore we are going to remove that burden of contributing towards the cost of the affordable housing development programme – then we have
70 to accept that that burden then falls on general revenue and act accordingly.

Frankly, I do not think there is very much more that I can say, otherwise, I am slightly confused. I am going to be asked to vote, I think, as I read the Propositions as amended, to effectively change one of the policies of the IDP and yet being told that no Resolution of the States can change a policy of the IDP.

75 So I do feel like an angel dancing on – I do not feel like an angel at all – but I feel like I am dancing on a pinhead here. I understand the sort of almost sophist argument that, yes, the policy is there but the States have said, please, DPA, do not apply it. I find that a really weird approach. I think if there is a policy we expect them to apply it, if we do not want it applied we should remove the policy and there is a procedure to change that policy.

80 And in not many months' time, we will be debating all of the policies of the IDP and could have changed it in the proper way –

Instead, reluctantly, in some ways –

I will give way once, so I will give away to Deputy Taylor.

85 **Deputy Taylor:** Thank you, sir. And I am truly grateful to Deputy Roffey giving way.

I really just wanted to draw attention to the fact that if we did, as an Assembly, want to change GP11 and there was this much will to do it and Members had actually read through the Planning Law, they could have started the process at the very beginning of the term. Many of them said it was an election issue and they were going to take action. If they had started the official process at
90 the start of the term, GP11 would have actually had the potential to have been scrapped by now and probably two years ago at that point.

I hope that is of assistance.

95 **Deputy Roffey:** Yes, I fully accept that. There is a clearly laid out process for making amendments to the IDP and this aspect could have been changed, as Deputy Taylor says. When did we first come into this Assembly? Three and a half years ago now, was it? So it could have probably been changed two-and-a-half years ago if people had wanted to do it right at the beginning.

However, we are where we are. I am sure it is going to go through. Good luck to the DPA on not applying a policy that the IDP, passed by this Assembly, tells them they should apply. But, I suppose
100 the only final comment I would make is I really hope that the developers of the Island who told us they want this gone – well, they would say that, wouldn't they? – come through on their promises and actually start building and building quickly because I do agree with all of the Members of this Assembly, despite my passion for the affordable housing development programme, I absolutely accept that private sector housing is equally important.

105 It is all part of a piece. It is not an answer to everybody but it does take the pressure off. Not everybody can afford it but it will still help and therefore I will be watching very carefully to see whether those promises are absolutely delivered on.

The Bailiff: And next, the President of the Committee *for the Environment & Infrastructure*, Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

Like Deputy Roffey, I am quite shocked that the Assembly has not had an opportunity, to comment on the Propositions as amended, because I think this is a very important and significant subject. And I think there is a great deal of difference between debates on amendments and debates on the Propositions as they now stand. It is a very big difference.

It is quite feasible for people to vote to support an amendment because they think it is preferable to the original Propositions, but then want to explain why they do not intend to support the Propositions as amended. And I am disappointed that some people who I know had a lot to say on that and would have liked to have got their views on the record have not been given that opportunity, especially as we set aside three days for this States' Meeting and this is the only really, majorly substantive policy item on the agenda.

Anyway, speaking of the original Propositions, two remain, I think. I am going off my cut and pasted notes here. So I will just start by addressing original Propositions 1 and 2. I have to make it clear that, because I have not really had an opportunity to hear the views of my Committee Members, please assume I am speaking on my own behalf and not necessarily representing views of my colleagues. But I will obviously try to represent the issues that pertain to the Committee.

So the first Proposition is to agree that the absence of the availability and reasonably foreseeable availability of affordable housing to purchase constitutes an immediate and critical threat to Guernsey's economic and social wellbeing and that the preparation and adoption of policies and legislative measures to create the availability of such housing as soon as possible shall be prioritised above all other business of the States.

Well, that may have made sense in the context of all of the original Propositions, but I think there are two things that concern me about them in this form. The first is that I think there is an oxymoron, because I think when we deal in the language of Propositions, in the language of States' Resolutions, it is important that that language is consistent with the legal framework. And I think it is an oxymoron to say affordable housing to purchase, because of course affordable housing in the language that we need to use as States' Members, as parliamentarians, is not available for purchase or certainly not outright purchase. So I think there is a contradiction in that phrase, which I struggle with in the first instance.

Of course, no one is prioritising housing more than E&I. I expanded to only a very small degree, some of the extensive programme of work that E&I is leading and co-ordinating through the Guernsey Housing Plan on exactly this. So we recognise the intent, and we completely sympathise with the sentiment that underpins this particular Proposition.

But I do not think I can support the Proposition in its current wording because I think it just does not make sense. I am concerned as a Resolution of the States, what that might mean, for other work that has been prioritised through other processes such as the GWP. So I will probably abstain or vote against that particular amendment. I do not think it does any particular harm, because I do not think it would have much practical effect, but I really do not think it is a helpful thing to have on States' Resolutions either.

The second one is to note in particular that the requirement under Guernsey's planning legislation to have regard to the provisions of policy GP11 (affordable housing) of the Island Development Plan is discouraging developers from developing larger sites with units of private housing with a resultant diminution of supply and to note that no site to which policy GP11 applies, or has been applied, has ever been developed and no contributions of land have been made to the Guernsey Housing Association.

Now this is a bit of a non-event in respect of the fact that it is a 'To note' Proposition, but I think there are things that sit quite uneasily, given that we have not seen the full evidence around that. So that is another Proposition that I feel unable to support.

I am glad, however, that this Assembly comprehensively rejected the original Propositions 3 and 4, I think it is, yesterday. That was welcome because those Propositions in their original form would have been incredibly damaging as set out in the various letters of comment, particularly those by P&R, ESS, E&I and the DPA. So I am glad that the Assembly recognised the damage inherent in those Propositions, although I do accept that that was inadvertent on the part of the requérants, and they brought those Propositions in good faith. But I am glad that they have been comprehensively rejected and replaced with something more workable.

I would like to address a point that Deputy Roffey has just picked up on again just now, and I will try to explain my understanding of the policy rationale underpinning this approach. I will probably explain a little bit later why I have this detail. In the IDP, paragraph 1.6.2, it says, in applying the policies of the IDP, the authority will take into account any relevant direction of the States of Guernsey. And then in paragraph 6.1.7, it goes on to say, 'it is acknowledged that in some circumstances, there may be important economic or social reasons to provide a particular type of dwelling'.

And in paragraph 19.12.7, it says the mix of unit types and tenure provided in each case would be informed by any relevant direction of the States. Paragraph 19.12.8 says the percentage requirement of GP11 may be reduced, i.e. could be set at zero. It does not say that, but that is the subtext. Well, no, actually it could be set at zero. Where it can be demonstrated that the application of this policy would make the development otherwise unviable. So the policy sets out the way the authority would generally establish this through a viability assessment.

However, given the other references in the SLUP – and I have not bored Members with all the details pertaining to that, but they are there, SLUP is E&I's mandate, so this is something that I have been very keen to check – to removing barriers to delivery and references in the IDP to States' directions and the weight given to them, this, if the States were to decide that at this point in time for ideally a temporary period until a comprehensive review of the policy could be achieved, the circumstances have changed so dramatically in the construction sector since the policy was agreed, and there have been so many changes to viability elements such as construction costs, finance costs, construction capacity, land costs, etc, it is reasonable to assume for the time being that all sites of 20 or more units would be unviable if affordable housing was required.

If the States agree this as a position, negating the need for the individual site viability assessment and direct the DPA to require a zero contribution for affordable housing for a defined period, this could potentially be considered within existing policy. So that is the policy window through which this amendment works.

And it is further supported by the supplementary planning guidance for affordable housing policy, which says it is central to this approach that the development of private market housing schemes remains viable and continues to be delivered. To achieve this, the affordable housing policy must be workable and deliverable.

Right. So that describes the approach that we have effectively adopted by replacing the original Propositions with the Propositions in the successful Amendment 1 yesterday. This original analysis came from the DPA's own offices back in February, which leads me on to what I intend to say next. Deputies Oliver and Kazantseva-Miller were very commendably gracious yesterday, I thought, about their requérant colleagues but I think their colleagues' actions have been less than exemplary.

Two Members brought a Requête against their own Committee that in its original form totally undermined them and made a mockery of the work that the DPA was doing, which by then was already underway with a lump of taxpayers' money committed to it. (**A Member:** Hear, hear.) It put Deputy Oliver in particular in an embarrassing position.

So from my perspective, their actions were, if nothing else, un-collegiate. I do not buy the argument that there was no other way of achieving this result other than a Requête. Had they agreed as a whole or by a majority that GP11 needed to change more immediately than the IDP review would allow for, they could have brought a policy letter to this Assembly and I think should have. Not a requête led and signed by a minority of DPA Members brought effectively as a hostile attack on their own authority.

I was quite shocked to hear Deputy Dyke justifying his approach on a *Guernsey Press* podcast earlier this week with these words: 'I think it is clear that our officers –'

Deputy Inder: Sir, point of order.

The Bailiff: Point of order, Deputy Inder.

Deputy Inder: I am genuinely unclear. Deputy de Sausmarez appears to be expressing her personal view, and I thought the idea of the round up was to express the view of the Committee. So I would just like to seek some clarification on that. (**A Member:** Hear, hear.) Thank you.

The Bailiff: In accordance with Rule 28(3) of the Rules of Procedure, it simply enables the President of each of the Committees that have been referred to to speak immediately after the lead requérant and then immediately before whoever is replying on behalf of the requérants. So when a President speaks, they can speak on behalf of their Committee and should speak on behalf of their Committee, but they can also present their own personal views in respect of the Propositions. Deputy de Sausmarez.

Deputy de Sausmarez: Thank you.

So Deputy Dyke said, 'I think it is clear that our officers absolutely do not want to change GP11, and we were never going to get good advice as to how to do it. That has been the problem.' That is a direct quote. That, in my first-hand experience, is not correct from my perspective, and I will explain why.

As soon as I had a chance to look at Deputy Dyke's Requête and understand how inadvertently damaging its effect could be, I was motivated to find a better alternative that would offer a reasonable, more responsible compromise that would adequately satisfy those that wanted to see the back of GP11 and those keen to keep the policy in place.

It occurred to me that we had set out just discounted contribution rates for the first couple of years after the introduction of the IDP, which set a precedent for varying it, meaning we could potentially make a States' decision to vary it to zero for a limited time, which would, I suspected, be the workable compromise I was looking for.

I talked this through with an officer that supports the DPA who offered to look into it for me. And within a very short period of time, from memory not much more than 24 hours, that officer had produced an analysis of the relevant States' policies that formed the basis of what I was hoping to achieve. I then shared this idea with my colleagues on E&I and ESS and the President of the DPA, and having secured support for the approach, then shared it through officers with P&R.

P&R having had the green light I understand from Law Officers, incidentally, picked my idea up and ran with it, albeit with a longer time horizon than I personally was comfortable with. And that is actually a Committee view as well. The Committee were supportive of the shorter time period in preference to the longer time period in terms of E&I's position on that.

However, the point is that I, who am not even a Member of the DPA, got the answer to the question that I asked, which was, 'Can we zero rate GP11 for a limited time?' I got that answer in about a day from a DPA officer. So in my personal experience, it was absolutely not the case that we were never going to get good advice as to how to do it.

I think those comments were unfair because Deputy Dyke knows perfectly well that those officers do not have a right of reply, which is why I have taken the opportunity now to put my very different experience on the record and why I would also like to thank the DPA's officers for their help and support in finding an outcome that both I and Deputy Dyke are happy with.

So to the substantive matter of what we are now well, we would have been debating –

Deputy Kazantseva-Miller: Point of correction.

The Bailiff: Point of correction, Deputy Kazantseva-Miller.

265 **Deputy Kazantseva-Miller:** Deputy de Sausmarez has made reference to DPA officers, but I think, she might agree with me that actually those officers are not just DPA officers. They are shared officers between E&I and DPA and other Committees and actually provide services across the board in the matrix organisation of the States. So the officers specifically in question actually with the titles are specifically relevant to Environment & Infrastructure as well.

270

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: One of the officers is an officer that shares some of the workload, and you will note the wording that I used was an officer who supports the DPA. That is entirely accurate. 275 That officer worked with colleagues who are entirely devoted to working supporting the DPA. So while I completely accept that no officers belong to any one Committee, it is in fact true that there are some officers who do nothing effectively but support the DPA, and they were also involved in this work.

So I would like to put on record that it is the very same officers supporting the DPA who offered 280 excellent advice and analysis that enabled us to achieve the compromise that we have now reached. It was thanks to their good advice that we did, in fact, find a workable solution to that. And I would like to put that on record because I think their reputation has been unfairly besmirched.

So my original intention ahead of this debate was to support both amendments as a means of getting rid of the original Propositions or most damaging ones, and to support the substantive 285 Propositions if the two-year suspension had been agreed and vote against had the five-year suspension been agreed; because it was, and remains, my view that five years of no contributions from private developers towards affordable housing is unacceptable.

However, what I heard from Members of the DPA yesterday has reassured me that their intention is to bring proposals for an alternative to GP11 roughly this time next year and that they will not 290 require legislation, their recommendations, but could be implemented as soon as they are agreed, assuming they are, by this Assembly.

So in effect, my understanding is that what we are agreeing today is really roughly a single- year window within which developers can be confident that they will not be required to make any contribution towards affordable housing. I am further reassured that their proposals for an 295 alternative will be more workable than the current GP11.

So the negative impact on the affordable housing development programme and taxpayers' money in funding it will hopefully be even more limited under this approach than it would have been under the two-year version proposed in Amendment 2.

I would very much encourage any developers listening to sharpen their pencils and get their 300 plans in as soon as possible to take advantage of this effective suspension. I genuinely really hope, as someone who obsesses about housing as the highest priority issue in our mandate, I want nothing more than to do everything possible to accelerate the provision of housing that this Island needs. And if this helps, I will be thrilled. I will be absolutely thrilled.

I do not think all parts of the process for how we have got here have been exemplary, but we 305 have got here. We have done the classic Guernsey compromise, and I have been very encouraged to hear what Members of the DPA have had to say through debates on the amendments. And, I am very much hoping that this will have short-term benefits in encouraging developers to put plans in as soon as possible and hopefully longer term benefits in the form of a more workable alternative to GP11 once the DPA has had a chance to bring that IDP review back to the States in the spring 310 next year.

So, I thank those that have contributed to debate on the amendments yesterday. I commiserate with those who were unable to put their views on record as to the substantive Propositions we would have been debating today had debate not been guillotined. And I urge Members to support, well, my personal view, and I believe that shared by E&I, is that on balance – I feel a bit nervous

315 talking on behalf of Members of E&I because they have not had a chance to contribute – but certainly, from a personal perspective, I am happy to support the newly substituted Propositions as amended yesterday, but I will probably not support the first two.

Thank you.

320 **The Bailiff:** Next, I am going to turn to the Vice-President of the Committee *for* Economic Development, Deputy Falla, if he has anything he wishes to say in this debate.

Deputy Falla: No, thank you, sir.

325 **The Bailiff:** Next, I will turn to the President of the Policy & Resources Committee, Deputy Trott.

Deputy Trott: Sir, I shall be brief. GP11 has failed, and it will soon be a thing of the past. (**Several Members:** Hear, hear.) The direction to the DPA from this Assembly is clear and by a large majority. This Assembly –

330

Deputy Taylor: A point of correction, sir

The Bailiff: Point of correction, Deputy Taylor.

335 **Deputy Taylor:** I think you can all guess what I am going to say, but the advice from Madam Procureur and the Comptroller is that GP11 will not be killed, it will still sit there within the IDP. It is absolutely clear.

The Bailiff: Well, that was not strictly speaking a point of correction, Deputy Taylor, because
340 what Deputy Trott was saying was about the direction.
Deputy Trott.

Deputy Trott: Thank you.

345 So the direction to the DPA from this Assembly is clear and by a large majority. This Assembly now watches with interest the actions of developers over the next few months because actions speak louder than words. And, sir, yesterday's debate – as I said as I was closing on the amendment yesterday – and vote showed this Assembly at its best, and I think our community regard that outcome in the same way.

Thank you.

350

The Bailiff: And finally, I turn back to the lead requérant, Deputy Dyke, to reply to the entire debate.

Deputy Dyke: Thank you, sir.

355 I will try and address the points as raised as briefly and efficiently as possible. First of all, I thank Deputy Trott and Deputy Oliver for bringing their amendment, which I think has been very helpful and is certainly supported by me and I think the rest of the requérants.

The amendment, as we have discussed at length, provides for this Assembly to give a direction in accordance with the provisions of the IDP effectively telling the Planning Authority to apply a
360 zero rate to the GP11, for a period of five years, which in effect suspends it for five years, but the precise mechanism is, as I said. So thank you for that.

Deputy Roffey made a few points, some of which we discussed yesterday. He made the point that if we dispose of GP11, then the provision of social housing will be a matter for general revenue. Indeed, that is the case but in effect that is no change because GP11 has not produced anything.
365 And it is right and proper that transfer payment support for the less affluent members of society as

necessary come from general revenue, not a specific industry group. So I think Deputy Roffey is correct but I would say that is not any sort of argument against it.

He has made the point of the importance of making special provision for affordable housing in the IDP. All of this will be discussed, in Committee, of course, but just to put that in context, in the IDP focus review of housing, land supply technical report 2024, which our Committee was discussing a few days ago, the stated need for affordable housing over the next five years, is 721. Readily available sites are 793. Other sites that we own as the States or the GHA own, including things like Castel Hospital, which is actually a hugely large site, those more difficult sites add another 273 to 663 units of accommodation that we, the States, can develop in time.

So we do actually have a huge land supply. It is not necessary now to go and buy more, and I strongly suggest that we should not. We should work on what we have got, as we have it. So I thought I would deal with that point to give you a little more information –

I will give way.

Deputy Roffey: I am very grateful to Deputy Dyke for giving way.

While he is quite right that the States own an awful lot of land that could, in theory, be used for the affordable housing development programme, in many cases, including the Castel Hospital, including the car park at Sir Charles Frossard House, requests have been made to actually move forward and embrace those as part of the affordable housing development programme by ESS and have been rejected, or certainly rejected for the time being. So I understand that collegiately, as the States, we may own enough land to allow this to happen, but neither the GHA nor ESS have access to sufficient land at present to deliver on the strategic housing needs indicator that we have all approved when E&I brought it forward.

Deputy Dyke: Well, I think we are just going to have to disagree on this.

The available easy sites that we have noticed have got 793 units on them aside from the more difficult sites adding quite a lot extra. In the last eight years, around 200 affordable houses have been built, so if we continued with that rate that would give us 32 years' supply. I assume we are going to do things a little faster than that. But I am just indicating that there is a big supply there already.

Our Planning Committee is going to do its job and look at all this, but I am just putting that background fact. It is a huge point that needs to be emphasised. I will go on to Deputy de Sausmarez. She was confused by the use of the term 'affordable housing to purchase'. That term is used to distinguish it from the defined term, capital A 'Affordable Housing', which means various types of social housing and partial ownership housing. So Affordable Housing in capitals is a defined term, which I sought to distinguish from affordable housing to purchase, i.e. houses that ordinary people can afford to buy, hence the use of that term.

I am sorry that she feels that the process we used to get here was not exemplary. After about three or four years of pushback one does become a little bit desperate. Hence, the requérants, including my colleague from Planning, Deputy Blin, and I decided to pursue a different course to get us here.

But I would agree with her absolutely that Deputy Oliver and Deputy Kazantseva-Miller are very gracious.

That is about all I have to say. There has been talk about not slamming shut the GP11 door to social housing, but I think that the side winds have blown it shut. It is slammed shut, it is locked and bolted, it simply does not work. What we must do is look at a new open door and go through it to the sunlit uplands of allowing the private sector to get on with what it does best, to allow us to get on with what we do best and, where appropriate, do some joint ventures, which we are looking at in a couple of places.

Whether they come off or not depends on whether they are a good deal for the States. If they are, we will do them; if they are not, we will not, presumably. So we have these options now opening

up before us, and I would strongly encourage everyone to look on the bright side of this and think of all the things we can do and vote for this Requête as amended by Deputy Trott's amendment – I will let Deputy Blin say something.

420 **Deputy Blin:** I thank Deputy Dyke for giving way.

I just wanted to give a bit of support on some of the facts we are saying. I wanted to see if Deputy Dyke would agree with some of the information about the building, and I am just picking up the information from the Guernsey Annual Housing Stock Bulletin issued on 13th March 2015 that showed that Guernsey created 320 new homes in 2014. The UK national average house building rate for the period 2004-05 to 2012-13 was 2.624 dwellings completed each year for every 1,000 population. I.e., for Guernsey, if it were building the national average number of new homes, 2.624 times 62,711 people, would have equalled 164 new homes each year. That is what we would have had. And then given the fact that at the time, there were better interest rates and a better economy, that is what we have lost.

430 It is thanks to the Requête and the amendments that now we are in that position. But the reason I was grateful for him giving way is that 164 new homes or the homes we would have been building, 60% of the labour for building these new homes, it comes into basically Income Tax. That is what we would have been having. So when we heard Deputy de Sausmarez stating it is going to cost the taxpayer more, well, what have we lost to the taxpayer?

435 So this is the time that we should be looking at, working together with the private sector more and more. And this message, and also saying it has had its light of day for GP11. Well, in my opinion, it should never have the light of day, and we should be continuing, we should now take the future actions of not trying to invent GP11 1.1, as Deputy Inder mentioned. But instead, we should be looking at more joint work between private and state sector with an attitude of actually improving, which is what we want a lot of the time to do, instead of having or placing these potentially draconian measures or trying to get so much laborious administration and processing to get through to build a property and leave it to the market forces as working together.

I thank Deputy Dyke for giving way.

445 **Deputy Dyke:** I thank Deputy Blin for making that point and for his support generally on this. I think this brings my comments to a conclusion, and I would say it would be fantastic if we could have 100% support for this for a way to move forward into a bright new future of getting things done. So, please vote for this amended Requête.

450 Thank you.

The Bailiff: Deputy Brouard, is it your wish to be relevéd?

Deputy Brouard: Yes, please, sir.

455 Thank you.

The Bailiff: Very well. I will mark you as present so you can vote.

Now I am trying to work out how to deal with the voting. I have got an indication of a wish to vote differently on Propositions 1 and 2, but taken together? Taken separately. So we will have a vote on Proposition 1, a vote on Proposition 2, but Propositions 3 and 4, which come from amendment 1, can I take those together? Alright. So there will be three votes.

460 Proposition 1 on its own, and I will invite the Greffier to open the voting, please.

There was a recorded vote.

Proposition 1.

Carried – Pour 27, Contre 5, Ne vote pas 5, Did not vote 0, Absent 3

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

465

The Bailiff: In respect of Proposition 1, there voted in favour, 27 Members; 5 Members voted against; 5 Members abstained; 3 Members did not participate in the vote, so I will declare Proposition 1 duly carried.

470

And now we will move to a vote on Proposition 2 on its own, please. And I will invite the Greffier to open the voting.

There was a recorded vote.

Proposition 2.

Carried – Pour 28, Contre 7, Ne vote pas 2, Did not vote 0, Absent 3

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	Burford, Yvonne	Falla, Steve	None	Parkinson, Charles
Blin, Chris	Bury, Tina	St Pier, Gavin		Roberts, Steve
Brouard, Al	Cameron, Andy			Snowdon, Alexander
De Lisle, David	De Sausmarez, Lindsay			
Dudley-Owen, Andrea	Gabriel, Adrian			
Dyke, John	Roffey, Peter			
Fairclough, Simon	Taylor, Andrew			
Ferbrache, Peter				
Gollop, John				
Haskins, Sam				
Helyar, Mark				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				

Leadbeater, Marc
 Mahoney, David
 Matthews, Aidan
 McKenna, Liam
 Meerveld, Carl
 Moakes, Nick
 Murray, Bob
 Oliver, Victoria
 Prow, Robert
 Queripel, Lester
 Soulsby, Heidi
 Trott, Lyndon
 Vermeulen, Simon

The Bailiff: In respect of Proposition 2, there voted in favour, 28 Members; 7 Members voted against, 2 Members abstained; the same 3 not participating, and therefore I will declare Proposition 2 also duly carried.

And, finally, a vote on Propositions 3 and 4, derived from Amendment 1 yesterday, taken together. And I invite the Greffier to open the voting, please.

There was a recorded vote.

Propositions 3 and 4.

Carried – Pour 33, Contre 3, Ne vote pas 1, Did not vote 0, absent 3

POUR

Aldwell, Sue
 Blin, Chris
 Brouard, Al
 Bury, Tina
 Cameron, Andy
 De Lisle, David
 De Sausmarez, Lindsay
 Dudley-Owen, Andrea
 Dyke, John
 Fairclough, Simon
 Falla, Steve
 Ferbrache, Peter
 Gabriel, Adrian
 Haskins, Sam
 Helyar, Mark
 Inder, Neil
 Kazantseva-Miller, Sasha
 Le Tissier, Chris
 Le Tocq, Jonathan
 Leadbeater, Marc
 Mahoney, David
 Matthews, Aidan
 McKenna, Liam
 Meerveld, Carl
 Moakes, Nick
 Murray, Bob
 Oliver, Victoria
 Prow, Robert
 Roffey, Peter
 Soulsby, Heidi
 St Pier, Gavin
 Trott, Lyndon
 Vermeulen, Simon

CONTRE

Burford, Yvonne
 Queripel, Lester
 Taylor, Andrew

NE VOTE PAS

Gollop, John

DID NOT VOTE

None

ABSENT

Parkinson, Charles
 Roberts, Steve
 Snowdon, Alexander

480 **The Bailiff:** In respect of Propositions 3 and 4 taken together, there voted in favour, 33 Members; (Applause) 3 Members against; 1 Member abstained and the same 3 Members did not participate. So I will declare those two Propositions carried, which means that all four Propositions have been carried.

COMMITTEE FOR ECONOMIC DEVELOPMENT

8. The Guernsey Competition and Regulatory Authority Accounts and Auditors' Report for the year ending 31st December 2022 – Proposition carried

Article 8.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled "The Guernsey Competition and Regulatory Authority: Accounts and Auditors' Report for the year ending 31st December 2022" dated 27th February 2024, they are of the opinion: -

1. To note the accounts of the Guernsey Competition and Regulatory Authority and auditors' report for the year ended 31st December 2022.

485 **The Deputy Greffier:** Article 8, Committee for Economic Development – The Guernsey Competition and Regulatory Authority Accounts and Auditors' Report for the year ending 31st December 2022.

The Bailiff: And I will invite President of the Committee, Deputy Inder, to open the debate, please.

490

Deputy Inder: Thank you, sir.

495 Members, a competitive economy is something that the Committee for Economic Development fully supports and endorses. And it provides an annual grant to the GCRA to carry out its duties in respect of the Competition Law. Some of the benefits achieved from the grant in 2022 include a reduction to the wholesale lease lines cost for very high bandwidth broadband, and also change to telecoms licensing for the protection of vulnerable Islanders in relation to 999 calls – note that is three nines, 999 calls – following the switch over to fibre broadband in 2026.

500 Now Members of the Assembly will note in the GCRA's 2022 annual accounts and report that the cost of administering the Competition Law saw a substantial increase in 2022 versus the previous year, largely associated with concluding two significant competition investigations and defending against two appeals.

505 The GCRA's ongoing Competition Law costs now far outweigh the current level of annual grant. And therefore, a proposal for 2025 funding has been shared by the GCRA, which includes a significant uplift in its funding and which the Committee will be reviewing in the coming weeks. Longer term, the Committee recognises that the economic and regulatory landscape in Guernsey and the wider world is changing. However, for that reason, the Committee has drawn up a scope of work for review of the GCRA and will shortly go to tender for a specialist provider to undertake this work.

510 This will assist in setting out how the GCRA's roles and responsibilities might need to be adapted to respond to the challenges of the new landscape, and the role of the Committee in supporting that.

Now Members also, I do not think it is something we can necessarily do on our own. Part of that consultation and setting out the terms is likely to mean that we will consult with Committees that

515 have got specific interest in regulation. One will be STSB and certainly Health. But for that, sir and Members, the accounts are the accounts, and I am happy to take some questions.

Deputy Leadbeater: Rule 26(1), sir.

520 **The Bailiff:** Let me invite those Members who wish to speak in debate on this matter to stand in their places. Deputy Leadbeater, is it still your wish to move a motion under Rule 26(1)?

Deputy Leadbeater: No, sir.

525 **The Bailiff:** Thank you, very much.
I will call Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

530 I am pleased to note the comments of the President of Economic Development, with regard to taking heed of the uplift in funding being requested by the GCRA. I think it is important to address that concern and the need for additional resources in the order of, I think, £300,000 to carry out their current responsibility in accordance with full and proper regulation. This is to my mind important if we are to value and see fairness to consumers in future.

535 The GCRA makes the point that substantial changes to its regulatory functions were transferred to a political body, the STSB, and that means, there is no independent regulatory body to oversee fairness to consumers of Government price increases. The GCRA are unable to get involved as the powers to regulate and investigate States' increases in fees and charges have been withdrawn. This was done in 2022 to allow the commercialised electricity business to increase prices to consumers of 9% in 2022 and 13% in 2023, well above RPI.

540 Plus, there was the change, of course, to tariff structure for recovery of fixed costs through increasing the standing charge to household electricity bills, in order to pay for electricity infrastructure investment for the Island.

545 Regulatory controls have been swept away essentially from consumers this term to allow flagrant high price increases as powers to set prices were transferred to a political body. The GCRA in their annual accounts invite politicians to engage and address constraints to consumers receiving the best value possible from their Government through Competition Law and the regulatory function to safeguard the interests of Guernsey consumers.

550 So the Authority, the GCRA, awaits the review by Economic Development and further policy clarity given the substantial changes to regulatory functions. We need to hear more about this review actually from the President of Economic Development, as it could provide a rollback to what we had before powers were placed in the hands of STSB to control prices.

As I recall, the change was for a trial period of three years. Alternatively, an independent economic regulatory framework would need to be set up to enable price-setting powers –

555 **Deputy Mahoney:** Point of order, please, sir.

Deputy de Lisle: ... to be given to an independent body like the GCRA.

560 **The Bailiff:** Point of order, Deputy Mahoney.

Deputy Mahoney: I just wonder: this is to note the accounts; we seem to be straying into the role of the GCRA and how they operate, rather than noting the accounts that are laid before us today?

565 **The Bailiff:** Well, I suppose the difficulty is that there is a commentary from the Chairman and the Chief Executive. And therefore, I think there is an opportunity for Deputy de Lisle to address the points that he is addressing.

Deputy de Lisle: Indeed, I agree, sir. *(Laughter)*

570 Both those gentlemen have made very critical and important points with regard to the accounts and to the future funding of the GCRA. They have also indicated their frustrations with the fact that they have lost control, of consumer interests in many areas. So I think it is very important to put this to the States and to make these points, in addressing the accounts of the GCRA.

 In fact, Competition Law and independent regulation was hard won in this Chamber in 2007-08. I remember a lot of debate with respect to that and it was brought in. To see some of it slide out is not very fulfilling to many consumers. We want fairness to consumers across the board. And it was only the other day in this Chamber that I was talking about the boat owners that this year have been subjected to 20% to 31% increases in mooring fees just as one indication that there is little opportunity for consumers to object to prices that are placed way above inflation at the current time in States' matters.

580 The fear of consumers is that the cost of Government fees and charges will rise further without independent regulation. So the current situation cannot be allowed to continue. Price setting needs to be removed from the States' decision making and placed in the hands of an independent regulator.

585 I thank you for the opportunity to make those points and I hope that we will hear more about the review that is being undertaken by Economic Development into a number of these issues that I have addressed today.

 Thank you.

590 **The Bailiff:** Deputy Roffey.

Deputy Roffey: Yes, sir.

 Deputy Inder said the accounts are the accounts, and he is right. And therefore, if that was all he had said in his opening, I would have not got to my feet at all because the accounts are the accounts. However, he did flag up that there would be a bid for a significant increase in funding for the regulator next year.

 I just want to put on record that I am going to be fairly cynical in considering that. I believe that our system of regulation is one that is too closely aligned to much bigger communities where the cost per head is going to be a lot less than it would be in the Guernsey situation and where most of the utilities are actually run by private companies that are there for profit and not to serve the community, as we are with States-owned utilities. Not against regulation but I think we have to be very careful not to create a monster.

 The only other thing I would say is that yesterday during the E&I update Statement there were a number of people in this Assembly that were really critical about the fact that many householders were not able to go for the electrification they wished to in various parts of the Island because the capacity and infrastructure was not there. That was exactly the situation we were brought to by the old dysfunctional system of regulation or inability to regulate. We are answering saying we do not have the staff to actually consider an application from GEL for an uprate in tariffs in order to be able to invest in that infrastructure.

610 So I would say, through you, sir, to Deputy de Lisle, be very careful what you wish for.

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir, and I thank Deputy Inder for his announcement that there is going to be a review of the GCRA. It is something I asked for in the States, I think, with an amendment last year. So I am very pleased that that is going to go ahead. It will be interesting to

understand the level of regulation that we need, why the costs need to be reviewed, as in my personal view it does not seem to be working.

620 I am not convinced it has delivered as the States envisaged earlier this century when we set it up. And I think if I had a time machine and I could go back I would probably either not vote for it or at least have changed the parameters of, I think it was going to be then, the Channel Islands Regulatory Authority.

625 The cost of the office is substantial, and its track record of court appearances is not good. But regardless of what happens, we pay as customers or we pay as taxpayers. And as Deputy Roffey said, the lack of infrastructure investment that Guernsey Electricity was bound to by the regulator has caused the problems now that are coming up, and then consumers now have to pay probably more than we would have done had we had proper regulation in the first place.

630 So I am cross that we have got to this position. I want the review to show whether it is a valuable resource or whether it is a drag on the economy and taxpayers. I also think we have lost control of the GCRA. It is too far away from Government. It does what it likes, when it likes, and I think it needs to be far more accountable. So to Deputy Inder, a date, please. A date.

Thank you.

The Bailiff: Deputy Gollop.

635 **Deputy Gollop:** I am on both sides here, really. Because I agree with Deputy Roffey that we do need probably a more appropriate model for our size, and Deputy Inder, and I support their work. But I also support a lot of what Deputy de Lisle said about the principles of regulation. Whether he wants to return to a sentimental era, Deputy Ferbrache will remember, when I think he and other political Members were on political boards is a matter for conjecture, and it seems to go against the direction of travel. But there you go.

640 Sticking to Deputy Mahoney's point on the accounts initially, just to give a context, the expenditure of not the office but the whole enterprise in 2021 was £1.2 million-plus. In 2022, it was over £2 million. No, that was the income, apologies, but the expenditure was not dissimilar. The expenditure in 2021 was £1.1 million, and in 2022, nearly £1.9 million. It made a surplus each year of over £100,000.

650 But when you look at the figures, not only do they go up, but the licence fees from, say, electricity were nearly £200,000; telecommunications, £600,000-plus; but the Competition Law grant, which is presumably what Deputy Inder is referring to from Economic Development, went up from £343,000 to over £1 million, £1.1 million-plus. So it is not cheap.

655 Deputy de Lisle is quite right to remind us of the points made by the Chairman, John Curran, who has been a senior regulator, Mr John Curran, and also the Chief Executive's report from Mr Byrne. And they both make the point that we have to highlight and manage the conflict that exists in small markets such as Guernsey between the expectation of consumers around choice, the lower telecoms that perhaps Members like Deputy Le Tissier would like, and availability of services in a market of 63,000. It is increasingly a challenge.

660 And we are very conscious, in the current financial climate, our work is as cost effective as possible and that we have the appropriate resources, and effectively, we the consumers need a champion. And again, the regulator, Mr Byrne, makes even more clear. He says, in troubled times, there is particularly:

... a growing risk from the fact that some businesses can generally be far better at protecting their commercial interests and command policy maker attention, than the diffuse and disconnected interest group we refer to as consumers.

Communities as well.

Given international and local forces on a small economy like Guernsey placing the fundamentals of economic growth under pressure, prioritising commercial interests even at the expense of the long term interests of consumers can seem an attractive option in the short term.

Well, they are fighting words. As Deputy Roffey has pointed out, some of these entities are in fact publicly owned, and others provide a public service to us by investing significantly in the infrastructure and will do in the future. And we have to be careful not to discourage them, because we have to look after our strategic interests of infrastructure first and cost second.

I always wonder who the consumer is. Is it the large commercial user, the smaller business user, the individual lead, iconic Mrs Le Page in Torteval or maybe somebody who is even less well-off who lives in the centre of St Peter Port? I would like to see more consumer councils and perhaps more of a Jersey structure here than consumer council. That is going well.

What I do not understand is we voted for STSB to come up with a new framework for regulating, I believe, electricity. I do not know –

Deputy Roffey: Point of correction.

The Bailiff: Point of correction, Deputy Roffey.

Deputy Roffey: The States did not vote for the STSB to come up with a new framework of regulation. They voted for Economic Development to come up with a new framework of regulation and for STSB to take on the tariff control while we are awaiting the outcome of that work.

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you, I stand corrected.

But it underlines the point that Economic Development need to move forward because the report makes clear that there is uncertainty about that, and it is costing us. And it enables me to ask other questions, like if electricity is regulated and the purpose of energy regulation is to be a consumer and, to a lesser extent, environmental watchdog, why is electricity regulated and gas not? Because I think across the Islands, we need gas.

Deputy Vermeulen and others asked a question of Deputy de Lisle today that the boat owners wanted to know if they were regulated in the context of ports. They are not. But yet we do have the micromanagement of other entities, Competition Law, and the report makes mention of an inquiry into medical competition.

But I am not sure the outcome of that was entirely beneficial because it actually made it harder for policymakers and politicians to get, for example, rival surgeries or practices to talk together because they must not be seen to be co-ordinating, but that actually sometimes makes improving the lot of the consumer easier.

So much as I support the direction of travel and the hard work the regulatory office has done, I am concerned about the cost. The cost has already increased almost exponentially, and I am concerned that the smaller consumer and the social community needs a voice, not just to the regulators and us politicians, but perhaps from consumer councils, that would provide a cheaper and more activist-based approach whilst at the same time prioritising Guernsey's strategic interests in having the best possible ports, infrastructure, energy utilities and especially telecoms.

We are not quite there yet and I hope that we have workshops that Economic Development will arrange so we can hear all sides and perhaps a meeting from the regulator as well giving their perspective.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Thank you, sir, I will be brief.

Listening to Deputy de Lisle, it took my memory back to being on Commerce & Employment back in 2014 and quite rightly too. I think we had quite a few tetchy meetings with the GCRA, or the CICRA as it was at that time, and we did put in quite a bit at the time.

My memory of being on Commerce & Employment was CICRA at the time bringing what they were proposing to do in the next year to that Committee, or board at the time, and asking the Committee its thoughts, whether there was anything else that they should consider. I would like to know from the President whether, any discussion has been had around the cost of building on the Island.

Deputy Ferbrache pointed out the cost of breeze blocks on the Island, being double those of the UK. And I know there are other instances, the cost of planks or roofing tiles and whatever. And I would like to know whether that is on the agenda because we know it is one thing that is stopping developers from actually building at the moment. And my final question is why we are looking at the 2022 accounts and, why they are not 2023? It seems quite away.

Thank you.

The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, sir.

Well, something has got to give because it is clearly not working as it is. Clearly, the regulators themselves are not particularly happy. They have said that in the page 16 financial review:

This is an inadequate level of funding to deliver the role tasked with by the States in Law and our ability to protect the process of competition is lessened considerably.

That is a pretty bold statement for the regulator to put in their own accounts. They acknowledge that they have conveyed this position to the Committee *for* Economic Development since 2013.

An interim arrangement is in place for specific requests for funding which is made to a political committee (Policy & Resources) for funding of significant competition enquiries or defence of appeals made against decisions made by us in the Royal Court or Court of Appeals. This was the case in 2022. It undermines the independence of the competition authority and is a process that is in urgent need of change

Obviously, the review is to be welcomed, but I think Members outside the Committee *for* Economic Development would welcome the opportunity to have sight of the terms of reference of that review, because I think we need to be clear that if taxpayers are going to be funding another probably five or six, five-figure, possibly six-figure, bill to a firm of consultants to give advice to the Committee *for* Economic Development, what exactly are the terms of reference for that?

Actually, there are a whole load of policy choices, which are the responsibility of the Committee *for* Economic Development to make those policy decisions that should not necessarily require input from consultants. So I would like to know exactly what it is that we are paying for.

In the meantime, we have an authority which is pretty well neutered. It is largely there to deal with the telecoms businesses now where there is a massive inequality of arms. The fact is that if the GCRA makes any decision which one of the telecoms companies do not like, the telecoms companies have deeper pockets to take that to appeal, and of course that is a real challenge.

When it comes to mergers and acquisitions, as the Authority have said in the accounts themselves, actually there is very little M&A activity here which has any competition issues for consumers here. So business is burdened with the cost of dealing with the Authority, although it is relatively quick and relatively inexpensive, but what value is it adding? If one trust company is merging with another trust company, it is not going to make a jot of difference to a single consumer on the Island and yet they have to go through the process. So what is the point of that?

Where action has been taken in the case of the medics, again, the outcome of that has been seen. But that does not mean that, of course, the Authority should not have pursued that investigation. But I would like to pick up on Deputy Soulsby's point because I would agree that building materials and concrete in particular is the one issue which builders and developers consistently identify as one of the major costs of development which drives up costs on the Island.

755 And as we have already identified through the rest of this Meeting, housing and increasing the supply of housing is now acknowledged as our biggest Government priority and challenge. So I would like Economic Development and P&R to be engaging with the regulator to ask them to do some work around building materials and concrete in particular now. It does not need to wait for the review and deciding what the new approach is. We have the Authority. Let us use them to get on with some work that really is needed.

760 But the challenge of course for Deputy Soulsby, who raised the question, is it will be P&R that need to open their chequebooks to enable Economic Development to enable the regulator to do that work. But if we have identified it in our previous debate as our biggest issue, let us crack on with that, do that, at the same time, coterminously with whatever the other review is that is being commissioned by the Committee for Economic Development.

The Bailiff: Deputy Ferbrache.

770 **Deputy Ferbrache:** I agree, sir, with a lot of what Deputy St Pier has just said and again Deputy Soulsby raised the point. In relation to the building industry, because the things that are manufactured are manufactured by one manufacturer, I am not sure where the competition comes from – but that is a wider issue.

775 I go back in relation to these histories, it is a point alluded to by Deputy Gollop in his speech, in that when I was President of the Board of Industry, and a Member of A&F from 1997 to 2000, it was my duty, I was designated by far more senior members of A&F than me to go off and look at regulation. They did not want it. I did not want it, in the sense that I knew it would grow into where we are today.

780 But it was inevitable and we have now got it. I make no criticism of the people who were doing the function under competition regulatory authority. There are bound to be tensions between them and Government because they are going to make decisions that Government does not like. That is part of their job. So how can you criticise them when they are doing something that they are mandated to do?

785 I am going to ask my good friend, Deputy de Lisle, when he is next in the States to bring along a copy of his book of economics signed by him so I can have a look at it because I never understand it. He never wants any increases at all, but he always wants the States to do more. And also what he forgets is that a lot of people who pay for the cost of regulation are the business people, the businesses that he wants to protect. But, of course, he wants more regulation.

790 But I do not know who is going to pay for it. I go back to the point very well made by Deputy Kazantseva-Miller said in the video yesterday in relation to the planning money tree or the equivalent thereof. I come back to my money tree, which I refer to very often. And I am looking to Deputy de Lisle because I know he owns lots of land. If he can take me around his vast estate and show me where his money trees are because I simply do not understand them.

795 We have got to face the fact, as Deputy Inder said, we are going to get more and more regulation. It is going to cost a lot more. The figures that we are looking at now in the 2022 accounts, and I am in no doubt what the 2023 accounts will show when they come through – and they should be quicker than they are, Deputy Soulsby is right, we should not be looking in late April 2024 at accounts that ended in December 2022, we should be looking at the December 2023 accounts at this time but that is by the by – but where we are, we are going to have more and more regulation, more and more cost. More and more cost to the people who have been regulated. More and more cost to the States of Guernsey.

800 Because, as Deputy St Pier says, and he was giving it as an example, if there was a decision made by the regulatory authority that say telecoms do not like, they have got big bucks, they can afford it. The only way that the regulatory authority can respond to that is, as they did during my time in P&R, and no doubt they will come further in P&R, to say can we have another £500,000 reduced or whatever the figures are?

And they are vast, vast sums because perhaps, and I am probably going to be taken out as a heretic and hung from the nearest tree – it will not be a money tree, but it will be a tree of some kind – I do not know why we do not look at the cost of legal services in Guernsey because they are extortionate in relation to certain other jurisdictions. (**A Member:** Hear, hear.) And I say that and there was a man who just said, ‘Hear, hear,’ who has made more money than anybody from corporate services in a different jurisdiction.

We can remember seeing him on a screen once when he was appearing in the States’ Meeting from Bangladesh or wherever he was. I am not quite sure where it was. It was certainly somewhere afar, some tax haven that he was taking advantage of. (*Laughter*) But we know he comes from a jurisdiction where concrete blocks are half the price they are in Jersey.

In connection with all of that, the fact is we have got regulation. We are going to have more of it. It is going to cost a lot more money. And both the people who are being regulated and the States of Guernsey will be having to put their hands in their pocket.

So I just conclude by saying to my good friend, because we get on very well, Deputy de Lisle, please bring along your book of economics next time that I see you.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Members, I wanted to thank you for actually a very interesting debate because this is an area which is actually quite complex, controversial, and how you get the right balance is quite tricky. And because we are looking at both competition and regulation authorities they are actually two different things. You have regulated markets, but also then you have competition that covers actually all markets. So it is quite complex.

When we had the Authority at the recent Committee meeting it helped me to look at what happens in the UK. They have the Competition Market Authority (CMA). And I looked at their accounts and the type of activities they do and how they report on what they do. One statistic struck and is deep in my memory. They said that for every pound they get of public funding they achieve a £22 reduction in prices that consumers pay.

So at the core of activity the Competition Market Authority achieves is to ensure that also, whether it is consumers, it is businesses, they are not overpaying unnecessarily for services, that there is prevention of a lack of anti-competitive behaviour. And that is quite important because we live on an Island which is very expensive. There is a very high cost of living. There is a very high cost of doing business here and the only trajectory is likely to be upwards.

So we need to try to be on top of pricing, whether it is business pricing. It talks about legal services. There have been talks about a pricing of houses, etc. So we are in a high cost of living and doing business environment. The question becomes: is a competition regulatory authority a right mechanism to have that counterbalance? And are they properly funded? What mechanism legislation do they have in place to become an effective player?

The truth is that we all feel it is not quite there. We do not want to get rid of it, but we are looking at ways of how we move forward. And I think one of the activities that competition authorities can undertake are market studies. So if they perceive that there are problems or issues outlined in certain sectors, such as the construction sector, and you could go quite narrow, you could go and look at the cement industry, for example, your market study can be as specific as you want it to be.

That is a subject I have picked up with the GCRA in terms of is there an opportunity to undertake market studies in Guernsey? What would it mean? And what would the results be? So this is one of the things we are exploring, and actually the construction industry was on the agenda. One of the things they have also suggested is to look at procurement. Because also as a Government, we obviously spend tens and tens of millions of pounds’ worth of public money on procurement. Are there ways to do it better?

So this is absolutely something that is on the agenda of the Committee. We will be following up on that with the GCRA, but I think it is worth potentially, as a Committee, exploring that a little bit further, if the President agrees. I do want to point to Deputy de Lisle’s and others’ requests that

trading assets should be under the GCRA. Well, the problem is most of our trading assets are not incorporated. They are not standalone entities with ring-fenced balance sheets, profit and loss accounts, and financial entities that have the levers to do what they want.

In Jersey it is different. This is, I think, really one of the reasons why Jersey trading assets, because they are incorporated, it is easier to say, yes, regulate them. Because otherwise, you are just going to be regulating the States. Because we have corporate services, we have so many transferred services, you actually do not have a fully, absolutely fully, ring-fenced entity that you can say, I am regulating, and they have all the operation levers to make decisions.

So please let go and incorporate our entities so they are actually running as slightly more commercialised assets. And then this will open the conversation for potentially expanding the GCRA regulation over the trading assets. But before that happens you are just self-regulating the States of Guernsey.

Thank you.

The Bailiff: Now, we will turn back to the President, Deputy Inder, to reply to the debate, please.

Deputy Inder: Regulation, hey? Always a lot of fun.

I think we can be a little bit politically schizophrenic on this, inasmuch as to my core I honestly believe that what Guernsey does is it applies country size regulation to a jurisdiction no bigger than a town. I think Deputy Soulsby made mention of it in planning in the debate only yesterday: we tend to adopt UK models and they grow like Topsy, and we try and apply this to an island.

But yet equally, do we really want to sit here to bad old days when we sit here arguing whether electricity should go up 4p or 3p? I do not think that is good either, because especially as we are screaming towards the election, can you imagine what kind of amendment we would get? We would all drop it by 50%, and poor old Deputy Roffey would have his head in his hands even more than he normally does. So we are a little bit schizophrenic on that.

I think our Committee has a general view, and I would try and speak on behalf of the Committee where possible. I think there is a general view that I do not think that good regulation means spending a lot of money with lawyers and ending up in court and losing appeals. I do not think that is good regulation, I genuinely do not. I think negotiation is better.

But equally, you will find that the regulator will hide behind protection of the consumer, 'My job is to protect the consumer.' And also we have got this weird thing in Guernsey – and we do have monopolies, there are no two ways about it, and monopolies are often dictated by the land that you had 40 years ago. If you look at some of the big players in Guernsey, be it retail, construction, you cannot set up in competition against them. There is no land availability. So you dominate your position by the fact that you would happen to have been in the Island 60 years and that is your position.

I am going to take on board what Members have said about the construction industry. But it is not just aggregates, it is plastics, it is steel, it is timber. A lot of that, it has been claimed, is related to (1) Brexit, (2) oil crisis and all the nonsense we have had over the last two or three years. But I think there is something in that. And generally freight. There seems to be a fixation by the regulator on utilities, but they talk about their perception of the consumer, but we are talking pennies when it comes to maybe not electricity so much, but certainly when it is telecoms. What about freight?

They do not always need direction from us. They can act independently and actually look at a market. I know steel has gone up. I know aggregate has gone up. I know timber has gone up. I know plastic has gone up. I know the price of a shopping basket in Guernsey is vastly different to the UK. Why doesn't the regulator? They can actually be a little bit more active than they are at the moment.

Now I think it was Deputy St Pier who said he wanted to see the terms of reference. Look, with the greatest respect, I have said that we will do some consultation with Health, particularly STSB as well, but we have a parliamentary process of which is Committees. We cannot turn this into a convention where everyone is going to dip in and have their views on regulation because we know we can see that there are inconsistencies.

910 So I hope with some confidence that is a responsibility of our Committee and will remain there. But where appropriate, we will have a consultation with the two main Committees that it affects, one of which is ours because ultimately we are Economic Development. So we understand aggregate costs, we understand the building process. If you see what is happening in retail. And, of course, health and utilities are under Deputy Roffey. So that is as far as we will go.

915 But I think Deputy Ferbrache makes a point, we may end up with more regulation. And with the greatest respect – I am trying not to be facetious and it is so hard sometimes – the more we regulate, the more it costs. Four or five weeks ago, there was a big shout from the Guernsey Marine Traders Association. They wanted to bring moorings into regulation and using the Jersey model. I think Deputy Kazantseva-Miller makes the point because Jersey Ports are incorporated, feels different. I am still going to bring it up. But if we do that, that is what it means. It means more money, more people, more staff, more consultants, and that is where regulation is going, and it means someone is going to have to pick up the bill.

920 And in that case, it is probably going to be the public because every time we do something, we tap up Policy & Resources, and Policy & Resources has not got any money. Well, it has, but it comes from the people of this Island. That is where we are.

925 But I think just to tidy up, Members, I do not think we need country size regulation in an island this size or the costs associated with it. We are a sensible Committee –

I will give way, sir, to Deputy Brouard.

930 **Deputy Brouard:** Thank you very much indeed for giving way. I just wondered if you have some idea of timeline for the review? That would be very helpful.

Deputy Inder: Yes, sorry, I did not answer that question. I beg your pardon. The terms are coming to the Committee within the next – I do not want to mislead – it is either the next Committee meeting or the meeting thereafter. Within that our officers are listening, our Committee has not agreed to consult, but I am quite sure they understand where we are. They do listen to these, Members, but I just do not have the time now. We are under direction, I think it is by the end of this year.

940 So I have put myself into a box, end of the year, where we are looking at the review within the next, I am going to say month, and we will be talking to Health and we will be talking to STSB and obviously Policy & Resources in the same manner.

So, Members, thank you for that short debate. There was not much I disagree with, but it is very difficult for everyone. Not much I disagree with, but it is very difficult –

Deputy Soulsby, I will give way.

945 **Deputy Soulsby:** I thank Deputy Inder for giving way. I wonder if he can just respond to why the accounts are in 2022 and then why they have taken so long to get here.

Deputy Inder: Well, the reason they are so long taking, they are done once every two years, and they are done in Jersey. That is what – (*Interjection*)

Deputy Soulsby: They are for the year ended December 2022

955 **Deputy Inder:** No. I beg your pardon. Sorry. That is my mistake. Rather than guess my way through it, the best thing to do is to take that away and I will find out for you.

Thank you.

The Bailiff: Well, Members of the States, there is a single Proposition. I will invite the Greffier to open the voting, please.

There was a recorded vote.

Carried – Pour 34, Contre 0, Ne vote pas 0, Did not vote 3, Absent 3

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Helyar, Mark	Parkinson, Charles
Blin, Chris			Mahoney, David	Roberts, Steve
Brouard, Al			Taylor, Andrew	Snowdon, Alexander
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				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Prow, Robert				
Queripel, Lester				
Roffey, Peter				
Soulsby, Heidi				
St Pier, Gavin				
Trott, Lyndon				
Vermeulen, Simon				

960

The Bailiff: So in respect of the single Proposition to note the accounts, there voted in favour, 34 Members; no Member voted against; no Member abstained; 6 Members did not participate in the vote. And, therefore, I would declare the Proposition duly carried.

POLICY & RESOURCES COMMITTEE

9. Schedule for Future States' Business – Propositions carried as amended

Article 9.

The States are asked to decide:-

1. Whether, after consideration of the attached Schedule for Future States' Business, which sets out items for consideration at the Ordinary States' Meeting on 22nd May 2024, they are of the opinion to approve the Schedule.

2. To agree that a General Update Statement be given by the States' Trading Supervisory Board at their meeting on 17th July 2024 in accordance with Rule 10(4) of the Rules of Procedure of the

States of Deliberation and their Committees (in place of that scheduled to be given at the vacated States' Meeting of 3rd July 2024).

3. To agree that a General Update Statement be given by the Transport Licensing Authority at their meeting on 4th September 2024 in accordance with Rule 10(4) of the Rules of Procedure of the States of Deliberation and their Committees (in place of that scheduled to be given at the vacated States' Meeting of 3rd July 2024).

STATES OF DELIBERATION

SCHEDULE for FUTURE STATES' BUSINESS

(For consideration at the Ordinary Meeting of the States commencing on the 24th April 2024)

Items for Ordinary Meeting of the States commencing on the 22nd May 2024

(a) communications by the Presiding Officer including in memoriam tributes;

(b) statements;

(c) questions;

(d) elections and appointments;

P.2024/32 – Presiding Officer – Election of Members of The Ladies' College Board of Governors

P.2023/33 – Election of two members of the Priaulx Library Council

(e) motions to debate an appendix report (1st stage);

(f) articles adjourned or deferred from previous Meetings of the States;

(g) all other types of business not otherwise named;

No.29 of 2024 – The Boarding Permit Fees Order, 2024

No.30 of 2024 – The Limited Partnerships (Guernsey) Law, 1995 (Amendment) Regulations, 2024

No.31 of 2024 – The Plant Health (Amendment of Transitional Provision) (Guernsey) Regulations, 2024

No.32 of 2024 – The Aviation Security (Guernsey) Direction, 2024

*P.2024/27 – The Income Tax (Investment Companies) (Guernsey) (Amendment) Ordinance, 2024**

*P.2024/28 – The Income Tax (Guernsey) (Amendment) Ordinance, 2024**

*P.2024/29 – The Legal Aid (Guernsey and Alderney) (Schemes and Miscellaneous Provisions) (Amendment) Ordinance, 2024**

P.2024/30 – The Income Support (Implementation) (Amendment) Ordinance, 2024 P.2024/31 –*

The Sexual Assault Referral Centre (Procedure) (Bailiwick of Guernsey) Law, 2024 P.2024/26 –*

*Committee for Health & Social Care – Introduction of an Enabling Law to Regulate Vapes**

*P.2024/25 – Committee for Health & Social Care – Prohibition of Smoking in Vehicles Carrying Children, and Growing Tobacco**

*P.2024/34 – States' Assembly & Constitution Committee – General Election 2025 – Second Policy Letter**

*Amendments to the proposed meeting dates and order are permitted only for those items marked with an *.*

Items for Special Meeting of the States commencing on the 5th November 2024

P.2023/xx – States' Budget

P.2023/xx – Non-Contributory Benefits Rates

965 **The Deputy Greffier:** Article 9, Policy & Resources Committee – Schedule for Future States' Business.

The Bailiff: I invite the President of the Committee, Deputy Trott, to open the debate, please.

[Amendment 2.](#)

To insert the following wording at the end of Proposition 1.

"subject to inserting immediately after "No.32 of 2024 – The Aviation Security (Guernsey) Direction, 2024", the following item: "No. 40 of 2024 - The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment of Schedule 3) (No. 4) Regulations, 2024"

970 **Deputy Trott:** Sir, thank you.

The Policy & Resources Committee needs to submit Amendment 2, because we need to place before the Assembly regulations which make minor technical amendments at the May Meeting in order to demonstrate the Bailiwick's continued commitment to meeting international standards in support of the ongoing Moneyval evaluation.

975 Other matters are not urgent and can wait till June, sir. So it is only the urgent regulations that we are asking the Assembly to amend on the Schedule of Business.

The Bailiff: Deputy Soulsby, do you formally second that amendment?

980 **Deputy Soulsby:** I do, sir.

The Bailiff: I think pursuant to Rule 3(18) there is only the one speech permitted in relation to that amendment on the basis that these are Regulations that were made by the Policy & Resources Committee – weren't they? – so no other Committee is involved.

985 In that case, I will put the amendment to you first. This is Amendment 2. Can I just have confirmation, Deputy Trott, that you are not pursuing Amendment 1?

Deputy Trott: That is correct, sir.

Thank you.

990

The Bailiff: Thank you very much.

So Amendment 2 is the one and only amendment to the Schedule, and I would invite the Greffier to open the voting on Amendment 2, proposed by Deputy Trott and seconded by Deputy Soulsby.

There was a recorded vote.

Carried – Pour 34, Contre 0, Ne vote pas 0, Did not vote 3, Absent 3

POUR	CONTRE	NE VOTE PAS	DID NOT VOTE	ABSENT
Aldwell, Sue	None	None	Helyar, Mark	Parkinson, Charles
Blin, Chris			Mahoney, David	Roberts, Steve
Brouard, Al			St Pier, Gavin	Snowdon, Alexander
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				
Inder, Neil				
Kazantseva-Miller, Sasha				
Le Tissier, Chris				
Le Tocq, Jonathan				
Leadbeater, Marc				
Matthews, Aidan				
McKenna, Liam				
Meerveld, Carl				
Moakes, Nick				
Murray, Bob				
Oliver, Victoria				
Prow, Robert				

Queripel, Lester
Roffey, Peter
Soulsby, Heidi
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

995

The Bailiff: The voting on Amendment 2, proposed by Deputy Trott, seconded by Deputy Soulsby, is that there voted in favour, 34 Members; no Member voted against; no Member abstained; 6 Members did not participate. So I will declare that truly carried.

1000 Is there any debate at all on the three Propositions, the first Proposition having been amended, to the Schedule? Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: So there is a wording in that amendment that says, in place of that schedule to be given at the vacated States' Meeting of 3rd July; do we no longer have a Meeting on 3rd July?

1005

The Bailiff: No. That was the result of a Resolution that was made on the Government Work Plan debate. So that removed that Meeting, and it brought into play an Ordinary Meeting in place of the Special Meeting but starting on a Wednesday rather than Tuesday in June. So you have got a meeting in June, Ordinary Meeting, no Special Meeting, and then a Meeting towards the end of July.

1010

So that is why these two Propositions are being included because the Meeting on 3rd July had the Rule 10 for update Statements from the two Committees, and they are simply being allocated to different Meetings.

1015

Deputy Kazantseva-Miller: Sir, my understanding was the June Meeting is the accounts Meeting. It is not an Ordinary Meeting where policy is debated, it is just –

The Bailiff: No, it is an Ordinary Meeting, Deputy Kazantseva-Miller but at which the accounts will be part of the business.

1020

Any other comments? No requests to vote differently on the three Propositions? In that case, I will invite the Greffier to open the voting on the three Propositions where Proposition 1 has been slightly amended.

There was a recorded vote.

Carried – Pour 34, Contre 0, Ne vote pas 0, Did not vote 3, Absent 3

POUR

Aldwell, Sue
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
Inder, Neil

CONTRE

None

NE VOTE PAS

None

DID NOT VOTE

Helyar, Mark
Mahoney, David
St Pier, Gavin

ABSENT

Parkinson, Charles
Roberts, Steve
Snowdon, Alexander

Kazantseva-Miller, Sasha
Le Tissier, Chris
Le Tocq, Jonathan
Leadbeater, Marc
Matthews, Aidan
McKenna, Liam
Meerveld, Carl
Moakes, Nick
Murray, Bob
Oliver, Victoria
Prow, Robert
Queripel, Lester
Roffey, Peter
Soulsby, Heidi
Taylor, Andrew
Trott, Lyndon
Vermeulen, Simon

1025 **The Bailiff:** And in respect of all three Propositions, there voted in favour, 34 Members; no Member voted against; no Member abstained; 6 Members did not participate. Therefore, all three Propositions are duly carried.

And that concludes the business for this Meeting and I will ask the Greffier to close the Meeting, please.

The Assembly adjourned at 11.12 a.m.