



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Tuesday, 29th April 2025

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Present:

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

Law Officers

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

People's Deputies

| | |
|----------------------|---------------------------------|
| S. E. Aldwell | C. J. Le Tissier |
| A. H. Brouard | 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 | N. G. Moakes |
| H. L. de Sausmarez | R. C. Murray |
| A. C. Dudley-Owen | V. S. Oliver |
| J. F. Dyke | C. N. K. Parkinson |
| S. P. Fairclough | R. G. Prow |
| S. J. Falla | L. C. Queripel |
| P. T. R. Ferbrache | P. J. Roffey |
| A. Gabriel | H. J. R. Soulsby ^{MBE} |
| J. A. B. Gollop | G. A. St Pier |
| S. P. Haskins | A. W. Taylor |
| N. R. Inder | L. S. Trott ^{OBE} |
| A. Kazantseva-Miller | S. P. J. Vermeulen |

Representatives of the Island of Alderney

The Clerk to the States of Deliberation

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

Absent at the Evocation

Deputy C. P. A. Blin (*relevé à 9h 39*) ; Deputy M. A. J. Helyar (*relevé à 10h 22*) ;
Deputy C. P. Meerveld (*relevé à 9h 39*) ; Deputy J. P. Le Tocq (*absent de l'île*) ;
Alderney Representative E. Hill (*relevé à 14h 32*) and Alderney Representative E. A. J. Snowdon
(*relevé à 14h 32*)

Business transacted

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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

CONVOCATION

The States' Greffier: Billet d'État IX, 2025. 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 Tuesday, 29th April, 2025, at 9:30 a.m., to consider the items listed in this Billet d'État which have been submitted for debate.

In Memoriam: former Alderney Representative Graham McKinley OBE

The Bailiff: Good morning, Members of the States.

Former Alderney representative in the States of Deliberation, Graham McKinley, OBE, died on 15th April. Simon Derek Graham McKinley, known to us all as Graham, was born in the United Kingdom in 1945. He was educated in Oxford and at Sandhurst. His father was an Air Vice Marshal with a distinguished record from World War II, and other family had also served in the forces. Thus it was perhaps not a surprise that he decided to join the Army, having decided against the RAF. One brother did indeed join the RAF and another the Navy.

Graham joined the Rifle Brigade in 1965, which became on its amalgamation with the King's Royal Rifle Corps and other regiments, the Royal Green Jackets in 1966.

Among other postings, he served in Borneo, five tours of Northern Ireland, and two and a half years in the Northern Frontier Regiment in Oman against insurgent rebels in the Dhofar War, for which he was awarded the Sultan's highest award for bravery. He spent several years in Germany during the Cold War. He was also deployed to the Falklands just after the 1982 war, and he was made an Officer of the Order of the British Empire for the key role he played in the construction of the Mount Pleasant Air Base in the Falklands. He left the Army in 1993 with the rank of Colonel.

He had bought a house in Alderney in 1985, which he knew as his parents had bought a house there in the 1960s, but initially on leaving the Army, he worked in Africa, where he had served as Defence Attaché in Ghana. He lived in Sierra Leone, working in telecommunications before the military coup there in 1997. He then worked for the United Nations World Food Programme as a security consultant.

He moved to Alderney permanently in 2005, later becoming involved in Island politics. He was elected to the States of Alderney from the start of 2015 and immediately became one of the two representatives from that States who sit in this States' Assembly. He ceased being a member of the

States of Guernsey at the end of 2018, but he continued to sit in the States of Alderney until the end of 2022, being the Vice-President in 2021 and 2022.

During his time in the States of Deliberation, he sat on no States of Guernsey Committees. However, he was always assiduous in his support for Alderney in this Chamber and promoting its
35 interests when representing the interests of Alderney here.

Graham leaves three children. They are Emma, Sophie and Sereita, his son Tom having sadly pre-deceased him. To all of them, and to his extended family and his friends, we extend our sincere
condolences.

Members of the States, will you now please join me in rising for a period of silence to honour
40 the memory of former States' Member, Graham McKinley? Thank you all very much.

**Welcome to Conseiller Cragoe and Conseiller Locke –
Chief Pleas of Sark**

The Bailiff: Before we move to Question Time, this being a meeting with no statements to deal with, it is always a pleasure to welcome visiting parliamentarians from elsewhere. I understand that we have two Members of the Chief Pleas of Sark present at the moment in Conseiller Mike Locke and Conseiller Carol Cragoe. I would like to welcome them.

45 They may find that they are going to be disappointed later in the day, but we will wait for that at some point. But it is always a pleasure to welcome visiting parliamentarians, and I would ask you to welcome them in the usual fashion. *(Applause)*

Now that two Members have managed to take their seats, Deputies Blin and Meerveld, is it your wish to be relevé?

50

Deputy Blin: Yes, please, sir.

Deputy Meerveld: Yes, please, sir.

55 **The Bailiff:** Thank you very much. We will mark you as present.

Alderney Representatives delayed

The Bailiff: I have had a message, by the way, from the Alderney Representatives saying that there are travel problems this morning and therefore they will join us as soon as they can arrive. Yes, it is too hot for the runway up there, obviously.

Questions for Oral Answer

COMMITTEE FOR HEALTH & SOCIAL CARE

Animal and Clinical Waste Solutions Project – Current status

60 **The Bailiff:** Now we have four sets of questions. The first set is to the President of the Committee for Health & Social Care, and they are asked by Deputy de Lisle. So your first question, please, Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

65 The replacement for the clinical and animal waste incinerators is being managed through the Animal and Clinical Waste Solutions Project. What is the current status of the project, as both incinerators are at the end of their working lives?

The Bailiff: The President, Deputy Brouard, to reply, please.

70

Deputy Brouard: Thank you, sir; good morning.

 The replacement for the animal and clinical waste incinerators is being managed through the Animal and Clinical Waste Solutions Project. This is a joint project between the Committee for Environment & Infrastructure and the Committee for Health & Social Care. The preferred replacement option is a new incinerator with additional flue gas treatment equipment. The incinerator will process both animal and clinical waste, while the residual heat it generates will be used to create energy to heat water for other operations that take place at the site.

75 This system will ensure that potential disease or contamination from both waste streams is managed safely and will reduce fuel consumption and will enable a more environmentally friendly solution. The Office of the Environmental Health and Pollution Regulation have been consulted throughout the design process to ensure the plant achieves the highest level of emissions control.

80 The project is on time and budget. Building work has started on an extension to the animal carcass incinerator site at Longue Hougue, which will house the new plant. The new plant is largely complete and will undergo factory acceptance testing throughout the week of 12th May, and is programmed to start processing waste from late 2025.

85

The Bailiff: Supplementary, Deputy de Lisle.

Deputy de Lisle: I have two supplementaries, sir, thank you.

90 I am obviously pleased with the intended closure of the hospital incinerator, having brought to the attention of Health in 2009, 16 years back, asking then for closure on health and environmental grounds. It was all a matter of the fine particles, heavy metals and the acid gases transmitted that was the problem there. But I am worried about the effects to health by the larger incinerator intended at Longue Hougue and its closeness to acid gases from Guernsey Electricity on the Bridge and the effect all this might have on the populations in St Sampson and the Vale.

95

 Given alternatives to incineration, can I ask the Minister for Health, can Health please look to autoclave – to sterilise the clinical waste as a preferable way of dealing with medical waste?

100 **The Bailiff:** Deputy de Lisle, the time for asking that question has passed, so you are down to one supplementary question now. So which one do you want to ask the President? Please, can you get the question out quickly?

Deputy de Lisle: I can ask my second, sir.

105 Incineration leaves a residual of toxic fly ash and bottom ash equivalent to a third of what is incinerated. What is intended to be done with the residual toxic waste?

The Bailiff: Deputy Brouard to respond, please.

Deputy Brouard: Thank you, sir.

110 I think Deputy de Lisle's question – I think the final one –as about the fly ash and the bottom ash. As I understand it, we are unable to process these items on Island and therefore they will be specially sealed and sent off for reprocessing off Island.
Thank you.

115 **The Bailiff:** Supplementary, Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I wonder if the President would agree with me that actually the new facility will greatly reduce the risk of any pollutants escaping into the environment and also will enable a reduction in the overall total of waste that will need to be incinerated here.

120

The Bailiff: Deputy Brouard to reply.

Deputy Brouard: Thank you very much, Deputy de Sausmarez.

125 I totally agree. The new incinerator will be up-to-date, modern, with all the flue gas captures and fly ash captures, etc.
Thank you.

The Bailiff: Deputy Gabriel.

130

Deputy Gabriel: Thank you, sir.

Does the President of Health & Social Care agree with me that there is likely to be a lot less material incinerated because of the autoclave system that is already introduced with a new project, which will be sterilising equipment, and there will be a lot less to be incinerated, and changing practices at the hospital will back that up too?

135

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you very much indeed for the question.

140 The autoclave facility is not being progressed on this particular project because it would have added about another £2 million to the project, but it was looked at. Instead, the extra heat that is being generated will be used to manage the hot water, which is then used for the abattoir.

The tonnage going into the incinerator will be substantially reduced. At the moment, the PEH is – it is a large incinerator and it needs quite a lot of fuel. A lot of items which could be routed elsewhere, although still clinical, will be done. It will, in fact, reduce the tonnage from the PEH incinerator, which is around about 499 t a year, to moving to Longue Hougue, we will be transferring about 250 t, with the rest of the waste going through normal waste streams, which is not happening at the moment. The throughput to Longue Hougue will be a lot less than the throughput going to the PEH one.

145

150 Thank you very much for the question.

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you, sir.

155 I think Deputy de Lisle was trying to make the point that up-to-date technology like autoclave would be helpful. Why was cost perhaps the only consideration in the change and would it not be good that the new incinerator is environmentally non-polluting as possible, and maybe is it possible to add technology that would reduce any undesirable effects?

160 **The Bailiff:** Deputy Brouard to reply.

Deputy Brouard: Thank you very much.

The autoclaving was not only looked at from the point of view of costs. The team went through with a fine tooth comb to look at all the different options for incineration. We have a unique
165 opportunity to combine two items together for a very small community for waste which we have to process on Island, because it is one of those international things that we cannot ship this particular type of waste out.

Of course, as I have just mentioned and reaffirmed by the Deputy in charge of Environment & Infrastructure, it will be as non-polluting as it possibly can be. It will be a modern infrastructure with
170 all the gas containments and all the fly ash containment, etc.

The Bailiff: Deputy Haskins.

Deputy Haskins: Thank you, sir.

175 Given the incinerator was located on the hospital site, can I ask the President, will there be any additional transportation costs of the clinical waste having to travel across Island to the incinerator, and what will these be per year?

The Bailiff: Deputy Brouard.

180 **Deputy Brouard:** Thank you.

This is all in the mix. There will be some savings, there will be some extra costs. But of course the hospital incinerator has been picking up waste from all over the Island anyway from doctors' surgeries, from veterinary surgeries, from dentist surgeries. So transport I think will be a small part
185 of it but still an important part.

The main thing is moving to having one incinerator rather than having an animal carcass one and also the one at the hospital. That is where the main savings come. There are also some savings from the point of view of fuel because I had not realised that we actually burn fuel when we set up the incinerator, because it needs diesel to run the incinerator, would you believe? But there we are.

190 There are all sorts of savings, and also we need the space as we expand the hospital to look after more and more people.

The Bailiff: Deputy Le Tissier.

195 **Deputy Le Tissier:** Thank you, sir.

The President mentioned savings and the press release also mentioned, I think it was, £160,000 savings. Also another Deputy has told us that there will be savings. Would the President agree to publish the business case detailing any such savings?

Thank you.

200 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you.

205 I did have the business case at my desk last night. It is about 400 pages, but I can certainly get a summary of what we believe the savings will be published for Deputy Le Tissier. No problem at all.

Thank you.

The Bailiff: Your second question to the President, Deputy de Lisle, please.

**PEH Incinerator –
Permanent shutdown**

210

Deputy de Lisle: Thank you, sir.

As I understand it, the clinical waste incinerator at PEH will not be replaced. When can we expect the incinerator at PEH to be shut down permanently?

215

The Bailiff: Deputy Brouard to reply.

Deputy Brouard: Thank you, sir.

220

The incinerator at the PEH will not be replaced. Clinical waste will be processed by the new plant at the Longue Hougue site, and both the current PEH incinerator and the animal waste incinerator are programmed for decommissioning during quarter two of 2026. The new plant is programmed to start processing waste from late 2025 and will undergo a vigorous testing and commissioning period. The amount of clinical waste incinerated will be approximately halved, with the remainder processed in more appropriate ways.

Thank you.

225

The Bailiff: Supplementary, Deputy de Lisle.

Deputy de Lisle: I have one supplementary, sir.

230

The President mentioned the fact that the amount of clinical waste incinerated will be halved but the World Health Organisation has shown that only 15% of waste generated by healthcare activities could be considered hazardous toxic material. So what proper waste segregation practices are to be put in place, particularly now that autoclave has been withdrawn from the process?

The Bailiff: Deputy Brouard to reply, please.

235

Deputy Brouard: Thank you; thank you for the question, Deputy de Lisle.

240

One of the reasons as well for moving the incinerator is that it gives us the opportunity to redesign our waste streams at the hospital. A bit like the Lurgi arguments, when we have got a very large incinerator at the hospital, it needs quite a lot of material to fire it up and to keep it running, so we have not had the incentive to separate the waste. In fact, we needed the waste to make sure that the incinerator runs hot and runs effectively.

245

There will be a wholesale management of the clinical waste, and some of the waste is not completely things like nappies and things of that, which we would be burning now, would go into the normal waste streams, which they do for every household. There is a lot of segregation that we will be doing as the new incinerator comes online. It is also that the normal practice that most of our nurses who have worked in the UK are already used to. It is just that we have had a different system here because we have had an incinerator literally on site that needed to be fed at certain times to make sure it runs efficiently.

250

Very much so that we will be looking at new waste streams to make sure that all the items go to the appropriate parts.

The Bailiff: Supplementary, Deputy Gollop.

Deputy Gollop: Yes, some of us need the nappies and the sharpies, they are part of our life, but I think this is a sensible decision to combine and gives extra space at the hospital.

But my question is: have the project team considered all possible sensitivities, if there are any, on religious, humanistic or other cultural grounds of mixing what might be human waste with animal waste, or am I misunderstanding the situation?

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

I can very happily confirm that Deputy Gallop is misunderstanding. When we sort that clinical waste, we are talking about bandages, we are talking about possibly some tissue, but any items of bodily parts, they go to a separate incineration at the crematorium at Le Foulon.

I do not want to be crude, but you are not going to have legs and arms going to the animal waste incinerator.

Thank you.

COMMITTEE FOR EDUCATION, SPORT & CULTURE

Les Varendes High School – Refurbishment

The Bailiff: The second set of questions is from Deputy de Sausmarez to the President of the Committee for Education, Sport & Culture. So your first question please, Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

What work is due to be carried out at Les Varendes High School to refurbish it, and is that work on budget and on time, i.e. will it be completed over the school summer holidays as planned in time to accommodate the remaining students who will move there following the closure of La Mare de Carteret High School?

The Bailiff: I call on the President, Deputy Dudley-Owen, to reply, please.

Deputy Dudley-Owen: We are undertaking two distinct types of work at Les Varendes High School. The first is maintenance works to keep the building in good condition. These include replacement of windows and doors, introduction of appropriate fencing for a school site and replacement of the heating and ventilation systems. These works are progressing well and on budget and are not related to welcoming new students in September.

The second type of work is repurposing to ready the site for a larger 11-16 school in September and also for the use of the site by the Youth Commission, Guernsey Music Service and Sexual Health and Relationships Education Team, in line with the States' resolutions of 2021.

The procurement exercise for the repurposing works is still open, meaning I cannot share commercially sensitive information. I can however confirm that the States is currently considering tender returns and is likely to enter into contract for a significant proportion of the works this summer. Where the works will have to take place later in the year, we have received assurances that the works can take place without materially impacting on the delivery of education in the 11-16 school. These works are forecast to be on budget.

The Bailiff: Supplementary, Deputy de Sausmarez?

300 **Deputy de Sausmarez:** Yes, please, sir.
Of the repurposing works to ready the site for a larger 11-16 school in September, what works do the Committee anticipate to be unlikely to be completed over the summer?

The Bailiff: Deputy Dudley-Owen.

305 **Deputy Dudley-Owen:** Thank you.
At this stage I am not able to give any details on that but I will commit to sharing that with Members in due course.

310 **The Bailiff:** Second supplementary, Deputy de Sausmarez?

Deputy de Sausmarez: Yes, thank you, sir.
I wonder whether the President is in a better position to give us an indication of what proportion of the works may be unlikely to be completed over the summer, as in the original answer they were confident that a significant proportion would be. I am just wondering what the remainder is.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you.
320 Along with my initial answer to that, we will circulate.

The Bailiff: Deputy Matthews, supplementary.

Deputy Matthews: Thank you, sir.
325 I will ask the President to what extent any conversion work for the educational facilities in the Sixth Form Centre to office space would be reversible should a future Committee want to revert the facility back to educational services?

The Bailiff: Deputy Dudley-Owen.

330 **Deputy Dudley-Owen:** Can I ask Deputy Matthews to repeat his question, I was not quite clear?

The Bailiff: Can you repeat the question, please, Deputy Matthews?

335 **Deputy Matthews:** Certainly.
It was to ask to what extent any conversion work for facilities at the current Sixth Form Centre into office space would be reversible back to use as educational services should a future Committee wish to use that space for that purpose.

340 **The Bailiff:** Is that clearer, Deputy Dudley-Owen?

Deputy Dudley-Owen: Yes, thank you.
Much of the space being utilised in the Sixth Form Centre, as is now, will actually be used by peripatetic staff. There is only a small amount required for office-based or desk-based staff and
345 therefore the area in the current refectory, the open area, the social and working area is going to be an open plan office, which obviously is easily reversible.

The Bailiff: Deputy de Lisle, supplementary.

350 **Deputy de Lisle:** I feel that we, as Deputies, may have been misled in that we were told that the Sixth Form Centre facility was being reserved for the high school students being relocated from La

Mare. That was the reason why there was a move with regard to the sixth form to La Mare. Is this not the case that we have been misled on that point?

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

Deputy Dudley-Owen: No.

360 **The Bailiff:** Deputy St Pier, supplementary.

Deputy St Pier: Thank you, sir.

With regard to what the President describes as the repurposing, is she able to confirm that all of the costs of that will be attributed to the education part of the project or will indeed some of that fall to the Policy & Resources account in relation to management of the property estate and where they place their teams, including of course some of the Education team? Is the President aware of any such allocation between the two parts of the repurposing?

The Bailiff: Deputy Dudley-Owen.

370 **Deputy Dudley-Owen:** Thank you, sir.

The repurposing work, there is repurposing in Les Varendes High School and obviously for the sixth form that has been planned as part of the Transforming Education Programme, which has been costed into that particular workstream, which obviously the States has approved. Any further work, I understand – but I will get confirmation on this – related to the States' Property Unit use of the sixth form for the Education Office, I understand, will come from their budget. But I will confirm that just to make sure.

The Bailiff: Second supplementary, Deputy St Pier.

380 **Deputy St Pier:** Yes, sir; and I thank the President for that response.

In relation to the maintenance part of the work, the school, in recent years, has been described as coming towards the end of its usable life, but obviously the States have subsequently made decisions in relation to its ongoing use.

Is the President able to give any indication of what the extended life of the school will be following the maintenance work that is being undertaken?

The Bailiff: Deputy Dudley-Owen.

390 **Deputy Dudley-Owen:** I do not have those type of figures in terms of what the expected tenure of use, for example, an additional 30 to 50 years, but you would expect that with a replacement of external windows and doors and remaining doors, and making sure that heating and ventilation are replacing end-of-life systems, which have been in situ for 30 years, that you would be expecting some decades extension on the use of the school. But again, that is technical detail that I am happy to find out and circulate to Members.

395 **The Bailiff:** Deputy Parkinson, supplementary.

Deputy Parkinson: Yes, sir.

400 The campus at Les Ozouets was promoted to the Assembly on the basis of parity of esteem, that the Sixth Form Centre would be co-located with The Guernsey Institute. How does the Committee justify moving the sixth formers to La Mare de Carteret in these circumstances?

The Bailiff: Deputy Dudley-Owen.

405 **Deputy Dudley-Owen:** I am not really sure how that fits with the particular subject that we are discussing at the moment, sir.

The Bailiff: Well I have called you to answer the question, so I have accepted that it is supplementary properly.

410 **Deputy Dudley-Owen:** Okay. On that basis, I would remind Deputy Parkinson that the plan that was put forward was certainly not to have this project phased in the way that has manifested itself. That was not the Committee's preferred way forward. The project was never intended to be phased in this way and we are having to deal practically with the hand that we have been dealt.

415 **The Bailiff:** Deputy de Lisle, second supplementary.

Deputy de Lisle: Thank you, sir.

420 Some of the teachers currently operating with the Sixth Form Centre are actually also teaching the secondary school pupil. I just wonder how, in fact, the relocation is going to work with regard to the staff having to be in one place and the other really during the same day. Can I ask that question?

The Bailiff: No, I do not think you can, Deputy de Lisle. That does not arise out of the answer which relates to the maintenance works.

No-one else is rising. So your second question to the President, please, Deputy de Sausmarez

Sixth Form Centre – Use of available space

Deputy de Sausmarez: Will any space in the current Sixth Form Centre be available for use by students at Les Varendes High School or will it all be used as office space to accommodate Education Services and the Music Service?

The Bailiff: Deputy Dudley-Owen to reply, please.

435 **Deputy Dudley-Owen:** It should be remembered that between 50% and 60% of the sixth form's lessons take place in the 11-16 school building. Thus the move away from this site will free up significant space for the secondary school students. The independent study space and social area forming part of the glass link between the school and the current Sixth Forms Centre will be used by the school as additional breakout space.

440 The music facilities being located in the current Sixth Form Centre will be available for use by students at Les Varendes High School as well as students from the Island's other schools through the Guernsey Music Service and Music Centre. The Youth Commission, Guernsey Music Service and Sexual Health and Relationships Education Team are relocating to this site in line with the States' resolution of 2021.

445 In addition, the remaining space will be used to accommodate in-school services such as Career Service, the Education Psychology Service, School Attendance Service and Inclusion Services. To make the best use of the site the States' property assets, the Education Office and the Office of the Committee, will be housed here and there will be training rooms for use by all States of Guernsey services replicating a model that has been in use for many years at the Le Rondin School.

450 **The Bailiff:** Supplementary, Deputy de Sausmarez.

Deputy de Sausmarez: Once the repurposing of the Sixth Form Centre is complete, what number of adults does the Committee anticipate will be using that part of the site on an average school day?

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, Deputy de Sausmarez, for that question; and for forward notice of it.

We anticipate that around 130 members of non-school-based staff, of whom only approximately 30 are mostly desk-based, with the remaining 90 to 100 are mobile and peripatetic providing services in schools and settings, i.e. career school, school attendance, inclusion services, etc., will be using that space.

Additionally, many of those who are largely desk-based work in an agile way, meaning they work from a combination of locations, including from home or other office locations when they are meeting with or collaborating with colleagues from other service areas. Indeed, Education, Sport & Culture retains a small number of bookable desks at Frossard House for this very reason.

Staff at Les Varendes will not necessarily have a specifically allocated desk, and this way of working is common across the States and is something these teams are very used to. In total, around 90% of these staff are what one might call mobile.

There will also be training facilities on the site for all States of Guernsey staff to benefit from, something that has been lacking for many years. Raymond Falla House is currently hosting training for a team from Home Affairs – Passport Office staff – in the very near future, and this is an example of the type of learning that will be hosted. All staff are encouraged to actively travel to and from work, and we believe this central location will support that, and changing facilities and so on will be provided.

States of Guernsey staff attending the training rooms will be encouraged to car share and [inaudible 10:07:45] car parks will be free for use, if needed.

The Bailiff: Deputy Dudley-Owen, the time for reply has passed.
Supplementary, Deputy Brouard.

Deputy Brouard: Thank you, sir.

I personally took considerable criticism politically, including when Deputy Dudley-Owen was part of the Scrutiny Panel of inquisition over the hospital project, re a perceived lack of governance. Can you kindly advise what governance Education had in place to allow a doubling of costs on the Sixth Form Centre, which is delayed?

The Bailiff: I do not think that arises out of the answer to the original question.

Deputy Brouard: I got it off my chest.

The Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, sir.

During the Funding and Investment Plan debate on 20th October 2023, the President told the Assembly that the full site at Les Varendes, other than the swimming pool, will be utilised by our Future Education model by a combination of the 11-16 school and the educational services specified in the 2021 Policy Letter. There was no mention of using the Sixth Form Centre as office space. At what point did the Committee become aware of the planned use of part of the site by the Civil Service as proposed by SPU?

The Bailiff: Deputy Dudley-Owen.

505 **Deputy Dudley-Owen:** Thank you, sir.

The Committee was notified of the decision for the office-based staff to use some of the Sixth Form Centre in late autumn last year as a result of decisions that have been made about the use of office space in Sir Charles Frossard House. So the Charles Frossard House decision to move, I understand, the IT back into Sir Charles Frossard House had had a ripple effect in addition to active travel facilities within Frossard House.

510 The refurbishment meant that the Education Office needed to move and that was a temporary move up to Raymond Falla House and therefore a more permanent home for Education Office staff would be found at the Sixth Form Centre. The alternative, I believe, would be another Committee having to move, or indeed having to go out to the private rental sector to spend taxpayers' money on rent.

The Bailiff: Second supplementary, Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

520 I am a little bit confused by that last answer, in fact, because I remember having a conversation in 2023 with Education officers because I understood that it was their intention at that point that the Education Services should move into the Sixth Form Centre.

However, the question is: relating to the repurposed Sixth Form Centre site, I was delighted to hear from a previous answer that there are travel plans in place. I wondered how many parking spaces will be available for the users of the Sixth Form Centre once it is no longer a Sixth Form Centre?

Thank you.

The Bailiff: Deputy Dudley-Owen.

530 **Deputy Dudley-Owen:** Thank you, sir.

I think that we do need to remember that the language is important here. Education Office is different to Education Services.

535 I cannot tell Deputy de Sausmarez how many parking spaces will be available I am afraid. That is again operational technical detail I do not have to hand, but happy to circulate in due course.

The Bailiff: Supplementary, Deputy Gollop.

540 **Deputy Gollop:** Developing Deputy Matthews's earlier question and the repurposing of the Sixth Form Centre for peripatetic truancy inclusion and other services, how flexible would that accommodation be if needed to be partially or totally transformed back for specific educational use, which I suppose could happen anyway with music?

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

Deputy Dudley-Owen: I have already answered that question in response to a question that Deputy Matthews asked just before, sir.

The Bailiff: So you are referring Deputy Gollop to that previous answer?

550 **Deputy Dudley-Owen:** Indeed, I am.

The Bailiff: So your third and final question to the President then, please, Deputy de Sausmarez.

**La Mare de Carteret High School –
Work undertaken and still to be carried out**

555 **Deputy de Sausmarez:** What work has already been undertaken and is still to be carried out at the La Mare de Carteret High School site over the summer to convert it for use as a Sixth Form Centre, and is that work on time and on budget?

The Bailiff: Deputy Dudley-Owen to reply, please.

560 **Deputy Dudley-Owen:** A significant amount of work has been undertaken by the design team comprising staff and year 11, 12 and 13 student representatives and the interim governance board to prepare for this move, and decant preparation is underway.

565 This sits alongside the reorganisation of secondary school education as resolved by the States of Deliberation in 2021. As part of this we have reorganised approximately 280 staff who are ready to step into their new roles in September.

The works to ready La Mare de Carteret for use as a temporary Sixth Form Centre have been phased over the 2024 and 2025 summer holidays in a manner that ensured no impact on the current students' curriculum use of the site during the 2024-25 academic year.

570 The works completed in 2024 primarily related to readying the site for sixth forms' more complex science provision. These were completed to time and budget.

575 The works planned for the 2025 summer holiday primarily relate to expanding the uses of the gym and hall spaces to reflect the needs of sixth form students, increasing the number of IT rooms on the site and amending the wider site's look and feel. These works have been contracted for delivery in the summer within the allocated budget. I am happy to provide a full list of the 2024 and 2025 works to Members in writing.

The Bailiff: Supplementary, Deputy de Sausmarez.

580 **Deputy de Sausmarez:** Thank you, sir.

I am delighted to hear that those works are on time and on budget, and I am sure all the students moving into the Sixth Form Centre in September are as well.

585 When the Committee made the decision to use La Mare de Carteret site as the temporary Sixth Form Centre, however – and it was a Committee decision rather than a decision of this States – it was anticipated that it would only be needed for, I believe, one to two years at maximum. Now that is indefinite and looks to be considerably longer. I wondered whether the Committee has given any thought, similar to a previous supplementary question that was asked, in fact, as to whether the site will need further significant work, given that it was already beyond the extent of its design life before this move takes place?

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

Deputy Dudley-Owen: Thank you.

595 The Committee has been very aware of the timeframe for which it wanted to use the interim home at La Mare de Carteret and really it is going to be for the next States – given where we are in the term, right on a few minutes to midnight at the end of this term – for the next Committee to discuss what they want to do and how they want to take this forward.

600 Obviously, the sixth form needs to have a permanent home and I hope that the next States is going to be able very early in the term, almost immediately, to provide funding for the building of the sixth form as originally planned on the Les Ozouets campus site so that no further thought

needs to be put into a longer-term use of La Mare de Carteret, which ultimately will not be the best use of taxpayer money.

The Bailiff: Deputy Oliver.

Deputy Oliver: Thank you, sir.

With the work that has already been undertaken and also yet to be carried out and the costings, did the Committee actually think that it might be best to keep the sixth form students at Les Varendes rather than moving them to La Mare de Carteret?

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: I remind Members that this subject has been covered multiple times in this Assembly. This is not the first time that I have had questions on this particular subject. An independent review of the capacity to hold an 11-16 school and a Sixth Form Centre at Les Varendes High School has been considered by the Committee, the summary of which has been published and circulated to this Assembly.

I realise that a lot has happened in the meantime, but it concluded that should the Sixth Form Centre be co-located at the 11-16 school at Les Varendes, there would be a shortfall of teaching space. Financial analysis then found that the cost of addressing this was materially more than the cost of using La Mare de Carteret as an interim option.

The Bailiff: Deputy Matthews, supplementary.

Deputy Matthews: Thank you, sir.

I would ask, when the President became aware that there would be effectively surplus space within the Sixth Form Centre, which is due to be used for office space accommodation for the Education Office, did the Committee revisit that decision to move the Sixth Form Centre to La Mare de Carteret in the light of that information, and consider what other options might be available as an alternative to moving the sixth form away from the Sixth Form Centre?

The Bailiff: That question does not arise out of the answer given to the original question. Deputy Dyke, supplementary.

Deputy Dyke: Thank you, sir.

My question is: given that the projected birth rate in Guernsey is projected to drop after a certain hump in the school numbers, is it possible that in future years – how many years, I do not know – that the numbers will drop sufficiently that it would be possible to put the sixth form back at Les Varendes, thus obviating the need to build another school and the costs involved in that? Has Education looked at those projections?

Thank you.

The Bailiff: Again, that does not arise out of the answer given to the original question. Deputy Burford, third time of asking.

Deputy Burford: Thank you.

The President just said that they looked at the cost of retaining the students at Les Varendes rather than going to La Mare and it was significantly cheaper to move to La Mare. Is the cost of retaining them at Les Varendes significantly cheaper than the projected £50 million cost of the Sixth Form build that we have been advised of recently?

Thank you.

The Bailiff: Once again, it does not arise out of the answer given to the original question, which was Deputy de Sausmarez's question. You have got the wording of the question on your Order Paper. The answer to it related to the works that have been undertaken at La Mare, it does not go any further than that.

Deputy Gollop, you are going to have another go, are you?

Deputy Gollop: As part of the move for sixth formers and staff to a well-equipped La Mare de Carteret High School site, is the President aware that there has been concern – but maybe has been solved – the problems of car parking for both sixth-form scholars and staff and the possible cumulative effects it might have on La Mare de Carteret Primary as well. Can the President reassure us that the car-parking issues for scholars and staff when we move in September have been resolved or are they still a concern?

The Bailiff: Once again, it does not arise out of the answer given to the original question, which was about the works that have been undertaken already or are due to be undertaken this summer at La Mare de Carteret.

Deputy Matthews, you are having a second attempt at a supplementary.

Deputy Matthews: I will have a go, sir.

As part of the continuous monitoring that the Committee would be undertaking of the progression of works at La Mare de Carteret to accommodate the sixth form there, has the Committee kept under review the initial decision to locate the sixth form at La Mare de Carteret in the refurbished centre there, in the light of emerging information regarding the surplus space at the Sixth Form Centre and the cost of building the planned new Sixth Form Centre at Les Ozouets?

The Bailiff: Once again, it does not arise out of the answer given, which is about the works that have already been done or are to be done.

Deputy St Pier.

Deputy St Pier: Thank you, sir.

Does the President have any empathy with those in the community who have concerns that the works that have been undertaken, or will be undertaken, at both Les Varendes and La Mare, lack logic if the Committee is unable to deliver a permanent sixth form in a short space of time, co-located with The Guernsey Institute, therefore leaving the sixth form stranded in an old building that was condemned many years ago?

The Bailiff: Okay, again it does not arise out of the answer given to the original question.

Deputy Helyar: Sir, may I be relevéd?

The Bailiff: Yes, I was trying to get to that point, Deputy Helyar, at a suitable time at the end of these questions, but if you are asking to be relevéd now, then you can, and obviously you can attempt a supplementary now, if you want.

The second set of questions about education are being posed by Deputy Gollop. Deputy Gollop, the first of your questions please to the President of the Committee *for* Education, Sport & Culture.

**International Baccalaureate Programme –
Optimal amount of student numbers**

Deputy Gollop: Thank you very much, sir; and to Deputy Dudley-Owen and the Committee for receiving and answering the questions.

My first question is: the Education, Sport & Culture Committee advised the public that 14 students signed up for form 12 to study potentially the IB, the International Baccalaureate Programme, and that was too small a cohort for efficiency. What size of cohort is optimal, or at least viable, not to be sub-scale?

The Bailiff: I call on Deputy Dudley-Owen, as the President, to reply, please.

Deputy Dudley-Owen: As supportive as the Committee is of the choice of post-16 qualifications, I am sure Members will appreciate that these are not easy decisions, and it is not simply the number of students that has to be considered when offering the International Baccalaureate Diploma Programme. We also have to consider the range of the six subjects they are selecting from the suite of 20 subjects within six blocks on offer, and the attrition rate that has always been a feature of this programme.

On this occasion, indicative take-up was very small, and the breadth of subjects the students would have chosen was wide. The optimal number of students varies from one subject to another, but it is educationally sub-optimal and inefficient to run what would have been 18 teaching groups with three or fewer students in each.

The Bailiff: Supplementary, Deputy Gollop.

Deputy Gollop: I thank Deputy Dudley-Owen for a detailed answer.

I did not get an answer for what the minimum number is; it was more depending on the subjects that they did. So is one to assume that anything less than 20 is too small for this subject choice, this curriculum choice to be adopted?

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you.

I would like to say yes but it is not as easy as that. It is a much more nuanced response which is what I did give in my answer, which is that it is not simply the number. It is also the range of subjects that are being chosen, and also consideration of the attrition rate, which is the drop-out rate of students who start, who then begin the course and realise it is not for them, and then swap to an A-level course, or an IB Certificate course.

The Bailiff: Second supplementary, Deputy Gollop?

Deputy Gollop: I appreciate I was at school a long time ago, and I did A-levels after school as well. But was consideration given to mixing AS levels with Baccalaureate subjects, which were half A-levels in order to maintain the course and maybe reduce the attrition dropout rate? Because one would like to know more about why the dropout rate was perhaps higher for this than other sixth form studies.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you.

First of all, AS levels are not on offer and if students are doing the IB Diploma Programme, they just do the IB Diploma Programme. You do not mix and match it with A-levels. The mix and match

comes where A-levels can be done with IB Certificate subjects, and all students have been offered equivalent choices within the A-level pathway and IB Certificate pathway.

750 Deputy Gollop is talking about a dropout rate, but we only know what that dropout rate is going to be once the students have actually begun the course. These students have not begun the course. They would hope to have begun the course if they got the right amount of GCSEs, and they may have changed their mind once they got to doing the summer holidays.

755 This is the amount of students that applied for the course, not the amount of students that are on an existing course.

The Bailiff: Supplementary, Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

760 I take the President's point about the range of subjects, but was there any effort to reduce the range available in order to increase the numbers or reallocate people or allow them to choose again in order to try to get to a *de minimis* in order to make it viable. I do appreciate Deputy Gollop's attempts to try to establish what that *de minimis* number is for any particular class.

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

Deputy Dudley-Owen: It is my understanding that there is no opportunity to drop subjects from the IB Diploma Programme and to reduce the scope of the International Baccalaureate Diploma Programme. We work with advisers, senior leaders within the setting, and we know this was an extremely difficult decision for the Committee. It felt very operational in the future. This is not the type of decision that would be made by this particular Committee because of the devolution of function into settings. So I think that Members do need to be aware of that as well.

Yes, a lot of different how can this be achieved, a lot of different ideas and options were put on the table, and a lot of consideration given to this matter.

775

The Bailiff: Deputy Dyke, supplementary.

Deputy Dyke: Thank you, sir.

780 Given the disappointment that some of these youngsters are suffering as a result of this decision, has the Education Committee considered trying to cut some sort of deal with the colleges, by way of scholarship or otherwise? Is that possible?

The Bailiff: I think that is going to come up with one of the other questions that are being asked by Deputy Gollop. So if you look at the Order Paper, you will see that that is going to come up later. Deputy St Pier, supplementary.

785

Deputy St Pier: Thank you, sir.

Does the President agree that, in reality, this Assembly and the community do need to accept that the cohort in our community is small and falling, that to be able to offer an IB course now is simply unsustainable and uneconomic, and is inequitable to the rest of the education service that her Committee is seeking to provide? That is a harsh reality which is reflected in the decisions that have been needed to be made.

790

The Bailiff: Deputy Dudley-Owen.

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Deputy Dudley-Owen: It would be too soon for me to agree with Deputy St Pier, and further work needs to be undertaken, which has been made clear in the Committee's communications about this matter.

800 **The Bailiff:** Deputy Matthews, supplementary.

Deputy Matthews: Thank you, sir.

805 During previous deliberations regarding the education setup, Deputies were invited by a group of what were then grammar school teachers along to a presentation where they expressed a view that there would be a loss of flexibility by separating out the sixth form in terms of timetabling, in that there would be less opportunities for teachers who teach at key stage 5 to be able to make up some of their time with key stage 3 and 4.

Has any of this timetabling flexibility contributed to the decision to not be able to offer the IB to students this term?

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The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: No.

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

Deputy de Sausmarez: Thank you, sir.

820 I wonder whether the President knows, and if so can explain, whether there is any impact of one of the year groups taking the IB Diploma and another year group not. In other words, does it make it more difficult to maintain the IB for the year group that currently is already in the process of taking it?

Now, I appreciate the Committee is not going to decide to stop those people's courses halfway through, but does it create, for example, operational scheduling difficulties or timetabling difficulties or any other staff pressures?

825

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: As far as we have been advised, no.

830 **The Bailiff:** Supplementary, Deputy Blin.

Deputy Blin: Thank you, sir.

Could the President confirm of any additional support or resources that will be needed to be provided for the staff who specialise in delivering the IB courses and now may need retraining?

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The Bailiff: Deputy Dudley-Owen.

840 **Deputy Dudley-Owen:** Those staff members who teach IB have to undertake an additional qualification to teach IB, so they would not need any retraining in order to be able to assist in any other teaching in the secondary environment. So, no, there is no further support in terms of technical support required.

**International Baccalaureate Programme –
Policies and strategies for current and future students**

The Bailiff: Your second question to the President, please, Deputy Gollop.

845 **Deputy Gollop:** What policies and strategies are in place to encourage current and future students to take up IB Baccalaureate options as a studious way forward as an alternative to A-levels to ensure this cancellation will not be repeated in future years?

The Bailiff: Deputy Dudley-Owen to reply, please.

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

It is a pause. There are no specific strategies or policies in place that look to overpromote one course of study to the detriment of another, as this is not desirable. Leaders and teachers across the Sixth Form Centre, The Guernsey Institute, the secondary schools in both Guernsey and Alderney, 855 actively work to ensure our young people have the information they need to make informed decisions about their preferred pathways, which includes promoting the full range of post-16 options available throughout the year.

Promoting post-16 education in our Islands is not about aggressively recruiting students to specific courses, as might be the case in more market-driven post-16 landscapes in the UK. Rather, 860 it is about ensuring our young people have the information they need to make an informed decision.

It is with this in mind that the Committee has asked operational leaders and will be asking governance boards across the secondary school partnership, The Guernsey Institute and St Anne's School in Alderney to continue to actively promote the full range of post-16 options available. In 865 doing so, we aim to encourage as many young people as possible from across the Islands to remain in education beyond year 11.

The Bailiff: Supplementary, Deputy Gollop.

870 **Deputy Gollop:** I have two supplementaries.

My first is: why does the Committee consider it not desirable to promote or market one course of study and to not necessarily aggressively recruit students, but proactively recruit students to specific courses? Because that implies that the Committee are not necessarily particularly selling the IB option as a good way forward for students.

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

Deputy Dudley-Owen: It is really down to cannibalisation. We are offering a range of post-16. The Committee has always been very keen and enthusiastic to ensure that post-16 education is 880 broad and varied. What we have been seeking to do is to encourage students to take the pathways that they feel that they are most suited to and they have the potential to succeed in.

Obviously, where there is an attrition rate, those students do not feel that they are going to succeed. But it is also a matter of confidence and growing confidence in our 11-16 cohort, improving our results in the 11-16 cohort, especially given that IB Diploma requires maths, where maths is not 885 required in other post-16 pathways. That is an area that we are working on, as Members will know, and I have publicised, and hopefully as confidence grows in that, and skills and knowledge level grows in that particular area, we may see a conversion rate into a higher uptake within IB Diploma, which will be helpful.

890 **The Bailiff:** Second supplementary, Deputy Gollop.

Deputy Gollop: If the Committee take a neutral stance on curriculum, but a positive stance on improving the cohort by encouraging more 16-year-olds to stay on, is there not worth considering, I am afraid, the implied question behind Deputy St Pier's point that maybe there is not sufficient 895 quantum or cohort on the Island to sustain a Baccalaureate option going forward. So should not the decision be taken now to perhaps suspend it for a few years at least?

The Bailiff: Deputy Dudley-Owen.

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

We are going to be releasing further responses to Rule 14 questions that Deputy de Sausmarez has posed, the response to which has been delayed because they were asked on the eve of the holiday, and obviously we were not able to get the information out of the school environment.

905 However, to pull the plug on something immediately, without having done the requisite amount of work and research into it, would be most unfortunate, and the Committee, rightly so, would be very strongly criticised. The decision has been made to pause at this stage and to do further work and hopefully to encourage a greater uptake within the IB Diploma and then to see how that works out into the academic year 2025-26.

910 **The Bailiff:** Supplementary, Deputy Matthews.

Deputy Matthews: Thank you, sir.

So with the closing of the IBP, will the resources that had been used to deliver the IB, will those teachers then now be redeployed into teaching A-levels or into GCSE teachings?

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The Bailiff: Deputy Dudley-Owen to reply.

Deputy Dudley-Owen: The staff will be redeployed where they are most needed throughout the school in which they are working in the sixth form and also currently in the 11-16 for the remainder of the year.

920

The Bailiff: Deputy Inder, supplementary.

Deputy Inder: Yes, I will try, sir. I am not very good at these questions. They are usually wrong.

925 The Baccalaureate course is internationally recognised. It is a whole post-16 course and those who are fortunate to get a pass could travel to many places in the world. The argument has been made that it is lacking in students.

930 The question I would like to ask, there must be other A-level courses, for example, German, some French, which has only got two or three pupils studying that. So the question is: why has a whole course been paused or suffering, where if one applies the same logic to A-levels, the Committee might have dropped some of the A-level courses as well?

The Bailiff: Deputy Dudley-Owen.

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

940 The school leaders would decide, based on uptake, for example if German did not have sufficient numbers for them to feel that the course syllabus could be delivered, the senior leaders would drop that course. Obviously, in this instance, because of the higher profile, because of the sensitivities around this, the Committee was involved in this decision making. It is a fact that some of the subjects within the IB, the International Baccalaureate Diploma Programme, require group engagement, group collaboration and work, in order for the syllabus to be properly delivered, such as some of the social sciences, and that may not be the case with other subjects in A-level, which see a higher uptake.

945 More students take A-level pathways than the International Baccalaureate pathway. The A-levels are quite unique in the Western world, or world over, to the British way of education. They are constantly under question and have been ever since they were implemented 50 to 60 years ago. So Deputy Inder's question is valid, but this International Baccalaureate course is a unique pathway and it is difficult to align it exactly with the A-levels.

950 **The Bailiff:** Deputy Dudley-Owen, your time for answering has passed.

**International Baccalaureate Programme –
Hybrid Curriculum Programme**

The Bailiff: Your third question to the President, please, Deputy Gollop.

955 **Deputy Gollop:** Bearing in mind some students are reported to be disappointed or devastated, can work not be developed within a partnership with the three private independent schools and colleges to create a hybrid curriculum programme for the September 2025 year 12 intake in a flexible manner?

960 **The Bailiff:** Members, I should explain that I am going to continue all of the questions in question time, even though we have now been going for an hour. Because, rather than deferring it to some later point in this meeting, whenever that might be, it just seems simpler to get through them now and then to get on to the other business that you have got to deal with.

Deputy Dudley-Owen to reply, please.

965 **Deputy Dudley-Owen:** The IB Diploma Programme is already open to all post-16 students in Guernsey and Alderney, including those attending the colleges in year 11. We often have students from the colleges moved to the Sixth Form Centre to study a range of programmes, including the IB Diploma Programme.

970 The overall application numbers this year have not made a material difference to the viability of the IB Diploma Programme. Students from across the Island are invited to the Sixth Form Centre's open evenings, but no active promotion of any States-provided post-16 options takes place in the grant-aided colleges to students in key stage 4 years, as it does in the 11-16 States' schools.

975 In closer partnership-working with the colleges, perhaps this opportunity can be considered. Interestingly, Jersey's IB Diploma Programme also suffered from falling numbers, and it took the decision to cease the programme in 2024. There are examples of mainland schools doing the same, one example being the Rochester Grammar School, which has reverted to the A-level pathway, with additional enrichment via an extended project qualification (EPQ), which the Sixth Form Centre already offers.

980 **The Bailiff:** Is this a supplementary, Deputy Gollop?

Deputy Gollop: Well, bearing in mind Jersey have abandoned it and the informative answer suggests the college pupils do attend the Sixth Form Centre, can more marketing not be done with the sixth forms, or potential sixth forms, future sixth forms of the colleges, in order to ensure that
985 there is a larger and more viable cohort going forward for the IB option?

The Bailiff: Deputy Dudley-Owen.

990 **Deputy Dudley-Owen:** I have answered this question within the response to question number 3, sir.

The Bailiff: No one else is rising to ask any supplementary questions arising out of that answer, so your fourth and final question to the President, please, Deputy Gollop.

**International Baccalaureate Programme –
Reconsideration of Future Sixth Form Provision**

995 **Deputy Gollop:** Does the failure to run the flagship IB programme mean the ESC Committee will reconsider future sixth form provision, especially given reported rising capital costs and concerns about the reuse of the current sixth form campus as offices?

1000 **The Bailiff:** Deputy Dudley-Owen to reply, please.

Deputy Dudley-Owen: No.

STATES' TRADING SUPERVISORY BOARD

**Pigeon racing cancellations –
Aircraft safety and bird strikes**

1005 **The Bailiff:** Okay. So the final set of questions are also from Deputy Gollop, but this time to the President of the States' Trading Supervisory Board.
 So your first question, please, Deputy Gollop.

Deputy Gollop: Thank you very much, sir, for the final set.
1010 While appreciating the need for outstanding aircraft safety to prevent dangerous bird strikes and the rationale for mitigation of specific risk hazards, could the eight-mile exclusion zone not be reduced to a lesser zone to prevent the grounding of all pigeon racing cancellations and the effect on bird enthusiasts and the economy?

1015 **The Bailiff:** I invite the President, Deputy Roffey, to reply.

Deputy Roffey: Aviation regulations recognise that releasing birds, and specifically pigeons, within a reasonable distance of an airport can present a risk to aircraft. As a result, such releases are prohibited within a 13-kilometre radius of more than 30 aerodromes across the UK and Ireland to mitigate this risk. Guernsey Ports' decision to turn down requests for large-scale pigeon releases
1020 was taken on safety grounds in consultation with and with the full support of the Director of Civil Aviation, Channel Islands. We are not aware of any significant economic benefit from these events that they might bring to Guernsey, but that would anyway not be a primary consideration when assessing aviation safety. That said, of course, any impact this may have on local bird enthusiasts or the wider pigeon racing community is highly regrettable.

1025 However, it should be noted that Guernsey Ports had been engaged with the organisers for a number of months to try to address the potential aviation safety issues. Despite these efforts, those discussions did not provide adequate assurances. But Guernsey Ports remains entirely amenable and open to further dialogue, which could hopefully reach a pragmatic solution. That might indeed include a reduction in the standard 13-kilometre exclusion zone or permitting releases outside of
1030 the airport opening hours. But I stress that any mitigations will need to be considered on safety grounds.

The Bailiff: Supplementary, Deputy Gollop.

1035 **Deputy Gollop:** The first is: I appreciate that rightly economic considerations are not primary when assessing aviation safety, but did the Committee or the Guernsey Ports consider in any way the significant economic benefits or do an evaluation of the potential loss there?

The Bailiff: Deputy Roffey.

1040 **Deputy Roffey:** The Committee did not consider anything at all because this was not a Committee decision. I do not believe that Guernsey Ports' prime consideration, or even a very significant consideration, was the economic benefit that UK fanciers bringing pigeons for release in Guernsey might bring. But, of course, they will try to accommodate anybody, because they are not in the way of getting in the way of people's enjoyment of their activity if they can help it. But it does need engagement in order to reach a pragmatic solution, and I remain very hopeful that can be done.

The Bailiff: Second supplementary, Deputy Gollop.

1050 **Deputy Gollop:** Bearing in mind the answer of the pragmatic solutions, which might involve a reduction in the standard exclusion area or early releases, will Guernsey Ports consider, for example, a dawn release of pigeons well before any aircraft are flying? Can these kind of ideas be up for discussion potentially?

1055 **The Bailiff:** Deputy Roffey.

1060 **Deputy Roffey:** They have indeed and they have been put forward by Guernsey Ports. I am not an expert in racing pigeons, but I am going to wing it. (**Several Members:** Oh.) My understanding is that when it was suggested that maybe six o'clock in the morning might be a good time to release pigeons before the airport opened, there was some concern from the Pigeon Racing Association that the magnetic lines that the pigeons rely upon for their homing instincts are not optimal at that particular time of day. I do not understand why magnetic lines should change from time of day, but I am sure that is the case. However, discussions are still going on, and we will say later that the Director of Guernsey Ports, as recently as last Friday, was in contact with the Royal Pigeon Racing Association and is determined to try to facilitate this, if it possibly can, within the parameters of safety.

The Bailiff: Supplementary, Deputy Inder.

1070 **Deputy Inder:** I am intrigued. Last year, everything was fine. The pigeon races have been coming to the Island for 50 years. There are economic benefits, freight. There are a lot of trucks that come to the Island. I am glad I picked that up, at least.

1075 So, what happened between this time last year and today that suddenly made this horribly dangerous, and why did it come out of Ports? I simply do not understand why something that has been going on for 50 years with no incidents at all; last year was fine, today it is un-fine.

This has got diving boards written all over it.

The Bailiff: Deputy Roffey.

1080 **Deputy Roffey:** The problem is I am going to be answering most of Deputy Gollop's questions in supplementaries. The reason why the Director of Civil Aviation at Guernsey Ports looked at this has been the very rapid increase in the number of large-scale releases from UK fanciers coming to Guernsey, which I accept, I will support the freight option, because post-Brexit, if you want to take your birds across to the other side of the Channel, Guernsey has become suddenly a very attractive option because of the paperwork and bureaucracy in taking racing pigeons into the European

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Union. It was this very rapid increase in the number of requests for release that I understand, even though I was not a party to this at all and I do not have any great insights, that was what drove this consideration. But the consideration was simply asking the fanciers to come up with proper safety protocols, and that is where the solution lies.

The Bailiff: Supplementary, Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you.

I am not understanding why drones can be flown outside the two nautical mile perimeter of the airport, yet pigeons are not able to be flown down from Pembroke back to their home, given that that is at least eight nautical miles. Is the President able to give any clarification on the difference with drones and pigeons?

The Bailiff: Deputy Roffey.

Deputy Roffey: Pigeons have got a mind of their own, and drones sort of have, because they have got human controllers, or we hope that they have anyway. I am not going to try to double guess what the rules on drones are, because I have not brought them in. But I will ask Guernsey Ports to reply to Deputy Dudley-Owen's question.

The Bailiff: Supplementary, Deputy Le Tissier.

Deputy Le Tissier: Thank you, sir.

In a response from the Director of Ports, he has told me that the Office of the Director of Civil Aviation (CI) took the decision to align with the UK regulations, leading to the decision by the Director to align with UK-certificated aerodromes. There was no cost, and the transition process commenced several months ago. Could the President tell me why a sudden decision has been made to align with the UK?

The Bailiff: Deputy Roffey.

Deputy Roffey: I presume because of the very rapid increase in the large-scale release of pigeons in the Island, this whole area was looked at, and it was considered that, in the same way that 30 aerodromes around the British Isles are bringing in this safety regulation, that they felt that aligning was a sensible suggestion.

However, having not been a party to those discussions, I cannot absolutely guarantee what the thought process was in getting to it. But again, the best thing is for Deputy Le Tissier to go back to the Director of Ports who provided him that answer and ask that supplementary.

Pigeon racing – Safety review and change of policy

The Bailiff: Your second question for the President, please, Deputy Gollop.

Deputy Gollop: Thank you, sir.

What recent evidence, data, or insurance advice has emerged recently which has led to a sudden safety review and change of policy decision, which has imposed a blanket, instant no-flying ban without any notice, despite a decline, apparently, in pigeon liberations from a large number to 28, and the 36 bird strikes to planes being unrelated to racing in many instances?

The Bailiff: Deputy Roffey to reply, please.

Deputy Roffey: Well, clearly any risk that such releases may pose to aircraft will increase the more often that they take place and the more birds that are involved. There has been, as I stated earlier, a very significant increase in requests over recent years, particularly since Brexit, and these usually involve thousands of racing pigeons being released at one time. The largest request received to date was for the release of 8,000 birds.

The number of requests has risen from just three requests in 2022 to 17 in 2023, 29 in 2024, and already 13 so far this year. That is what led Guernsey Ports, supported by the Director of Civil Aviation (Channel Islands) to request a more detailed risk assessment from the organisers, and that is all they were requesting.

Unfortunately, the information that so far has been provided does not adequately address the potential risk of aviation and steps are being taken to mitigate these hazards and associated risks. As a result, Guernsey Ports has decided not, so far, to give permission for any further large-scale bird releases until that can be resolved.

The Bailiff: Supplementary, Deputy Gollop.

Deputy Gollop: I thank the President for his answers, and again, the open-minded approach of maybe looking at mitigating those hazards with risks, but what evidence does the authorities have that any of the bird strikes were indeed caused by pigeons, especially those released in a racing mass context?

The Bailiff: Deputy Roffey.

Deputy Roffey: I am really not an expert on what a bird looks like when it has been through a bird strike, so I do not know how easy it is to identify the type, but my instinct is to say I doubt there is any evidence that any bird strike was specifically caused by racing pigeons.

The Bailiff: Second supplementary, Deputy Gollop.

Deputy Gollop: I am a bit of a homing pigeon with these supplementaries, but my second question is, thankfully, at the moment, there is no prohibition for small-scale pigeon releases within Guernsey, but where is the border between a small-scale and a large-scale? What is the cut-off point, and can that cut-off point maybe be adapted flexibly and pragmatically?

The Bailiff: Deputy Roffey.

Deputy Roffey: I think there is some misunderstanding, because it has been reported that there has been a ban, as if there is some Law in place that allows Guernsey Ports to say, 'You will not release pigeons.' It is the other way around. The rules of the Royal Pigeon Racing Association say that they should make contact with air traffic control and seek their approval, and it is that approval that has been withheld at the moment until the protocols have been put in place.

Bird Licence Requests – Increase

The Bailiff: Your third question to the President then please, Deputy Gollop?

1180 **Deputy Gollop:** There has been a massive increase in bird licence requests, promoting a change
of policy regulations and thinking, but can there not be negotiations with pigeon fanciers and sport
lovers to enable events to occur maybe at dawn in summer or other occasions when flights are not
scheduled, or when the pigeon racers' promoters make a release request with adequate safety
1185 assurances and risk assessments based upon evidence of incidents and flying height of bird flight
data?

The Bailiff: Deputy Roffey to reply, please.

Deputy Roffey: Yes, sir.
1190 Guernsey Ports remains open to further discussions with the pigeon racing community, which
may well address potential aviation safety issues and reach a constructive solution. Such
conversations have been taking place between the Managing Director of Guernsey Ports and the
CEO of the Royal Pigeon Racing Association as recently as last Friday afternoon, and these will be
continuing. My personal hope, having come late to this, and been quite surprised with this issue, is
1195 that some accommodation that does guarantee air safety can be found, and we can all move on
from what has been a bit of a flap.

The Bailiff: Supplementary, Deputy Gollop.

1200 **Deputy Gollop:** I thank Deputy Roffey for his approach and high flying, but my question here
is: given this was a statutory official decision made understandably on safety grounds, would it not
have been expedient for that decision to have also been at least considered by the political
committee, SGSB, because of the inevitable publicity and interest it stimulated? Did it not cross over
from just being an operational decision to maybe having a political dimension?

1205 **The Bailiff:** Deputy Roffey.

Deputy Roffey: I have already said in the public arena that, whereas the members of the SGSB
have no particular expertise in safety areas like this, in retrospect I wish very much it had been
1210 escalated, not necessarily for approval but for the knowledge of the Committee, given that it was
always likely to generate some public interest. But that is not a criticism of the individuals who took
this decision. Their expertise is in safety. It is not in calculating what is likely to become 'political'.
However, I have fed back, 'Please, in future, give some consideration to any decision that is taken.
If it is likely to have public interest, please can the politicians be informed.' So hopefully the next
1215 SGSB will not be wrong-footed in quite this way.

The Bailiff: Supplementary, Deputy Matthews.

Deputy Matthews: Thank you, sir.
1220 As the exclusion radius seems to cover the entirety of the mass of Guernsey, is there any realistic
prospect of finding any solution to this on the Island of Guernsey? If not, perhaps, as we have
Members of Chief Pleas here, perhaps Sark might be an alternative and some negotiations could
take place there.

1225 **The Bailiff:** Deputy Roffey.

Deputy Roffey: It would be outwith my jurisdiction to start suggesting whether Sark should or
not be releasing pigeons. As I said earlier, although you are right that it does exclude the whole of
the Island, what we are talking about here is having satisfactory safety protocols. If those can be
1230 reached, then there can be reconsideration about whether the eight-mile exclusion needs to be

maintained. That is the conversation that needs to take place, and that is the conversation I understand is now belatedly happening.

The Bailiff: As no one else is rising, that is going to conclude question time.

Billet d'État IX

1235

ARTICLES ADJOURNED OR DEFERRED FROM PREVIOUS MEETING

POLICY & RESOURCES COMMITTEE

4. Sark's Government – Request for Loan Facility to purchase Sark Electricity Ltd Proposition Deferred

Article 4.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Sark's Government – Request for Loan Facility to purchase Sark Electricity Limited' dated 21st March 2025, they are of the opinion:-

1. To authorise and direct the Policy & Resources Committee, working with the Chief Pleas of Sark (or one or more of its Committees) to:

a) agree the terms of reference and constitution of a Commission on the future arrangements for the constitutional and working relationships between Guernsey and Sark;

b) establish that Commission; and

c) bring the relevant findings of that Commission back to the parliaments of the Islands involved, firstly with an interim report before the end of 2025 and secondly with a final report 12 months after that (before the end of 2026).

2. To authorise the Policy & Resources Committee to provide a loan facility of up to £1.5 million to the Chief Pleas of Sark, for the purpose of purchasing Sark Electricity Limited and/or Sark Electricity Holdings Limited and any remedial work required for electricity generation and distribution in Sark, and to delegate Authority to the Policy & Resources Committee to agree the terms of the loan, on the conditions that:

a) the Chief Pleas of Sark participate in the Bailiwick Commission set out in Proposition 1 above;

b) Impôt payments (duties on alcohol, fuel and tobacco collected by the States of Guernsey on behalf of the Chief Pleas of Sark) be used as a security guarantee to repay that loan to Guernsey in the event of non-payment by Sark of any loan utilised; and

c) the Chief Pleas of Sark undertake a comprehensive review of Sark's taxation regime to ensure that it can acquire sufficient reserves to support essential capital investment requirements, including the aforesaid loan.

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The Bailiff: Now, before we move on, Greffier, is there a request to reconsider some business? Deputy Trott.

Deputy Trott: Yes, sir, I think so.

1245

Sir, I understand that Sark Chief Pleas will be meeting tomorrow, Wednesday evening. Consequentially, it is the Policy & Resources Committee's view that matters pertaining to Sark's request for a loan facility would be better debated on Thursday as a consequence of that event.

Therefore, we request that the Assembly defers the matter until after that time. In other words, at some time on Thursday, sir.

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The Bailiff: Members of the States, that is a procedural motion, which I can put to you *aux voix*. It is simply going to be interposed, if you agree, at some convenient point, but not before Thursday. That is Article 4 on the Order Paper, the Policy & Resources Committee, Sark's Government - Request for Loan Facility to purchase Sark Electricity Ltd.

1255

Those in favour. Those against.

Members voted Pour.

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The Bailiff: I will declare that carried. Please just leave it with me as to when we get to that particular point.

LEGISLATION

STATES' ASSEMBLY AND CONSTITUTION COMMITTEE

16. Commonwealth Parliamentary Association Election Observer Mission 2025 – Proposition Deferred

Article 16.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled Commonwealth Parliamentary Association Election Observation Mission 2025 dated 18th March 2025, they are of the opinion:-

1. To note the impending appointment of up to nine Commonwealth Parliamentary Association Election Observers for the 2025 General Election.

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The Bailiff: Deputy Meerveld, you also have a request to make, I think.

Deputy Meerveld: Yes, thank you, sir.

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The Sark Committee would like to propose to the Assembly moving Item 16, the paper to note the Commonwealth Parliamentary Association Election Observer Mission, to the last item, on the basis that this is simply a paper to note. The decisions and organisation has already happened and I think there are much more urgent things we need to debate right now.

Thank you, sir.

1275

The Bailiff: Similarly, the procedural motion is to move the States' Assembly and Constitution Committee's Commonwealth Parliamentary Association Election Observer Mission to the penultimate item of business, in other words, before the Schedule for Future States' Business. Those in favour. Those against.

Members voted Pour.

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The Bailiff: Once again, I will declare that carried.

ELECTIONS AND APPOINTMENTS

COMMITTEE FOR HOME AFFAIRS

**1. Police Complaints Commission –
Re-Appointment of Member –
Proposition Carried**

Article 1.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Police Complaints Commission – Re-Appointment of Member', dated 17th March 2025, they are of the opinion:-

1. To re-appoint Mrs Bonita Louise Hamilton as an ordinary Member of the Police Complaints Commission for a further period of 4 years, with effect from the end of her current term.

The Bailiff: So, we will now return to where we were supposed to be. Greffier.

The States' Greffier: Article 1, the Committee for Home Affairs. Police Complaints Commission, Re-appointment of member.

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

Deputy Prow: Thank you, sir.

The Committee for Home Affairs is pleased to recommend Mrs Hamilton for re-appointment as an ordinary member of the Police Complaints Commission.

Mrs Hamilton was first appointed by the States at its meeting on 1st July 2011 for a four-year term, and her current term is due to end on 30th June 2025. Throughout her tenure, Mrs Hamilton has consistently demonstrated the skills and expertise required to fulfil the role effectively. She is adept at reviewing and analysing complex investigations, making well-reasoned and balanced decisions, and clearly articulating her rationale to fellow members. Mrs Hamilton is a highly respected member of the Commission and has the full support for re-appointment.

Sir, please may I take this opportunity to thank Mrs Hamilton for her service so far, and to all of the members of the Commission for their valued work that they do for the community?

Thank you, sir.

The Bailiff: I do not see any Member rising to debate the re-appointment of Mrs Hamilton, and therefore I will invite the Greffier to open the voting, please.

There was a recorded vote.

Carried – Pour 33, Contre 0, Ne vote pas 0, Did not vote 3, Absent 4

| Pour | Contre | Ne vote pas | Did not vote | Absent |
|-----------------------|---------------|--------------------|---------------------|--------------------|
| Aldwell, Sue | None | None | Brouard, Al | Ferbrache, Peter |
| Blin, Chris | | | Burford, Yvonne | Hill, Edward |
| Bury, Tina | | | Trott, Lyndon | Le Tocq, Jonathan |
| Cameron, Andy | | | | Snowdon, Alexander |
| de Lisle, David | | | | |
| de Sausmarez, Lindsay | | | | |
| Dudley-Owen, Andrea | | | | |
| Dyke, John | | | | |
| Fairclough, Simon | | | | |
| Falla, Steve | | | | |
| Gabriel, Adrian | | | | |
| Gollop, John | | | | |

Haskins, Sam
Helyar, Mark
Inder, Neil
Kazantseva-Miller, Sasha
Le Tissier, Chris
Leadbeater, Marc
Mahoney, David
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
Vermeulen, Simon

1315 **The Bailiff:** In respect of the re-appointment of Mrs Hamilton as an ordinary member of the Police Complaints Commission for a further period of four years, there voted in favour 33 Members, no Member voted against, no Member abstained, but 7 Members did not participate in that vote, and therefore I will declare the Proposition duly carried.

ARTICLES ADJOURNED OR DEFERRED FROM PREVIOUS MEETING

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

2. Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1st October 2025 – Debate Commenced

Article 2.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Amendments to Statutory Minimum Wage Arrangements to Come into Force on 1st October 2025', dated 18th March 2025, they are of the opinion:

1. To approve the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2025 (as set out in Appendix 1 to this Policy Letter), which, pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, prescribe the hourly minimum wage rates set out below with effect from 1st October 2025:

a. Adult Minimum Wage Rate: £12.60 per hour (for workers aged 18 and over), and

b. Young Persons' Minimum Wage Rate: £11.35 per hour (for workers aged 16 and 17).

1320 **The Bailiff:** Greffier?

The States' Greffier: Yes, Article 2, the Committee for Employment & Social Security, Amendments to statutory minimum wage arrangements to come into force on 1st October 2025.

1325 **The Bailiff:** I will invite the President of the Committee, Deputy Roffey, to open the debate, please.

Deputy Roffey: Thank you, sir.

1330 This Policy Letter proposes increasing the minimum wage from £12 to £12.60 an hour from 1st October. In accordance with the States' policy, the young person's minimum wage will be set at 90% of that for adults.

1335 Although the date for the implementation of the annual increase is exactly the same as usual, the timing of both the consultation and the Policy Letter have been brought forward somewhat to make this possible given the forthcoming general election. Personally, I hope that the new ESS will stick to this timetable, even in years when there is no election, because it gives far more time for employers to plan for the change. That is some of the feedback that we have had from employers in the past, they would prefer the States to make the decision about any new rate with a number of months' notice, as tends to happen in the other jurisdictions.

1340 I have to flag up that these proposals will mean that we are starting to fall far behind perhaps our nearest comparator, which is Jersey. They increased their minimum wage to £13 at the start of this month, and all of the indications are that there is going to be another very large increase in their minimum wage again next year. They have also set aside a sum of £20 million to help employers in traditionally low-paying sectors to become more productive.

1345 We went out to consultation on two different options this year. The first was matching Jersey, albeit six months behind them, and the second was a more modest 5% increase to £12.60. The feedback was mixed. As might be expected, those bodies representing employees far preferred the £13 option. So, interestingly, did the majority of members of the Chamber of Commerce. But some other employers were concerned about the higher of the two options.

1350 In the end, we decided to go with £12.60 for several reasons. Firstly, although it will mean falling behind Jersey, it will still keep Guernsey firmly in the middle of the pack. The current minimum wage in the UK is £12.21, and the current minimum wage in the Isle of Man is £12.25.

1355 Secondly, we felt that if we follow Jersey along this quest to move their minimum wage to two-thirds of median earnings, then there would be an overwhelming moral duty to also match their generous assistance to traditionally low-paying industries to invest in automation, staff training and development, etc. Given the current state of Guernsey's public finances, frankly, that did not seem practical at this moment. But it is an interesting idea, and one that should be considered in future.

Thirdly, we were very much aware that we have increased Guernsey's minimum wage in real terms quite significantly over recent years.

1360 So, given some of the concerns, we felt that a period of some stability, albeit still with a very modest real-terms increase, was justified. So, I hope Members will back our proposals, which we regard as well thought through and moderate.

1365 **The Bailiff:** Members of the States, you will have noted that there are three amendments to the Committee's Proposition. I am going to take Amendment 3 first on the basis that I am treating it as a Committee amendment, and therefore I will invite the Deputy de Sausmarez, if she wishes to do so, to open on Amendment 3.

[Amendment 3.](#)

After Proposition 1, insert:

2. To note that the Committee for Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, will give due consideration to whether or not all future increases to the Minimum Wage should come into force on 1st January of each year to coincide with Guernsey's tax year.

3. To note that the Committee for Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, will give due consideration to whether or not regulations should be lodged in time to be debated at the States meeting that immediately follows the Special Meeting in November each year.

4. To note that the Committee for Employment & Social Security, when making regulations under the Minimum Wage (Guernsey) Law, 2009, will give due consideration to the most recently available economic statistics published by the States of Guernsey together with other relevant factors that the Committee has a duty to consider under Section 6 of the Minimum Wage (Guernsey) Law, 2009.

Deputy de Sausmarez: Thank you, sir.

1370 I should probably start with a quick explanation as to why it is me standing up rather than Deputy Roffey. Deputy Roffey anticipates that he may need to be called away from the States' meeting on an urgent personal matter, and therefore we thought it was safer to go with my name as proposer and Deputy Bury as seconder, but it is, as the Presiding Officer has stated, indeed a Committee amendment, and it is a straightforward one.

1375 It is effectively an alternative to Amendment 1. The wording in Amendment 1 is to delete Proposition 1. Now, this Policy Letter only has one Proposition. It does have two parts. It has got an (a) and a (b). But really Proposition 1 are the proposals. That is the sum of the proposals, and that is to agree the minimum wage, both in terms of the adult rate and the young person's rate as well, as Deputy Roffey has just explained.

1380 So, while Amendment 1 deletes Proposition 1 and puts in its place some suggestions or directions for the Committee to consider, the Committee has got no objection to considering those things, but it does indeed object to deleting Proposition 1, which would have the effect of not agreeing the uplift in the minimum wage to come into effect from the 1st of October, so that is the purpose of this amendment.

1385 If people are taken by the ideas in Amendment 1, and they do think it is a good idea for the Committee to consider the changes in the timings, etc., as set out in this, all of those Propositions are faithfully reproduced in this amendment, Amendment 3. So, Members can support those. Members can indeed, should they choose, add those in as substantive Propositions, and then, when it comes to the vote, they can indeed choose to vote to direct the Committee to consider those things.

1390 However, this amendment leaves in place the Propositions relating to the minimum wage itself. So that would mean that we can avoid a situation that we would otherwise be in were the States to support Amendment 1, where that change to the minimum wage were not to come into effect this year, and it would be delayed until at least January, but that in itself would be a bit of a push, and so really what we are looking at is potentially an indefinite delay to the minimum wage. That is why the Committee believes this amendment to be preferable. It adds in the further Propositions to give Members that choice, but it does not delete Proposition 1, so I ask the Assembly to support it.

Thank you.

1400 **The Bailiff:** Deputy Bury, do you formally second Amendment 3?

Deputy Bury: Yes, I do, sir.

The Bailiff: Thank you. Deputy Inder.

1405 **Deputy Inder:** I am not a fan of this amendment. It does not do anything. If you read the Proposition, as mentioned by Deputy de Sausmarez in her opening speech, it does not direct them to do anything, 'Will give consideration. Should come into force.' Proposition 3, 'Will give due consideration. Should be lodged in time.' 4, 'Will give due consideration to the most recently.' What does this do? In my view, it does not do anything. It does not direct the Committee to do anything. It asks them to think about something. That is not a resolution and, in short, I will not be supporting this for the reasons mentioned.

1410 I am not as convinced as Deputy de Sausmarez. Deputy de Sausmarez thinks it is brilliant. I think it is pointless.

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The Bailiff: Deputy Gollop.

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1425

Deputy Gollop: I like the amendment, because it is a gesture, really. You see, Deputy Kazantseva-Miller has not placed her amendment, and probably we should not discuss it, but I do support the views of Deputy de Sausmarez and Deputy Bury, that although there is a political logic and sense in the Kazantseva-Miller-Murray amendment, of one day getting to the point where we have an economic debate and budget, where all the fiscal tools are together, and it could have been phrased in such a way that that perhaps was implemented for the future with an interim uplift. The way the amendment is framed, and Deputy de Sausmarez is spot on here, it delays, perhaps indefinitely, the increase in the minimum wage. That not only brings potential hardship to our lowest earning workers, but it renders us less competitive with other jurisdictions, and effectively means an 18-month gap before they get an uplift.

1430

Of course, if inflation drops, they might find, curiously, that they were potentially slightly worse off, which is surely not our intention. So, although I would support the gradual goal towards a more holistic and executive style of budget construction, integrating other tools in the economy, after all the Chancellor, the Right Hon. Chancellor in the UK, Rachel Reeves, did indeed mention the minimum wage in her Budget. I do support the Social Security resolution, because at least it will give the new Committee time to consider.

Thank you.

1435

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

I will be supporting this amendment.

1440

Just picking up on Deputy Inder's comments about that the amendment is not prescriptive, nor is the amendment from Deputy Kazantseva-Miller and Murray. It is for the Committee to consider. So there is no specific direction in either of them, so I do not think that should preclude people from supporting this amendment. We have to make sure, in my opinion, that Proposition 1, as presented by the Committee, is passed. So I would encourage Members to support it.

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A Member: Hear, hear.

The Bailiff: As I do not see any other Member rising, I will turn to the proposer of the amendment, Deputy de Sausmarez, to reply to that short debate.

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Deputy de Sausmarez: Thank you, sir.

I think Deputies Gollop and Leadbeater have done the reply to the debate for me. Deputy Leadbeater is quite right. This simply presents the same Propositions as are in Amendment 1, but the differences, the substantive difference is that leaves in place Proposition 1. So this inserts new Propositions, whereas Amendment 1 deletes Proposition 1, which is the Proposition to agree the rate for the minimum wage.

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I would also point out that if Deputy Inder does not like these Propositions, he probably will not like Amendment 1 either. But what this does is it does give the Assembly more choice because this is inserting additional Propositions. It does not mean to say that we are agreeing those Propositions at this stage. It means that they will be included in the substantive Propositions, and Members can make a decision, once they have been included if this amendment is carried, Members can make their own decision about whether or not to support each of those Propositions individually.

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But what this amendment does, as opposed to Amendment 1, is it leaves all of those Propositions in place, including the core Proposition around the change to the minimum wage itself. So, for that reason, I would encourage Members to please support it.

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The Bailiff: Members of the States, we will now go to the vote on Amendment 3, proposed by Deputy de Sausmarez and seconded by Deputy Bury. I will invite the Greffier to open the voting, please.

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There was a recorded vote.

Carried – Pour 28 Contre 7, Ne vote pas 0, Did not vote 1, Absent 4

| Pour | Contre | Ne vote pas | Did not vote | Absent |
|--------------------------|---------------------|--------------------|---------------------|--------------------|
| Aldwell, Sue | Dudley-Owen, Andrea | None | Brouard, Al | Ferbrache, Peter |
| Blin, Chris | Dyke, John | | | Hill, Edward |
| Burford, Yvonne | Helyar, Mark | | | Le Tocq, Jonathan |
| Bury, Tina | Inder, Neil | | | Snowdon, Alexander |
| Cameron, Andy | Le Tissier, Chris | | | |
| de Lisle, David | Mahoney, David | | | |
| de Sausmarez, Lindsay | Vermeulen, Simon | | | |
| Fairclough, Simon | | | | |
| Falla, Steve | | | | |
| Gabriel, Adrian | | | | |
| Gollop, John | | | | |
| Haskins, Sam | | | | |
| Kazantseva-Miller, Sasha | | | | |
| 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 | | | | |

1475

The Bailiff: In respect of Amendment 3, proposed by Deputy de Sausmarez and seconded by Deputy Bury, there voted in favour 28 Members, 7 Members voted against, no Member abstained, 5 Members did not participate in that vote, and therefore I will declare it carried, which means that there are now four Propositions.

1480

Deputy Kazantseva-Miller, is it your wish to move Amendment 1?

Amendment 1.

To delete Proposition 1 and substitute therefor:

- 1. To request the Committee for Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, to consider that all future increases to the Minimum Wage should come into force on 1st January of each year to coincide with Guernsey's tax year.*
- 2. To request the Committee for Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, to consider that regulations should be lodged in time to be debated at the States meeting that immediately follows the Special Meeting in November each year.*
- 3. To request the Committee for Employment & Social Security, when making new regulations for the year 2026, to consider more up-to-date economic statistics such as the most recent RPIX data published by the States of Guernsey together with other relevant factors that the Committee has a duty to consider under Section 6 of the Minimum Wage (Guernsey) Law, 2009.*

Deputy Kazantseva-Miller: Yes, sir.

1485 **The Bailiff:** Okay. In that case, I will invite Deputy de Sausmarez to move Amendment 1 now, please. Did she say no?

Deputy Kazantseva-Miller: You mentioned Deputy de Sausmarez to move the amendment.

1490 **The Bailiff:** Oh, did I really? Okay, let us start again.
Is it your wish, Deputy Kazantseva-Miller, to move Amendment 1?

Deputy Kazantseva-Miller: Yes, sir.

1495 **The Bailiff:** Good. In that case, I will invite Deputy Kazantseva-Miller to move Amendment 1, please.

Deputy Kazantseva-Miller: Thank you, sir.

1500 Thanks to the Committee for also coming forward with the amendment, which I do believe improves on the Propositions and addresses some of the concerns that this amendment is trying to address. I did consider whether I should still be laying this amendment, and it is still worth laying it to explain the rationale of why it is worthwhile to delete the Proposition so that the new Committee can come forward and come with more up-to-date proposals to bring forward to this Assembly around budget time.

1505 The rationale for that is that we have gone through a significant period of inflation, including setting up the latest minimum wage at 12.7% in October 2024. Just a few months after that, the Committee went out consulting industry and stakeholders on their latest proposals, so the consultation took place around January, February. The Committee for Economic Development and P&R, were notified in early March. This timing issue is really because of the election, so typically,
1510 this consultation would have taken place about five months later, and the decision last year was taken five months later than today.

The issue arising from that is that that means we are losing quite lagging economic indicators to understand what rate of minimum wage we should be setting. The rationale, and that is explained by Deputy Roffey in his opening speech, that the Committee's proposal was simply too much Jersey.
1515 That is not using our economic indicators, that is using someone else's. The second one was to place us in the middle of the pack and so they proposed the 5%.

The key for us to consider is that we have got to consider local economic indicators. One of the key indicators for that, especially given the high inflationary period we have been through, is the inflation figures. So the inflation figure that the Committee has used were the December 2024 RPIX,
1520 which was at 4%, but they proposed a higher increase. So they are proposing a higher than inflationary increase based on December figures. The issue is that we are still in a period of uncertainty around the inflation trend.

1525 It works both ways. If inflation goes up, then the minimum wage proposals could be unfair to those workers on the minimum wage, because it would not be matching the inflation trend. If the inflation trend is going down, we are potentially proposing disproportionately high minimum wage increases, and that has a real significant effect on the rest of the economy, on businesses, and it does not only have the effect on people on the minimum wage, the minimum wage affects the wage structure of businesses. We know that because businesses have told us through the consultation periods we have had.

1530 So there are two key issues around the Policy Letter. The first is really the timing. It is coming way too early in my view, and it is purely driven by the election, so I do not fault the Committee for that. But the second point, which has been partially addressed by the latest amendment, is I really do believe that we do need to move to synchronising the decisions on our key economic, tax and

fiscal issues around the Budget. In the UK, the Budget is the key fiscal event, and the minimum wage is also set at the same point of time. So doing that will start moving us in that direction, and I am not going to spend a lot of time debating that, because that is already inserted into the original Propositions by the Committee's amendment.

So, just going back to the key issue about the timing, and I very much agree with Deputy Marc Leadbeater, we have got to set a minimum wage for next year. I absolutely do not take the Committee's criticism that this amendment will bring indefinite delay. Absolutely not. I think what this amendment is trying to do is that it is going to be for the new Committee to come fresh, to look at the latest economic indicators, and by then the inflation for June should come out by the time the new Committee is in place, and they will go out, consult over the summer, and be able to bring updated proposals around effectively the budget process.

Just to confirm, the issue I have had with using, for example, December 2024 RPIX figures, is that, again, those figures will go up and down. Just today in the morning, the inflation bulletin for inflation figures up to March of this year has been circulated, and it is showing a declining trend. So the RPI has dropped by 0.4%, RPIX has dropped by 0.2%. So the proposals as they state today are already significantly higher than the current inflation. So the proposals are above inflation.

What it means when we have got proposals above inflation is that it creates the pressure for wages, the wage structure elsewhere, it means it creates inflationary pressure for the products and services and, again, if you read the consultation figures, the above inflationary increases have been really felt by the industries we have consulted. We have a response from Randalls, for example, and the above inflationary increases has meant that the beer, food and the drinks have increased above inflation. This is very much driven by the inflation trends with minimum wages.

I think Deputy Roffey was quoted saying that I have an obsession with RPIX. Well, I do because it is a true reflection or is an element of reflection of the cost of living in Guernsey. As I said before, I think it is both ways. Working with the latest economic indicators such as RPIX from June of this year will mean we can give the most pragmatic accurate proposals that are fair to both those working on the minimum wage and the businesses as well.

I think, in a nutshell, if you look at the consultation responses, the industry bodies that are most likely to be employing people on the minimum wage, the Guernsey Retail Group, for example, asked the ESS to consider deferring these proposals until the new States are in place. The GHA really talks to the issues around the above inflation increases. The Guernsey Building Trades Employers Association (GBTEA) talks about the cost of living being higher than in Guernsey, and so it is not justifiable to try to match Jersey, which seems to be the quest. Those are the words from Deputy Roffey. 'We are on the quest to follow Jersey or to position us in the middle of the pack.'

I think there is quite strong support that the minimum wage has to be considered closer to the time we are planning to set it, so I really strongly encourage the Assembly to consider that. What it means practically is a three-month deferral of that decision. What I would encourage the next Committee to do is that three months could be compensated by a higher proposed rate, so it does not mean that those three months are delayed or postponed and not taken into account. They can be taken into account.

This three-month effective delay will have to be taken into account either this year, if we approve this amendment – and hopefully we do – or hopefully next year if the Committee does seriously consider that they will move the setting date to January 2027. So that delay of three months has to happen anyway and it is regardless in which part of the pack we are. I think it is really important, Deputies, to also show that the suggestions that we have the lowest rates in the pack is really accurate.

For example, in the United Kingdom, as of April 2025, their minimum wage for 18 to 20 is £10, so lower than ours, and the only reason we may be below the adult minimum wage with others is just because of the different dates when they set the rates. So all of the rates in the UK, Isle of Man and Jersey have gone up on 1st April, so we are comparing ourselves against the very recent figures and we are saying we are behind. Well, if we created our increase to this date, we would not be behind.

The other key points which will be addressed through Amendment 2 that I am laying with Deputy Vermeulen is that if we do not approve this amendment, then this consideration for increasing the differential with the young person age cannot take place this year either. That means there will be another postponement of at least a year if that amendment is successful for that consideration to be taking place. I really want to point to the fact our young person's wage is by far the highest among the comparable pack, so to say that we have somehow fallen so far behind is, frankly, untrue.

I think if we do not address the issue of dealing with the differential of the young person age as soon as possible – and the only way to do it is by approving this amendment today – then this consideration will be further delayed, which can continue having the impact where businesses are telling us that young people businesses are disincentivised from employing young people. I think that is a very significant detriment to our economy and to the skills that young people can acquire, and I really do not think we can wait any longer to delay looking at that differential.

So I hope that, while I think the Policy Letter has been improved with the Committee's amendments following our amendment, I think this amendment improves it further because it gives the new Committee *for* Employment & Social Security a chance to look at the fresh indicator to hopefully also, if Amendment 2 is successful, relook at the young person's wage and come back with proposals around the Budget time, which will also help us think about those processes from the beginning of the next political term rather than sometime down the line. So I strongly encourage the Members to support this. I think this is a very pragmatic amendment.

It really responds to the concerns expressed to us by industry and through consultation. These are the concerns that the Committee *for* Economic Development has also consistently raised with the Committee. It is a pragmatic way to move forward and I absolutely do not think there would not be proposals coming forward. There will be a minimum wage from 1st January.

Thank you.

The Bailiff: Deputy Murray, do you formally second Amendment number 1?

Deputy Murray: I do, sir.

Thank you.

The Bailiff: Deputy Queripel.

Deputy Queripel: Sir, thank you.

Sir, there was a song entitled 'It's good news week' which was a big hit in 1965 for a group named Hedgehoppers Anonymous. Of course, what is good news for some people will not necessarily be good news for others so, in this case, it looks like it is going to either be good news for the employer or the employee. We cannot possibly expect to please all of the people all of the time and, as far as I am concerned, this whole salary issue is completely upside down anyway.

People masquerading as footballers, who cannot even do the basics and cheat all the time, are paid £100,000 a week while nurses, dustmen and road sweepers are fortunate if they earn that in two years. How can that be fair? The road people we rely on to keep our environment clean, take our rubbish away and provide us with care and comfort when we are in hospital get paid peanuts. Yet, people who are not fit to tie the boots of great players like George Best, Jimmy Greaves, Bobby Moore, Bobby Charlton, Pelé, Johan Cruyff and even our own Matt Le Tissier are paid obscene amounts of money.

What EES are asking for here is for the majority of the Assembly to agree to lift the spirits of our workers who work for the minimum wage by increasing the minimum wage on 1st October. I have spoken to many Islanders – and I am sure my colleagues have as well – working for the minimum wage and they are already dispirited enough. So any Member of this Assembly who supports a delay to that increase really needs to question their moral fibre, in my view.

Thank you, sir.

The Bailiff: Deputy Vermeulen.

1640 **Deputy Vermeulen:** Thank you, sir.

I am going to support this amendment absolutely, and I would advise the other Members of the House to support this too. I will tell you why, sir. We heard in the excellent opening speech by Deputy Kazantseva-Miller about the effect on business but it is not just businesses that are affected by a minimum wage.

1645 Last month, I and a few other colleagues from this House went to Grow and listened to the charities giving an overall presentation of what things were affecting them. I was really struck at the quality of the presentation and what those people said. There was an accountant there who made the point that his hospice had been badly affected by increases by from the States. I was so moved by this, I went up after and had a good chat just to make sure.

1650 I was assuming that he was referring to the 13% or thereabouts increase in the minimum wage last year but it was not that, sir. It was two things from Employment & Social Security. The secondary pension was one and the increase in social security pensions. It so moved me that he said, 'At the hospice, where they are a charity, we are looking at our costs and the cost of training nurses is £80,000.' He said, 'Now I have done the maths. I am a chartered accountant and that one increase
1655 of 1% was £80,000, so that is one nurse I have to do without.' He said, 'Then there was this other one. The secondary pensions. When that comes in, that is another £80,000.'

I really had been a champion for business, and I have been all this term, but I was really surprised and moved at how it affected those charities so that is a big thing for me. I have no hesitation in recommending other people follow not just this amendment that is being laid but also the next
1660 amendment, which we will get on to later, because I think business is creaking. I have had several representations about how much they are struggling to get over that hurdle of the increases last year, and I think this is a pragmatic suggestion being proposed by Deputy Kazantseva-Miller and seconded by Deputy Murray, so I will be supporting it.

Thank you, sir.

1665

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I would just like to focus Members' minds on what this amendment is about especially since
1670 Amendment 3 has been carried. So we already have Propositions in place relating to the consideration of things like the timing in relation to other fiscal matters, etc. So really this amendment boils down to one issue and one issue alone and that is whether or not to leave in place the Proposition to increase the minimum wage on 1st October, but that is what this is about.

We have already covered the other Propositions. The Committee's amendment has already
1675 inserted those. I think I am going to reserve any comments I have for general debate because I think the debate on this amendment should be focused on that one single issue and that is: would Members like to have the option to vote for an increase in minimum wage on 1st October or not? Because supporting this amendment removes that option and I just want to make sure that everyone is absolutely clear about that.

1680 The rest of it is already covered and, in fact, to Deputy Inder's point earlier, I think the wording in this version is even woollier because it is just asking to request the Committee to consider it, so two lots of wooliness there. Whereas, actually what we have already voted in is to note that the Committee will give due consideration to those things. So really I would just like Members to bear in mind that this, again, relates purely and simply to Proposition 1, and whether or not to increase
1685 the minimum wage on 1st October this year.

Thank you.

The Bailiff: Deputy Dyke.

Deputy Dyke: Thank you, sir.

I thank Deputy Kazantseva-Miller for bringing this amendment. As usual, it shows the pragmatism, attention to detail and analytical skills which we usually see from her. I think she has spoken for herself very well but the point that does need to be emphasised is what she is trying to do is set the timing in a better way so that better captures inflation rates going forward for the next year (**A Member:** Hear, hear.) and I think that is an important change.

Deputy Queripel I think was slightly out of order to suggest that there was something morally wrong with doing this. It is a sensible way of trying to get to a better position. As Deputy Kazantseva-Miller has pointed out, the effect could be to increase the minimum wage beyond what it would otherwise be. It could go up and down but we would have better figures to deal with it, and I think that is important.

On a bigger picture, I am slightly concerned that the inflation figures we have used for the general Civil Service wage increase has actually been the wrong one. Let us not repeat that mistake again and allow this amendment to pass and then attend to the matter in the proper way but with better inflation figures going forward. This transitional arrangement that she is suggesting I think is a very good idea and we should vote for it.

Thank you.

The Bailiff: Deputy Murray.

Deputy Murray: Thank you, sir.

I would like to introduce a little bit more dialogue around the whole budgeting process and the impact that has on this particular amendment and the Policy Letter itself. What we have in front of us at the moment – as Deputy Kazantseva-Miller actually mentioned – this has been driven primarily because of the election, and that same election is driving a lot of pressure on the way that we are going to put together the next Budget. It is going to truncate the time that the new Assembly has to actually make decisions and that is going to be challenging for them. They are going to come in, many of them potentially completely new, and they will be thrown into a Budget process that is potentially quite alien to them. But, nevertheless, it has got to be done.

My hope of course is that we have a new Assembly that is far more focused on our financial challenges than we currently have been hitherto. They will soon find out if they do not realise that obviously that that is actually the case. But I think this is a pragmatic approach to recognising – and there is a world view here as well, there is a world implication. The financial markets have been in some turmoil lately as a consequence of what the tariffs from Trump's administration have done; we do not know when that is going to end and we do not know how that will look when it has ended. But there is a very strong chance that it is going to increase inflation. If it does increase inflation and we agree to a particular rate now, which is historical rather than what would be closer to the time which would be when the budget is put together, then it might be to the benefit of those on lower wages to see that come to fruition.

We do not know is the truth, but the Budget is put together every year with the intention of looking at the last two quarters of the year, three and four, and the projection into the next one and two of the following year, to give us the most accurate picture we can for the Budget to cover that period. It has been anomaly I think for a while – and probably just historical practice and it is no reflection on ESS – that we have done these two procedures at two different times. It is no more than logical to be dealing with all of our financial projections forwards at the same time. In that regard, Deputy Kazantseva-Miller has championed that for quite some time and I agree with her.

What I want to make the distinction about, however, is the association that Deputy Gollop suggested that that is somehow an executive approach. It is nothing to do with an executive approach. It is a logical approach to how we manage our financial affairs. This is nothing to do with Machinery of Government; this is taking a responsible view as to how you deal with the most important financial matters affecting our budget, given particularly that we are in a substantial deficit position on a structural basis.

So I applaud the approach, the attempt by ESS to try to ameliorate and accommodate this amendment, and I have supported that. I have banked that – that is just a political judgement at this stage – but what Deputy Kazantseva-Miller has actually outlined means that we could be putting the lower paid at some greater risk by making that decision now and not incorporating it into the Budget process. (**A Member:** Hear, hear.) This is not a moral decision; this is a pragmatic decision but the moral imperative that Deputy Queripel would seek that we take now could very well backfire. I do not know the answer to that. I would not want that to be the case. I genuinely would not want that to be the case.

Again, as Deputy Kazantseva-Miller mentioned, if we have to amend to catch up as a consequence that can be done at the time. So I cannot see that the lower paid will be in any way disadvantaged by what has been proposed by moving the date of this decision to incorporate it into the Budget. So I would ask Members to support this.

Thank you.

The Bailiff: Deputy Bury.

Deputy Bury: Thank you, sir; I will be brief.

Just to pick up on Deputy Murray's point about the budget, this decision around minimum wage has so little bearing on the States' budget because as the States we pay barely any of our staff on the minimum wage. So it really is not related in the way that is being presented.

Secondly, just to reiterate the point that Deputy de Sausmarez made – and I think it is really important that we just remind people to focus on this – the pragmatism that Deputy Murray was referring to is already in play by the amendment that we have approved, but the effect of this amendment will be to delay the increase in the minimum wage, and not even give the Assembly the option to vote on that. That is what the effect of this amendment will be.

There is a lot of talk of industry, there is a lot of talk of business, but there is not much talk about people on the minimum wage. (**A Member:** Hear, hear.) When we talk about the minimum wage and we talk about inflationary aspects and how it affects business, it seems that people are operating as though people on the minimum wage are immune to the increases of cost of living, as though they are just bimbaling along with their minimum wage and none of this is affecting them. Well, we absolutely know that people on a lower income are affected higher proportionally because more of their income is going on the basic necessities like rent, food and utilities.

So I would ask Members that if they like what is in this amendment they do not need to support it because it is already in play with what we have approved and if you reject this amendment you are still allowing the option to increase or vote on at least the minimum wage.

Thank you.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

Just to build on Deputy Bury's pragmatic speech. The more people who are on a lower minimum wage the more it is going to cost the States in income support to top them up to a level they need to be able to survive. Deputy Murray's argument that we have got to be careful of the States' finances and the knock-on effect that could happen to the States' finances – it is better if business pays a little bit more and Government pays a little bit less.

Deputy Dyke said it is better if we have better, more informed figures, but 60 pence an hour – it is a binary choice now. The other parts to the amendment have been incorporated into the Committee amendment, so those have been accepted by the States and, as we heard from the Vice-President, the Committee will have consideration to the points in what was Amendment 1, which is incorporated to that amendment. So we have not got to consider that; it is a binary choice. Are we going to put the minimum wage up to this proposed amount in October or are we not?

That is simply what this amendment is about. It is about nothing else. I am not going to give way; you have got your chance to speak.

1795 It is about nothing else. No one has introduced another argument to it; it is simply this binary choice. This amendment will take away that rise in the minimum wage by us supporting this now. We either stick with the minimum wage rise or we do not. There is nothing else to this amendment. Nothing else.

Thank you.

1800 **The Bailiff:** Deputy Blin.

Deputy Blin: Thank you, sir.

1805 I was asking to be given way to by Deputy Leadbeater because he mentioned something about by increasing the minimum wage then we are taking the pressure off income support. I know in the past I have supported all of the increases and have asked the question of, I believe, Deputy Roffey, that as we increase this minimum wage is there a correlating line reducing the amount of income support there, which I thought there would have been. The answer at the time was no.

1810 I normally agree with Deputy Leadbeater but I just think that comment about the alignment and that this is just a binary decision; well, it is not. You make it very hard. I will give way.

Deputy Leadbeater: I sincerely thank Deputy Blin for giving way.

1815 There is just another point about this as well, because we have people who are not in work and who are on benefits from the taxpayer. There are a lot of people on that edge where some people are actually better off by being on benefits than they are being out to work because of the very low minimum wage. We are going to be in this perpetual cycle of this scenario until we get the minimum wage up to a living wage kind of plateau that it should be. Clearly this is not going to be it but we are heading in the right direction.

I sincerely thank Deputy Blin for giving way so I could just add that little point as well, thank you.

1820 **Deputy Blin:** I thank Deputy Leadbeater and I hope he remembers this.

1825 The other point I would like to make is we are always talking almost the bottom quartile or the lowest quartile in the income there, but there are also many people who are not in that quartile but they are not in the category – as Deputy Queripel meant – earning hundreds of thousands a week, etc. There are those who just have to take multiple jobs to make things work to get by. They do not have any income support.

1830 Then you have the small business owners who basically each time we put up the minimum wage they struggle. Now, I have actually got over that psychological part of it because as they struggle maybe they are not doing the right thing and the business has to change, because if you are doing a business which cannot afford to pay its wages all you are doing is transferring the pressure to the Government. But there is one other sector which we have to take into account, and that is a sector that currently with tourism has grown, we are having good reports on visit numbers, etc. But in the hospitality, a very hard-working sector, we will all agree, but very often they are working very long hours. Those long hours are incorporated into their roles, their job, and also into their accommodation package, etc.

1840 Each time we put the minimum wage up there it is not just on the few hours of supplementary hours, it is on such a large number of hours that the impact goes right on to the business – the hotel or the restaurant – and, therefore, has to be transferred to us as the public. So I will be supporting this amendment. I do very much value Deputy Leadbeater's comments but I just think this is not this binary decision; this is realigning so we are in the right position going forward. Everything else will have to work around it but this brings it to where we should be.

Thank you.

The Bailiff: Deputy Le Tissier.

1845

Deputy Le Tissier: Thank you, sir.

I am not going to take up too much of the Assembly's time, and I debated whether I should speak now or in the next amendment, or even in general debate, but I am going to speak now.

1850

Now, I have consistently voted to pass the minimum wage increases. Why? Because I support the lower income sector. They do not have a voice. They are not sitting here, so they are looking to us. So this amendment – and I will stand to be interrupted if necessary – but it seems to me Deputy Kazantseva-Miller, while supporting minimum wage increases in the past, seems to have had a change of mind. She is a little bit more employer friendly. I will give way.

1855

Deputy Kazantseva-Miller: I do thank Deputy Le Tissier in giving way.

I think the amendment has nothing to do with whether I support minimum wage increases, and the debate is really not about that. The debate is about making sure the minimum wage proposals are the best we can possibly have and at the right time and based on the latest indicators we have got, which will be the fairest possible to those on the minimum wage.

1860

So, absolutely, I have not had any change in mind. I have been supportive of proposals previously but I am proposing to improve them.

Thank you.

Deputy Le Tissier: Thank you for that interruption. Fine.

1865

So I maintain that it is not the role of the Government to subsidise employers that pay very low wages. It is that simple. So I agree with Deputy Leadbeater.

Employers pay low pay in the knowledge that the States will pick up the tab with income support. But as Members have heard many times before, our spending is out of control, so anything that might or will reduce our spending would get my vote.

1870

We have heard businesses are struggling but we have given businesses Zero-10 and now they are asking again for lower wages. It is to the detriment of those on the minimum wage and I do not think it is on, and I suspect the public would agree. So I am saying please throw out this amendment, let the Committee's Policy Letter on the minimum wage go through. I would also say I do not think it is high enough, our minimum wage, but that is for a future Assembly.

1875

Thank you.

The Bailiff: Deputy Mahoney.

Deputy Mahoney: Thank you, sir.

1880

Very briefly, I stand up and say a few words just in support of perhaps smaller business owners that are taking a bit of pasting at the moment, that can only afford minimum wage. We have had a couple of speakers say that they do it deliberately because the States will pick it up and, therefore, 'Not my problem.' I do not agree with that.

1885

Also the whole if they can only afford to pay minimum wage they must be running their business wrong. Some businesses run on fine margins and that is no fault of their own, especially in the hard times that we are in at the moment. So I just wanted to perhaps put a few words at least on record that not everyone thinks that everyone is just trying to play the system and we will pick up the bill. I do not believe that is true.

1890

There are others that are trying to make this amendment into something it is not, and I am sure Deputy Kazantseva-Miller is going to say that when she sums up. I thought it needed saying that small, and potentially large business owners are taking a bit of a pasting here and I do not agree with some of the things that have been said.

1895

The Bailiff: As I do not see anyone else rising I will turn to the President, Deputy Roffey, to speak to Amendment 1 please.

Deputy Roffey: Thank you, sir.

Deputy Murray said there is absolutely nothing in this amendment that would disadvantage those on low pay. Well, if we vote through the proposals as they currently stand then 12 months after the last increase in the minimum wage those who are having to live on that wage scale will get a modest 5% increase as an annual uplift. If this amendment passes they will not. How is that not disadvantaging those on lower pay? (**Several Members:** Hear, hear.)

There is no guarantee – despite what Deputy Kazantseva-Miller says – that it would necessarily be able to be brought in three months later in January. In order to go through the statutory consultation that the Law absolutely demands, it is not an option. The new ESS, which may be a totally new set of characters, would have to decide almost on day one of taking office what they want to set the minimum wage from January in order to be able to go through that, in order to publish the Policy Letter in time for a debate alongside the Budget. There has been a lot of talk about we need all of our fiscal issues discussed at one time. I have no objection in principle to a November discussion for a January uplift, although I would like to see the way we get there being a staging that did not leave the minimum wage unchanged for 15 months. However, this is not a fiscal matter.

Do not believe me; we asked the senior statistician in the States of Guernsey at P&R and her response was quite clear, this makes almost no impact whatsoever on States' expenditure or income. It is not a fiscal event. Anyway, I know that the main motivation from Deputy Kazantseva-Miller is not to actually have all of our fiscal events at one time because the first iteration of this amendment suggested the minimum wage should go up on 1st April every year, which is not aligned whatsoever with the Budget. The two things have in common the first iteration, the second iteration is removing the increase in the minimum wage one year from the last time it was increased.

Now, Deputy Kazantseva-Miller makes quite a lot about local business, but we went out to consultation and the feedback from businesses was they are largely very supportive. In fact, the majority of members of the Chamber of Commerce favoured the £13 option and not the £12.60 option. (**A Member:** Hear, hear). So, yes, there may be some federations that are saying, 'We have difficulty with this' but that is selective consultation. We went out to a large range of people and we got a supportive response.

I was told, 'Why are you trying to shadow other places?' Because the Law tells us to do that. The Law does not say, 'Follow inflation.' That is one of I think nine criteria that we have to look at. Another one is average earnings. The UK in the last few weeks, RPIX figures come out at 2.8%, increase in average earnings has come out at 5%. It is not right that the minimum wage should slavishly follow inflation. That is just one of nine factors to take into account, and actually above it in the list is to compare ourselves with Jersey, the Isle of Man and the UK. Not ESS's decision; that is what the States have put in Law we have to do.

I heard Deputy Vermeulen say, 'Hear, hear' when Deputy Kazantseva-Miller said, 'Well, what about local conditions? Why are you comparing with Jersey?' Well, let us compare with the UK. Our minimum wage is lower than the UK's. Now, what do Members think the cost of living is like in Guernsey compared with the UK? It is of course much higher, so we ought to take into effect local conditions, and that is why it is shameful in many ways that our current minimum wage is below the UK's. I would say exactly the same for the Isle of Man.

It was said during debate that we have the highest minimum wage for young people. Not right. Jersey have decided to scrap completely what they call their training wage; they have a single minimum wage for all age groups so while people 18-plus currently are being paid £1 an hour less if they are on minimum wage in Guernsey than in Jersey; people who are 16 or 17 are being paid a much bigger differential below.

We are talking about having the most up-to-date inflation figures. Whatever call today you take during the year, our inflation figures come out quarterly and, therefore, the lapse will be exactly the same. But the message we have been getting from employers is, 'Please set a signal and signpost what the next minimum wage increase is going to be earlier than you traditionally have done' as does Jersey and as does the UK. That actually means taking an earlier RPIX figure but, as I say, it is

1950 not the be all and end all of this. The be all and end of all of this amendment will be that one year on from the last time we increased the minimum wage, when we have at the moment the lowest minimum wage of any of the four normal comparator nations or territories, we push it back further.

1955 I am not saying it is moral, it is a judgement call, but I think that judgement call will be deprecated by 80% of our population at least if this is the one we come to today. I think it will be a very bad decision. I think it would reflect very badly on this Assembly and I strongly suggest that we should reject this amendment.

The Bailiff: Finally, the proposer of Amendment 1, Deputy Kazantseva-Miller, to reply to the debate please.

1960 **Deputy Kazantseva-Miller:** Thank you, sir.

Unfortunately, unsurprisingly, this debate went into areas where it is not, because that is not what this amendment is about, and actually judging by the responses from the Committee members I do not think they have got any intention to change the rate setting dates in future because there will always be a three-month gap. So given the responses we have had, if the same Committee members are on the Committee it will be exactly the same response. We could not possibly change the date for setting minimum wages because there will always be three months, so we will always be further delayed.

So I think we have seen ...

1970 **Deputy Roffey:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Roffey.

1975 **Deputy Roffey:** Although obviously it will be a future Committee that will consider this, we have talked about it, there is no objection by the current membership of moving, but there are ways of moving in two stages which means that you never do have a 15-month gap. It is not absolutely necessary to have a 15-month gap in order to move the date to 1st January.

1980 **The Bailiff:** Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you.

1985 So I will start from Deputy Queripel who mentioned that it would not be fair because this is all about fairness. I absolutely agree with him because I think the most fair approach is to have a fair review of which inflation figures you are using. You will have a much better indication in June of this year what inflation figures you are going to be using than in December of last year. I think it will absolutely be the case that the minimum wage will reflect much better the local conditions once it is considered in the summer than when it was considered earlier in the year.

1990 Deputy de Sausmarez talks about that this is a very binary choice about do you want an increase from 1st October or not. But it is not actually just that binary choice. If this amendment is not successful we will be taking into account old lagging indicators, which mean depending how inflation goes up and down it can have a really unfair effect on either those on minimum wage or also businesses. Then the second key point is that if this amendment is not successful then the direction for the Committee to review the young person's age will not be able to take place this year.

1995 So there will be – as I said previously – a delay of at least one year and all the repercussions that has on businesses being disincentivised currently to employ young people. As I said previously, the young person's age is completely out of proportion with other comparable jurisdictions saying that Jersey does not have a young person's age, they have got a general minimum wage. I think Deputy Dyke very much summarised what this amendment is about. It is about trying to find a

pragmatic solution around the election time and for us to be able to use the most up-to-date figures.

Deputy Murray tried to elaborate further about some of the thinking around why it is important for the different decisions which have a fiscal and economic impact, not just on our own budget and expenditure, but on the Island to be aligned under one process. I think this is really important because Deputy Bury and Deputy Roffey referred to the fact that in our current Budget process the minimum wage would not have any impact. Absolutely; that is not what I was trying to say. In my view – and like it happens in the UK – key fiscal economic decisions that include the Government expenditure, Government borrowing, Government capital expenditure, minimum wage setting, as set at the Autumn Budget. It is called the key fiscal event for those reasons because off the back of those decisions taken in that Budget and announced around that Budget, the economy, the businesses, the households, the Government, are able to plan their affairs. That is what I mean by trying to align those key economic and fiscal decisions under the Budget process.

So I hope I have addressed that comment made by Deputy Bury and Deputy Roffey, why I think it is important for us going forward, because this is the way through which we can manage not only our public finances but send the messages so that businesses and industry can plan longer term. That includes trying to align our decisions on contribution rates, non-contribution rates, minimum wage, capital expenditure, funding and investment plan, ideally as part of this one Budget process so that it becomes the key fiscal event for us. I think Deputy Murray called it the responsible way of how we deal with matters affecting our financial decisions and those of the businesses and the community.

I have no doubt that the new Committee will really get behind ensuring that there are proposals, based on the latest economic indicators, coming forward to the new Assembly as soon as possible in this political term. I think this actually will be really good for the new Committee to really put their own mark and their thinking about what the minimum wage proposals should be going forward.

Members, this is a pragmatic way forward. It really allows the next Assembly to start fresh to ensure some of these processes are aligned. I have absolutely no doubt they will come forward with proposals that will be in place from 1st January and, as I said previously, they can provide for a compensatory measure to ensure that three months' deferral effectively is compensation with a higher increase than an equivalent annual 12-month increase.

So, Members, I urge you to support that. This is really a pragmatic way and a move in the direction so we can start having better tools to manage our financial fiscal decisions, and do them around the same time in the year and not completely out of whack, as is happening right now with the minimum wage proposals.

Thank you.

The Bailiff: Well, Members of the States, it is now time to vote on Amendment 1, proposed by Deputy Kazantseva-Miller, seconded by Deputy Murray. I will invite the Greffier to open the voting please.

There was a recorded vote.

Not carried – Pour 9, Contre 26, Ne vote pas 0, Did not vote 1, Absent 5

Pour

Blin, Chris
Dyke, John
Helyar, Mark
Inder, Neil
Kazantseva-Miller, Sasha
Mahoney, David
Meerveld, Carl
Murray, Bob

Contre

Aldwell, Sue
Brouard, Al
Burford, Yvonne
Cameron, Andy
de Lisle, David
de Sausmarez, Lindsay
Dudley-Owen, Andrea
Fairclough, Simon

Ne vote pas

None

Did not vote

Bury, Tina

Absent

Ferbrache, Peter
Hill, Edward
Le Tocq, Jonathan
Snowdon, Alexander

Vermeulen, Simon

Falla, Steve
Gabriel, Adrian
Gollop, John
Haskins, Sam
Le Tissier, Chris
Leadbeater, Marc
Matthews, Aidan
McKenna, Liam
Moakes, Nick
Oliver, Victoria
Parkinson, Charles
Prow, Robert
Queripel, Lester
Roffey, Peter
Soulsby, Heidi
St Pier, Gavin
Taylor, Andrew
Trott, Lyndon

2045

The Bailiff: In respect of Amendment 1, proposed by Deputy Kazantseva-Miller and seconded by Deputy Murray, there voted in favour 9 Members, there voted against 26 Members, no Member abstained, 5 Members did not participate in that vote and, therefore, I will declare Amendment 1 lost.

2050

Is it your wish now, Deputy Kazantseva-Miller, to move Amendment 2?

Deputy Kazantseva-Miller: Yes, sir.

The Bailiff: Therefore, I invite you to do so please.

2055

[Amendment 2.](#)

To insert an additional proposition as follows:

"2. To direct the Committee for Employment & Social Security, when making new regulations pursuant to sections 1(3) and 3(1) of the Minimum Wage (Guernsey) Law, 2009, to consider the following:

i. That the Young People's Minimum Wage should be kept at 80% of the Adult Minimum Wage; and

ii. That the Young People's Minimum Wage should not increase unless that 20% differential has been achieved."

Deputy Kazantseva-Miller: Thank you, sir.

This amendment links to the part of the minimum wage setting which affects young people's minimum wage. Currently the differential between the adult minimum wage, which is from 18 onwards, with the young people's age, which is for those employed when they are 16 and 17, is set at 90%. That is the narrowest differential compared to the UK and Isle of Man. Deputy Roffey mentioned that Jersey looks like they are moving in a different direction but compared to the UK and the Isle of Man it is the narrowest differential. In fact, in the UK that differential is set at about 62%, so a very big gap.

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I felt compelled to bring this amendment because we have received consistent feedback from industry bodies such as the Guernsey Building Trades Employers Association, the GBTEA, as well as the Guernsey Retail Group, that they felt the differential has been too narrow. That has been the feedback we have received and the Committee for Employment & Social Security have also received pretty much for the last couple of years. I enclose in the appendix of this amendment the most recent consultation feedback received from the GBTEA as an example.

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The Committee for Economic Development has also given exactly the same feedback to Employment & Social Security over the years, and we have encouraged them to bring proposals setting that differential at a higher rate. We had so far stopped short of bringing our own

amendment but we have consistently shared this message. Unfortunately it seems like it continues to fall on deaf ears.

The reason why I am really concerned about such a narrow differential, because the industries that are most likely to be employing younger people, such as the retail industry and also construction, are very clearly telling us that such a narrow differential is disincentivising businesses from employing young people. When I hear that, to me this is red flags all over the place, because I think this is really detrimental to the young people's ability to get skills, to be more work ready, to earn some pocket money, which was always important. As part of the work that we undertook with the Committee *for* Education, Sport & Culture earlier this term in understanding the skills gap, the area around work readiness for young people coming out of education was highlighted as one of the key areas for us to look into.

It also then affects the businesses because they may not be want to get young people during flexible periods of time when adults are not available, such as weekends or even holidays, and such a narrow differential puts more pressure on the more permanent and adult staff because they justifiably want a higher differential with young people. The feedback from the GBTEA says very clearly:

Feedback from our members is that 90% differential does not sufficiently reflect that additional cost of supervision, lower productivity and training, which discourages the employment of young people. We believe the young people's minimum wage should be frozen until it becomes 80% of the adult minimum wage.

So, Members, I think this is quite serious and I really think we are underestimating the impact that this is potentially having on young people, and we are really not listening to the feedback that has very clearly been consistently given to us by industries. I think the implication of this amendment, that it is inserting an additional Proposition, and so what it would mean, because the previous amendment was not approved, is that the Committee *for* Employment & Social Security will have to consider that as part of the next year's proposal, so that gives them more time to consider that, to engage with industry to take this forward.

So I really strongly encourage Members to support this amendment because I am really concerned about the impact the lack of employment opportunities that such a narrow differential is currently presenting to us, and the real impact it has on our young people on not being able to get the skills, the work experience, and the money that they need in their early years.

Thank you.

The Bailiff: Deputy Vermeulen, do you formally second Amendment 2?

Deputy Vermeulen: I do.

Deputy Gabriel: 24(6), sir.

The Bailiff: Can I invite those Members who wish to speak in debate on Amendment 2 to stand in their places? Is it still your wish, Deputy Gabriel, that I put a motion?

Deputy Gabriel: Yes, sir.

The Bailiff: In that case the motion from Deputy Gabriel under Rule 24(6) – just a minute, 24(6) did you say? My apologies. Mr Comptroller, do you think that this goes beyond the original Proposition, or is it related to it?

The Comptroller: What counts against it is that it is an additional Proposition, so it has been added into it.

The Bailiff: Sorry, I did not hear what you said.

2125 **The Comptroller:** Sorry, I was going to say it is an additional Proposition that has been added in, or needs to be added in, but I concede it relates to the subject matter.

2130 **The Bailiff:** I accept that the default position is often if there is an amendment to insert an additional Proposition it goes further than the original Proposition, but prospectively it is saying there ought to be a standing still of the young person's minimum wage rate until the differential has been achieved. So the States are being asked to approve the Minimum Wage (Prescribed Rates and Qualifications) (Guernsey) (Amendment) Regulations, 2025 in the original Proposition. This is saying prospectively there should be a pause in increasing the young person's minimum wage rate, as I read it.

2135 **The Comptroller:** Yes, I mean, it seems to relate to it, sir, and we have already got some additional Propositions that have got in. When you take it in the mix you could argue it is all part of what is before the States.

2140 **The Bailiff:** Yes, well the additional Propositions that went in from Amendment 3 were really from the Committee, designed in part to try and prevent Amendment 1 being debated, so I do not think they really affect – it is the original Proposition from the Committee that matters.

2145 **The Comptroller:** Okay.

The Bailiff: Unless you are going to try and persuade me differently, I am not minded to say that it goes further than the original Proposition.

2150 **The Comptroller:** Sir, I am with you on it. It relates to the subject matter and it is just inserting a qualification, if you like, that relates to the original subject matter.

The Bailiff: So on that basis, Deputy Gabriel – and forgive me for suddenly thinking it was a guillotine motion but I got my numbers wrong – I am not going to –

2155 **Deputy Taylor:** 24(4) then, sir.

2160 **The Bailiff:** Just a minute, let me finish with Deputy Gabriel's request under Rule 24(6). I am not going to rule that this goes further than the original Proposition and, therefore, that particular ruling is made and, therefore, you cannot ask that the amendment not be debated. What was the next one, Deputy Taylor?

Deputy Taylor: 24(4), sir.

2165 **The Bailiff:** 24(4), well I will have a look at the wording first. Can I invite those Members who support debate on Amendment 2 to stand in their places because it depends on the numbers that get up. It is clear, therefore, that more than 7 Members support debate on Amendment 2 and, therefore, it will be debated.

Now, who wishes to speak in debate on Amendment 2?

Deputy Gollop.

2170 **Deputy Gollop:** I am actually to a degree quite sympathetic to this amendment, although Jersey have perhaps pulled us up on it.

2175 It requires quite a bit of thinking about because Deputy Vermeulen frequently says – and I know he is a business friendly Deputy, and various points have been made by himself and Deputy Mahoney already, that some of the smaller businesses in Guernsey are struggling. As

I always predicted, there are downsides as well as upsides to the secondary pension because the secondary pension has proved to be an additional cost for business, and indeed the voluntary sector. The costs we put on do create issues.

I suppose some employers who have replied to us have made valid points about the fact that younger people are sometimes less skilled and need to be trained. I also think there is an interesting argument being made that perhaps it will weaken the number of part-time young people working. That seems to have diminished slightly, the number of people who do holiday jobs and Saturday jobs, and we possibly need to research the reasons why. But I am still reluctant to support it because I think firstly we need more of a corporate employment and anti-poverty strategy.

The second issue, which is a bit more complicated, is I do not think we have a problem with employment on the Island. We may have sections where we could expand the workforce through childcare or whatever, but we actually have particularly low unemployment. Sometimes in my long stint on the Social Security Board I could see on Wikipedia that we had about the lowest unemployment in the world. So the idea that this puts off employment is difficult.

I would have thought that one of the problems we have had with delivering housing this term, and other projects, is a shortage of capacity in the building sector and so if there is talent around, even younger apprentice talent, I would have thought that they would be lapped up. I would also suspect that in many cases older workers would retain the differential with their younger colleagues, simply because they would be worth more and they would demand and get a higher market rate.

So I do not quite know what the policy is. I think I could have tilted to supporting this if I had been a bit more successful on the P&R in an earlier iteration, because the Policy Letter gives an option of £12.60 or £13, and I was in the Sir Bruce Forsyth category of, 'Higher, higher, higher' all the time. But that was not where the consensus on the Committee was, or the economic advice. But if we had indeed gone for a greater rise in the adult minimum wage, and as Deputy Le Tissier perhaps wisely observed, had matched Jersey, and indeed one of the employment organisations – I do not know if it was hospitality or Chamber of Commerce – appeared to suggest that we should be competing with Jersey and not a race to the bottom. Had we done that the argument for a bigger gap between lower paid workers and the adult workers would have been stronger.

So I will await with interest the rest of the debate but, as some of my fan base appear to be the younger people of Guernsey – perhaps surprisingly, despite my age – I feel I should be a champion for them to attain high enough earnings, especially as some of them cannot live at home for various family or other reasons and need to pay cost of living in the community.

The Bailiff: Well, Members of the States, we will now adjourn until 2.30 p.m.

*The Assembly adjourned at 12.32 p.m.
and resumed its sitting at 2.30 p.m.*

**Amendments to Statutory Minimum Wage Arrangements
to Come into Force on 1st October 2025 –
Debate concluded –
Proposition Carried as amended**

The Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, sir.

Deputy Kazantseva-Miller said in her opening speech that the difference is too narrow. I agree with her; it should be tiny. It should be 5% or perhaps even 0% between the adult minimum wage and the under-18 minimum wage. Because imagine the situation, we give 16-year-olds the right to

vote, we give 16-year-olds the right to marry, so why not give them an adequate wage? It is a good job that age is not a discriminatory factor yet because we could be discriminating against them.

2220 Some 16-year-olds – some, not all – have to provide for the family, or even if they are on their own because of family circumstances. So, again, they should be able to stand up on their own two feet and we should be providing for that. I maintain that 10% is a change, and we did change it and it is in this case adequate, but I would much prefer to see it go back to 100% and have minimum wage for everyone rather than any differentiation, so I will not be supporting the amendment.

2225 Thank you.

The Bailiff: I have just had a quick look around. Welcome to the two Alderney reps. Would you both like to be relevéd?

2230 **Alderney Representative Snowdon:** Yes, please, sir.

The Bailiff: It is nice to see you.

Alderney Representative Hill: Yes, please, sir, thank you.

2235

The Bailiff: I am coming under some pressure here to see whether or not I am minded to allow you to remove your jackets. (*Interjections and laughter*). On that basis I am almost tempted to say no, but this is Guernsey's summer so if you want to make the most of it and remove your jackets then you are free to do so for this afternoon only. It is almost tempting to say that you have got to have a long-sleeved shirt on.

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Deputy Blin.

Deputy Blin: Thank you, sir.

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I do not have the same point of view as my colleague, Deputy Gabriel, because what we are trying to achieve here and what Deputy Kazantseva-Miller is looking at, is in effect the principle behind the different wage levels, which is simple and fair. Wages should reflect skills, experience and contribution to the workplace.

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Younger workers – and I do not know if I have to declare an interest with two young, teenage children – they need experience and we need bosses to want to take them on to give them the chance. Many of these young workers are still in education, just starting their working lives, and it gives them experience for their future lives post-studies. Typically they do have less experience and they will require more training and supervision. The work is valuable but it is not the same as that of a fully trained, responsible adult worker and, therefore, it is reasonable that their pay reflects this difference.

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Also we have got to be careful not to create barriers for young people trying to enter the workforce. If businesses are forced to pay young, inexperienced workers the same as adults they will just stop offering the opportunities. We risk increasing youth unemployment, making it even harder for our young people to gain that experience they need to build a successful career later. A lower starting wage encourages the businesses to take the chance of the young workers to offer their first foot in the door.

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Let us also take the financial realities. Most under-18s do not yet face the full cost of adult life. They are generally supported by their families and their earnings supplement education or their savings, and the adult minimum wage is designed with the pressures of independent living, the rent, the bills, the dependents. It would be wrong to pretend that the financial needs of a 16-year-old are the same as a 24, 25-year-old.

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Then think of the further economic impact; the small businesses often provide the first jobs for young people (**A Member:** Hear, hear) and I will challenge anyone here who has not had that chance to have that first job to get them trying things. It is not only the skills, it is the ethic and the responsibility. Forcing that wage equality will put those roles at risk, and even lead to the job cuts

2270 of them, so fewer opportunities, or higher prices to the consumer which we are trying to not do. This would not help the young people; actually it would hurt them. Finally, it is not about pretending everyone is the same, it is about recognising and respecting the differences, and a fair system that acknowledges that young workers are at the beginning of their journey, and helps them to start it without setting them up to fail.

2275 So I will very much endorse and support Deputy Kazantseva-Miller's amendment, and I do hope others will as well. I will ask you finally to all check, to keep these opportunities alive, ask yourselves, did any of you here not start off doing little jobs, work, to give you that experience?

Thank you, sir.

2280 **The Bailiff:** Deputy Cameron.

Deputy Cameron: Thank you, sir, I will keep this brief.

I will be voting against this amendment. Let us be clear; many people earning minimum wage need to claim income support just to survive. We have heard Members defending these businesses and their tight profit margins, but I have not heard anything to justify paying minimum wage. As 2285 others have stated, the taxpayer is subsidising businesses that pay minimum wage. We are, in effect, propping up unsustainable businesses; businesses that rely on the public purse to make up the difference between poverty and basic living standards.

This amendment would widen the gap even further for young workers. It proposes freezing 2290 young people's minimum wage at 80% of the adult rate. But under-18s in work are far less likely to be claiming income support. Increasing the gap hits them much harder. For a 16 or 17-year-old trying to afford transport costs, lunches, and saving for further education or housing, every pound counts. Instead of giving young people a fair start and valuing their contribution this amendment effectively says, 'You are worth less than a person slightly older than you.'

2295 We have been told by Members that this will help younger people getting valuable skills they currently lack, and make them more employable. But school leaver destination data completely contradicts that narrative: 16-year-olds are being snapped up by local businesses. We should not be making it harder for younger people to find their financial footing, especially when the rest of the system expects them to act like adults when it suits.

2300 If we want a thriving economy we should be supporting our workers, not encouraging business models that depend on taxpayer subsidies, and driving down opportunity for the next generation. I urge Members to reject this amendment.

Thank you.

2305 **The Bailiff:** Deputy Dyke.

Deputy Dyke: Thank you, sir.

In answer to Deputy Blin's question, I started work at 15 doing an evening Saturday job at a petrol station in Poole with a starting salary which for some reason I remember – having forgotten 2310 most things – at 34 pence an hour. The guys at the petrol station who were older than me earned more than that, which I always thought was a bit off but never mind, that was the way it was.

The thing about a minimum wage is that it limits the capacity of an employer to do a deal with his employee in circumstances where they want to do a deal. With the youngsters of 16 and 17, often they are not very good to start with, they do not contribute a lot, and I have spoken to 2315 contractors who have said to me that their actual contribution is negative because the contractor has to put one of his more senior guys aside to look after the youngster to train him up, and he is then made less effective in what he does. So in some circumstances you can actually have a negative contribution.

To allow the employers and the young employees to have a bit of flexibility makes sense in terms of giving more opportunity to bring youngsters forward. It may well be that after a few months they 2320 are contributing, and that is fine and the employer will put the salary up. People tend to do that.

We are not living in a time of top-hatted capitalists trying to screw down the poor, we are not in that situation. Most of our employers are quite reasonable and sensible. To me it makes no sense to limit the flexibility of bringing on youngsters, training them up in a way that is economic. If it is not economic for the employer then he will not do it.

Not all of our firms are very profitable. Some are quite marginal. I agree with the point that we need a minimum wage, and I agree with the point that several have made that we should not have wages so low that effectively you employ people at a low salary and then they have to have income support. It is slightly different though for 16 or 17-year-olds who just need to get started. They may not have done well at school, they need to go out in the workforce, they need to get started, and I think we should allow that to happen and not restrict that happening. It is better for all youngsters if they are not going to be in school to get out and get a job and not hang around. We need those jobs to be there and to do that they have to be economic.

Deputy Kazantseva-Miller's proposal is perfectly sensible to me. Also bearing in mind that a lot of these youngsters are still going to be working at home; Mum and Dad are going to be providing the housing and the utilities. Certainly that was the case with mine. I would say that this is a sensible amendment and it should not be portrayed as a cruel, nasty amendment. It is an enabling amendment to enable people to get started, so I think it is a good idea and we should vote for it.

Thank you.

The Bailiff: Deputy Bury.

Deputy Bury: Thank you, sir.

As the I think only dissenting voice on ESS that the minimum wage for young people is 90%, I definitely will not be supporting that it goes down to 80%. I do not know if everybody remembers, but we would like young people to stay here, and I am not sure the message we are giving out right now is really encouraging that. But, yes, we really need young people to stay and also I am not sure if everybody remembers that it is really hard for young people to save for a deposit for a house as well.

But what bothers me most about some of the commentary that has just come out in Deputy Dyke's speech recently, Deputy Blin; it feels like it comes from a standpoint of privilege, of the assumption that all people who are 16, 17 are working just nice little part-time jobs for a bit of pocket money while Mum and Dad look after them, and that is not always the case. I am not going to give way, sorry. I do not have to.

I would recommend that Members have a chat to Action for Children, a charity locally providing flats for homeless young people who are currently having to build several more because they are always full. It is not the case that all young people in Guernsey are being well looked after by their families and not having to stand on their own two feet. Also I think it is really broad and sweeping just to assume that every young person is going to be of less value and every older person is going to be of more value. That really is not the case. There are plenty of lazy older people around. There is always going to be in each category some people who are energetic, enthusiastic, ready for the grind, and some people that are not. I do not think that age has much of a bearing on that.

Another point, I do not think that this argument carries weight about people not employing young people, businesses not employing young people because of the minimum wage, because that is another thing that I think has been forgotten. I thought we were desperate for staff.

So like I said at the beginning, I actually do not believe that there should be any differential between the minimum wage, so I would much rather keep it at the 90% it is now than go even further along and give even more of a negative message to the young people of our Island.

Thank you.

The Bailiff: Deputy Vermeulen.

Deputy Vermeulen: I am not coming from a point of privilege but from somebody who started work two weeks before his 16th birthday. Yes, that was an apprenticeship, slightly different to what we are talking about now, but it was full-time employment.

I am sure we can all remember our first days on any job, be it a holiday job or an apprenticeship, our first day of work. The fact is I needed an awful lot of supervision if I was to become a carpenter, joiner, which is what I wanted to be back then. *(Laughter)*. All apprentices have the same thing, so you have a sliding scale going up, but there was no starting at 90% of an adult's minimum wage, none of that malarkey. In actual fact, back then we did not have a minimum wage and we were doing rather well. But anyway. I think my first wage was £13, but that is not an hour, that is for the whole week. But you were earning the money.

Now, spin it forward a few years and I have got grandchildren who are looking to find jobs in the school term time, but those jobs are pretty scarce to find. Pretty hard to find an employer that will employ somebody, paying them 10% less, instead of taking on the adult. They are taking on the adult. So in a way you are discriminating against young people by keeping that in. There would be far more jobs for youngsters – and remember, it is not a maximum, it is a minimum wage, it is a starting point – available on the Island, which is what we really need, employers have told us this if it was at 80%. They support this on the buildings sites and retail; it is supported.

There is none of this coming from a point of privilege; it is very important. I have employed young people myself. I have people from colleges with no practical experience at all, and yet they learnt really quickly. As they improved they got paid considerably more. They might be limited, they might be 16, but some of them were getting full pay of an adult and even more. They were that good, they were that polished, they were that keen to work and assist.

So I do not think the world is going to cave in if you vote for this. I think you should vote for this. I think we are discriminating against young people by making it too close, and if you get minimum wage, if you do not listen to what employers tell you – and that is why we are here with this amendment – you run the risk of less jobs being available in Guernsey and possibly businesses even shutting up shop. That is the risk that you are dealing with.

Do not do the wrong thing, do the right thing, support this, vote with me, and Guernsey will be a far better place.

Thank you.

The Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, sir.

I have listened to the debate and I think there are actually good points on either side. I think there is a good case for having a discounted rate for young people to enable more employers to be able to take them on. I think it is an argument that is balanced finely either way, but I did look up the UK minimum wage rates, and I saw that starting April 2025 the adult minimum wage is £12.21, so that is similar to our rates that are proposed here, but the wage for people aged 18 to 20 is £10, and for under-18s it is £7.55. That is under-18s and apprentices; there is a separate wage for apprentices in the UK.

I do not think that is necessarily an attack on young people. I think that is a mechanism to try and get more jobs available for young people. For that reason I think there is a good case for having a larger differential to encourage more jobs to be made available for people. But if the President when he sums up could answer my question, which is why we currently have such a small margin between the adult rate and the young person's rate compared to the UK when, as I say, the UK rates are considerably less.

Thank you.

The Bailiff: Deputy Inder.

Deputy Inder: Only briefly, sir.

2425 I will of course be supporting the amendment laid before us, but just to put some perspective into this; the minimum adult wage in 2019 was £8.10, and we are now heading to a 60% increase in five years. The minimum young person rate was £7.50 in 2019, and we are now heading towards a 56% increase. Some of the stuff I have heard from some Members, they have clearly never employed young people. One Member asked whether we speak to young people. Well, I do every day, I have got two daughters, both of whom have been working since they have been 14.

2430 It is true in the first part of this debate that the consultation that went out generally did not have a huge view on the minimum wage for the adults or the child; that is true. But the one that is significant is the Jersey Retail Group; one of the biggest employers of our young people in the Island. It is unlikely that members of the Chamber of Commerce would have such a grave view, given the profile of the businesses that they represent, so I am just going to read something. I doubt it is going to change anyone's vote because we are hearing things about, 'How are 16-year-olds going to save for a house?' Well, my 16-year-old and my 18-year-old are going to be living with me probably until they are about 28 at this rate, so I do not understand the argument.

2440 Now, quite clearly this is entirely about politics and not business, it is about messaging out, certain people want to say certain things and it certainly does worry me that people who have never employed, never been in business, are telling people what businesses should do. I will refer to Deputy Vermeulen. I do not like going too far back in history, and I cannot go back as far as him, but back when we were growing up there was just more manufacturing. There were more greenhouses. There were more opportunities. The opportunities for children to actually get out from the culture of the family and public face and that experience is actually quite limited.

2445 Nowadays certainly elements of retail – my daughters have both worked at M&S and the Co-op separately, and they have also worked at some of the kiosks. There have been changes, and I have seen the changes in them. Once they get out of the confines of the family – which in our case may be a good thing – public facing, be able to serve people coffees, interact with members of the public, it is a completely different experience and it is a step change for them. You can see the changes within five or six months; they change completely. This idea that, well, if you cannot afford them you should close your business; well, congratulations business leaders of Guernsey. That is the message coming from some portion of our States: if you cannot afford minimum wage, close your business. Congratulations. Please put those in your manifestos.

2455 I will read the portion on the young persons' rate from the Guernsey Retail Group and it is a direct quote:

Retail employs a significant proportion of young workers due to its flexible working hours and shift availability, e.g. between 7 a.m. and 9 p.m. seven days a week. Many of these young employees work only a few hours per week, primarily for pocket money and work experience. They often lack the experience to justify earning 90% of an adult wage. Those who demonstrate greater competency ...

2460 and I think it is a reference to Deputy Blin, who himself is a recruiter and actually is in the business, and if he does not employ people he certainly knows how they are employed. So sometimes we should listen to the business experience that we are told is too dominant in the States:

... should indeed be rewarded accordingly because if they are not, they will seek employment elsewhere. That is their right.

2465 So this is from the Guernsey Retail Group. These are people that employ significant numbers of our children. They are effectively saying no one is saving for houses here. It is somewhat rich for any member of ESS to talk about saving for houses; we have not built any in the last five years. That is the actual problem. It is not the minimum wage. But there we are, we are in the election cycle. People have to say what they want here.

2470 So in short, sir, I will be supporting the Kazantseva-Miller and Vermeulen amendment because I genuinely think it is the right thing to do, but that is from the experience of actually running

businesses, having children, knowing the value that the Guernsey Retail Group provides to employing these children, and taking on the sense of Deputy Blin, who again has experience, and those other people who are actually out there doing business.

2475 Thank you.

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir.

2480 I do not know whether the sun has got to me today but I am going to agree with Deputy Inder.
(Laughter)

A Member: Hear, hear.

2485 **A Member:** Sit down. (Laughter)

Deputy Brouard: No, he is absolutely right. We have some very good employers and they actually make an effort to employ some of these young people to bring them on. Not because their business model needs it, they could quite happily employ an adult for it, but they choose to bring on young people to give them that first opportunity, especially in retail, so I totally agree with that.

2490 I think there should be a differential, otherwise why would you have a differential? If you are going to have a differential, let us make the differential mean a differential. The other alternative, to make the gap wider, why do we not increase the minimum wage for adults? That may be the other alternative rather than necessarily trying to close it the negative way round, as it were. So please support the Sasha Kazantseva-Miller and Vermeulen amendment.

2495 Thank you.

The Bailiff: Deputy Oliver.

2500 **Deputy Oliver:** Thank you, sir.

I think this amendment actually goes to the heart of what I have been saying over the last nine years to ESS that we need data on actually how many people are on the minimum wage. I keep getting told it is definitely coming and it is definitely coming and it is definitely coming, but we still do not actually have it. I think this would actually be a clear indication of how many youngsters actually go for minimum wage jobs. Because most employers do not actually pay minimum wage, so I think it is this whole thing that we are getting almost our – I do not know if I am allowed to say it – knickers in a twist (Laughter). Sorry, sir. By the face I am not allowed to say that. Getting a bit confused.

2510 I just think that actually if this is the way that I know I am quite happy with this amendment, but then I also think that there is a double-edged sword to everything. I know when I was a youngster and I was being paid less and probably doing a bit more work than the older members of staff, I was a bit more frustrated. Then also, looking back at it, they knew a lot more of it than I did at the time. I always thought I knew better but actually I probably did not. I think that goes to a lot of youngsters.

2515 So I think if this actually encourages people to employ youngsters, then it can only be a good thing because I know how difficult it is at the moment trying to get a job, even sending your CV in. A lot of companies have so many CVs come through they are not even reading them all because there are just hundreds for that one job. I think it is really important we try help this sector as much as we can.

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The Bailiff: Deputy Taylor.

Deputy Taylor: Thank you, sir.

2525 Sir, it is interesting hearing about people's first jobs and their low rates of pay. My first job was actually with a blacksmith. It was hot, gruelling, manual work and when he told me it was for just £3 an hour I made a bolt for the door. *(Laughter)*

2530 On that point, I will be supporting this amendment but I do feel that the horse has somewhat bolted in this particular area, yes. The current young persons' wage of £10.80 in my view is prohibitive to employing some 16-year-olds. Not all of them but some of them. It is a point I have made consistently over this kind of debate over the term that by having to pay these young people a higher rate, it limits your ability to pay the good ones at a better rate. So you could have had a really good 16-year-old that you could pay £11 and that would be subsidised by a lower rate for a 16-year-old who was slightly less able. Just because the horse has bolted does not mean we cannot still try and run after it and catch that one, so that is why I will be supporting this amendment.

2535 I do have a slight concern, which I had sent a note to Madam Procureur and I think she was just turning round to reply before I stood up. It is something I did raise with Deputy Kazantseva-Miller before she actually lodged the amendment. It is about the actual wording and the effect it might have. Because the current minimum wage for 16 and 17-year-olds is £10.80 but if this Proposition went through to become a substantive Proposition and was accepted and the direction was that the young people's minimum wage should be kept at 80% of the adult minimum wage and the adult minimum wage is then adopted at £12.60 –

Deputy Roffey: Point of correction.

2545 **The Bailiff:** Point of correction, Deputy Roffey.

Deputy Roffey: There is no direction in the amendment that the young persons' minimum wage should be at 80%, just to ask ESS to consider it.

2550 **The Bailiff:** Well, I am not sure I quite agree with that on the basis that it says it is to direct them – well, it does say to consider, yes. Madam Procureur, we will come to you in a moment, but Deputy Taylor to finish then.

2555 **Deputy Taylor:** Did you call me back, sir?

The Bailiff:
Yes.

2560 **Deputy Taylor:** Sorry.

Okay, so the 'consider' I suppose is a pretty key part. It just undermines the whole thing, does it not? Well, yes, I will support it anyway.

2565 One point that I did want just to clarify then, and I suppose Deputy Roffey would be best placed, we talk about the top-up from income support. I just had a quick look and one of the requirements for income support was being over 18. So what benefits can people under 18 be getting topped up with? There might be other benefits that they would be eligible if their wage was not sufficient to cover their costs, just if he could cover that off. Yes, I think that is all I can really contribute and I will sit down.

Thank you.

2570 **The Bailiff:** Madam Procureur, you were going to advise the Assembly as to the issue that Deputy Taylor has raised with you. Are you able to do that now before we move on to the next speaker?

2575 **The Procureur:** Sir, if I had understood the point correctly, it was exactly as Deputy Roffey interjected. It was simply that this Proposition would not have the effect of changing the regulations

currently before the States because the amendment would seek consideration of the 80/20 change. If approved by the States, it would not alter the effect of the current Proposition 1, which is to approve the regulations in their current form. So, therefore, it would not effect that change immediately today.

The Bailiff: But it would potentially bite if this amendment were successful and then approved substantively on the next set of regulations to be made under the Minimum Wage (Guernsey) Law, 2009?

The Procureur: Potentially, it would, but my reading of this is not that it would fetter the discretion of the Committee. They would only be obliged to consider it and they may decide not to do that.

The Bailiff: Okay.
Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

Like Deputy Inder, I have employed many people over the years, be that people under 18 and over 18, and, in fact, walking through town today on the way to lunch, a guy walked past and his name is Chris. I will not go any further than that. He came to work for me when he was 15 years old as an apprentice carpenter. At that time I had three, four, five qualified carpenters and he was up there with the best of the qualified carpenters I had at 15 years old. He was quite a big lad and he was quite physically strong and capable, and he was really good at his job. I have had tradesmen that have been 25, 30, 40, 50 years old that have been completely the reverse. Is it just me that has sensed the irony that we have age discrimination legislation on the Order Paper coming on a little bit further?

When I first read this amendment it did not really spark anything in me, and when I read the letter of comment from the GBTEA I was actually quite surprised; I really was. I am not going to dismiss what they said because clearly this has come from them. If they have consulted their members I have no idea, but I speak to people regularly in the construction industry and this, as an issue, has never been flagged with me; never. The differential between the young persons' minimum wage and the minimum wage has never once been raised with me. So for them to say that they strongly support the thing, it is just really odd. It is at odds to me. I would have thought, bearing in mind that I have had a lifetime in construction and most of my friends are in construction and I speak to them on a regular basis, and clearly because I am in the position I am in they will tell me what their problems are. This has never been one of them. This is what I really cannot understand because the information in front of me is saying that this is a big deal for construction, but the people in construction are not raising it as a big deal.

So I am stuck, really, because I do not think this 18 years old – once you get to 18 you are suddenly worth that extra £1.25. It is quite strange actually because under the previous amendment 60p was too much of a change. Now £1.25 is not enough. This is coming from the same people supporting both of these amendments and bringing both of these amendments. I was confused about it because if it passes, it passes; if it does not, it does not. I do not think it is going to make a massive difference, but we have to consider the people that – I left school at 15 years old, same as Deputy Dyke. I went straight to work for my father. I started an apprenticeship as soon as I could in the September. I was earning £1 an hour so it was £40 a week. I was taking home £39 a week because I was not earning enough to pay tax but I had to pay £1 social security. In fact, at that time when I first went to college Deputy Vermeulen was teaching me practical. (**A Member:** Hear, hear.) That is probably why I am no longer in the job. (*Laughter*) So we are cut out of the same cloth. We have been through the same thing.

We speak to the same people and this was just a surprise to me because nobody in the industry has mentioned this as a problem. I have friends and we all have friends. I left school at 15. I have

friends either quite considerably younger than me. One in particular, he has worked in the fishing industry all his life. He did not really get on with his mum. He was brought up by his grandmother. He left school at 15, had to go out, had to get himself a flat, had to do everything that everybody over 18 had to do and has still got to do that to this day. There are people below the age of 18 years old that have far more responsibility and far more to outlay each month than many of those over 18. Deputy Dyke spoke about his kids but not everybody's dad is an advocate. This is the situation we are in. So Deputy Dyke can speak about his personal situations; I can talk about mine. Everybody around here has personal situations and everybody out there listening has their own personal situations, and none of them are the same.

To be honest, if this passes it is not going to be the end of the world. I am not going to die in a ditch about it. When I first read it, I actually saw a bit of sense in it, but giving it some thought and thinking about conversations I have had over the years and certainly since I have been in this job, nobody has raised a red flag that this is a serious problem that we need to address. All I can think of is the anomalies – not the anomalies but the people that maybe are not considered in this debate, the people that are below the age of 18 years old, the people that have to pay their own rent. They have to pay their own transport. They have nobody that they can fall back on, apart from income support. So unless I can be convinced otherwise, I will not be supporting this amendment.

Thank you.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

Most of the arguments have been made so I will keep my comments brief. The first one is someone mentioned apprenticeships, but the minimum wage does not actually apply to apprenticeships, so that is a moot point.

Some of the arguments have been based on this idea that we have a big youth unemployment problem, and certainly there is no evidence of that at all. There is none in the official statistics. I cannot think anecdotally in my experience, and I have children in their teens. There does seem to be a fair range of options out there for young people.

So it is a bit perverse anyway to talk about incentivising work for young people by paying them less. I have always really struggled with this particular issue on the Committee because, at the core of it, it does feel unfair that if someone is doing the same amount of work and putting in the same effort as someone who is a few months older than them, they should actually just be getting the same. We are not comparing necessarily the wage of someone who is 16 with someone who is 36. This is sometimes the difference between someone who is 17 and someone who is 18.

I do think it is important to bear in mind the points that Deputy Bury and Deputy Cameron and Deputy Gabriel and Deputy Leadbeater have made that the minimum wage is there to protect people and enable them to get a minimum level of income for the work that they do so that they are not exploited. It is easy to think of young people on the minimum wage as those living at home who have those support networks, but I think it is really important to remember that not everyone does. As Deputy Leadbeater most recently has pointed out, some indeed have a responsibility not just to support themselves. I think it was Deputy Gabriel earlier pointed out that some actually have got to support their families as well. Certainly, I know young people who are younger than 18 who are in that very position, so I do think it is important.

Deputy Oliver talked about the data. This has been my grumble for nine years actually. I am like a broken record on it. We will have that data finally in 2026, so we will have that data when secondary pensions has been bedded in. So by 2026 the States will be able to get their mitts on that data. Until then we just did not collect how many hours people are working, which is why you cannot necessarily figure it out.

Really, the final point that I wanted to make is that it was actually this Assembly that voted on the 90% as it currently is. That was in 2022. So it was a decision, a specific decision, a specific Proposition, a specific vote taken by this Assembly who actually set the policy at 90% of the adult

2680 minimum wage. Deputy Roffey is quite right. What this amendment would do if successful and if the substantive Proposition is carried, it would direct the Committee to consider it, which I am sure they would.
So, thanks.

2685 **The Bailiff:** Alderney Representative Hill.

Alderney Representative Hill: Good afternoon, sir.

It might seem a little odd that I am speaking in this debate because, in fact, in Alderney we do not have a minimum wage. (*Interjection*) In fact, part of my speech about this is that we would like to follow your legislation because one of the original reasons for introducing minimum wage in Guernsey was to avoid the Government subsidising businesses who paid wages that were insufficient to cover a person's living cost.

A lack of minimum wage in Alderney has meant that the States of Guernsey has effectively been subsidising those Alderney businesses who pay low wages by topping up their living costs via social security insurance payments. This is something that obviously we really do want to reduce costs of transferred services and, therefore, we would like through this Assembly to try and ensure that the proposed legislation is enforceable in Alderney.

The principle has also seemed to cause concern and it would be more straightforward to treat Islanders equally if there was also a minimum wage in Alderney. Minimum wage is essential, encouraging employment, and would ease the burden on income support and, by extension, effect savings on the transferred services.

It is not currently known whether employers in Alderney pay minimum wage and it is important that we engage with our community –

2705 **Deputy Inder:** Point of order, sir.

Alderney Representative Hill: – to understand the cost of living.

2710 **The Bailiff:** Point of order, Deputy Inder.

Deputy Inder: With great respect, Mr Hill has just come into the Assembly having been a bit late. I do wonder if he is talking to the amendment or probably something for general debate. Because I have not heard him talk to the amendment as yet.

2715 **Alderney Representative Hill:** Well, in that case thank you.

I would like to say that we would support this amendment because we also have quite a lot of seasonal workers that come in the summer, especially in the summer, to do jobs and it would definitely encourage employment. At the moment we do not have a minimum wage and we are asking here for people please to try and get the Civil Service together to make sure it is enforceable in Alderney.

Thank you.

The Bailiff: Deputy Haskins.

2725 **Deputy Haskins:** Thank you, sir.

A bit like Deputy Oliver, really, what we are doing here is in a vacuum of evidence. (**A Member:** Hear, hear.) That is the problem. So what it feels like to me, sir, is it is a bit of a finger in the air. What does it feel like? Should it be 80%, 90%, 100%, or zero as Deputy Gabriel said? UK, 27% difference; Ireland it is 70%; France, 85%; New Zealand, 80%; Netherlands, 80% for 20-year-olds; Canada, there is no difference. So there are the options.

Like Deputy Blin said or Deputy de Lisle, we have heard from other Members who were talking about the exception to rules, those who actually have to pay for all the things that a traditional adult would, but generally speaking there is a reason why we have two different levels. There is a reason for it. It is to do with the lack of experience, the skills, the training needed, the investment that businesses do, that businesses put in, the limited financial responsibility that they have, the impact on schools, etc.

One thing that I would raise is – and it is more of a general point – with a higher labour cost it is an incentive to businesses to automate. Now, some Members will understand what that will mean to employment generally, but that is the way that the world is heading. Everyone needs to be sure that this is just an extra step towards it.

Sir, I will not carry on. What I will say is that I do support the principle of having both an adult and a young persons' rate, just like most countries, and so I shall support this amendment.

Thank you.

The Bailiff: Deputy Trott.

Deputy Trott: Sir, I shall speak very briefly but seeing as it has been an hour of anecdotes I will tell one or two of my own. My first job was picking tomatoes, which ended unceremoniously when it was discovered that I am red/green colour blind. *(Laughter)* It is a true story. I thank Mr Harry Tisseaux OBE, as he became, for ruining my career aspirations as a naval pilot, but there we are.

Now, my second job was also an unmitigated disaster, sir, and in fact it was around that time that *(Laughter)* – wait for it. It was around that time that people asked if I might consider politics as an option. *(Laughter)*

Anyway, we are where we are with this, but I would ask Members to bear in mind that we have virtually full employment. That must be a factor in a discussion of this type. It seems to me that our colleagues on ESS have got this, as they so often do, about right. They may be painted by some as being less socially aware than some of us and possibly even left-leaning, but I do not regard them as such. I think that they have done a pretty good job over the duration of this Assembly in getting things about right. Today, as I say, is in my view no exception and as a consequence I will not be supporting the amendment.

A Member: Hear, hear.

The Bailiff: As I do not see anyone else rising to speak in debate on Amendment 2, I will turn to the President, Deputy Roffey, if he wishes to speak on Amendment 2.

Deputy Roffey: Thank you, sir.

I will start by being slightly tangential because I am not quite sure that Alderney Representative Hill's contribution was focused on this amendment but it was made during debate on this amendment and he may be encouraged to know that we are at ESS very supportive indeed of Alderney bringing in minimum wage. The issue was the enforceability. We have asked the tribunal and the officer in charge of the department whether they would be willing to actually serve in that role of enforcing the Law in Alderney. We have had a positive response and I have written back very recently to the authorities in Alderney. So hopefully that can roll out really quite quickly now.

Coming back to the specifics that we are talking about in this amendment, listening to the debate it was easy to think that somehow there was a real issue with 16 and 17-year-olds struggling to find employment in Guernsey. I have to say that is absolutely the opposite of our experience; absolutely the opposite of our experience. We do not believe that that is a particular issue at all. Also, the business community generally were very worried about the narrow gap between the adult and the young persons' minimum wage. In a widespread consultation only three consultees mentioned this, one of which was very keen that we should equalise it, the Bury approach – it was not Deputy Bury

that was consulted, by the way – and two felt that there ought to be a larger differential. But the vast majority simply did not raise this, as Deputy Leadbeater said, did not see this as an issue at all.

2785 The other thing I would say is there is no exact science in determining what percentage a young persons' minimum wage should be compared with an older persons' minimum wage. You can certainly argue a per cent. I think the States has said it is 90%. This amendment asks a future ESS to consider whether or not to move to 80%. I think a sophist could argue it every which way. Certainly, the idea that the reason for a bigger differential is that some people need training on the job, well, 2790 that can be true of somebody in their 20s and 30s who changes employment. In fact, I reckon if I came back to this Chamber in a couple of months' time, there would be quite a few people that will need to do some training on the job, that will not be the finished article, that will still need to learn how to ply their trade. I think if we suggested that actually new States' Members should somehow be paid 20% less than old ones because they were not so productive from day one we 2795 would get some negative feedback.

Deputy Blin: Point of correction, sir.

The Bailiff: Point of correction, Deputy Blin.

2800 **Deputy Blin:** The example that Deputy Roffey is giving should be around base minimum wage, but the Members of the future Assembly, that is about experience and job, etc. So it does not work.

The Bailiff: Deputy Roffey.

2805 **Deputy Roffey:** The point I was making was about whether or not people new and needing to learn, to train, are inherently worth less than people who are more experienced. The point is here I think the minimum wage is very largely here to protect people in a very expensive Island who have costs. If they are working particularly full-time – and this is not just about people working during the school holidays and working at weekends. We have a school leaving age of 16. People are 2810 perfectly free to leave school at 16 and very often have to either fend for themselves or certainly be a major contributor to their family's expenditure.

Deputy Aidan Matthews asked why 90%; why so close? The policy of this Assembly was that the two should be equal. I was a member of the ESS that actually recognised that there might be some 2815 benefit, a slight differential, for some of the reasons that have been said and this Assembly set it at 90%. Jersey have gone from having a young persons' minimum wage to equalising it. I thank the President of P&R for thinking we got it about right. I think we have. I think we are taking on board the fact that it is probably very unfair on a 17-year-old who may have been working for the same employer already for a year in a relatively unskilled job and is working just as hard and just as 2820 productively as the 19-year-old, but we did recognise that on average people coming into the workforce at 16 or 17 probably need a bit more oversight and a little bit more training in most circumstances than their older colleagues. So hence the 90%.

It is almost irrelevant how we vote on this because it is asking a future ESS to consider something. I think a future ESS will consider all aspects of the minimum wage from square one anyway, 2825 particularly when they are going to have data for the first time that we would have loved to have had. It is not for us to produce it. It is a not entirely a different department that produces it on how many people are actually on minimum wage in various categories. So I suspect whether this amendment goes through or not a new ESS will put their thinking caps on and decide where they want to go generally with the adult minimum wage, the young persons' minimum wage and everything else. I do not want to actually send out the signal that we ought to move to 80% because 2830 I personally believe 90% is about right. I do not believe there is a problem. In fact, I know there is not a problem with a deficit of jobs for people in that age category. We know that for the vast majority of consultees this was not an issue, so I am not sure what problem we are trying to fix here.

2835 **A Member:** Hear, hear.

The Bailiff: Finally, I will turn back to the proposer of Amendment 2, Deputy Kazantseva-Miller, to reply to the debate, please.

2840 **Deputy Kazantseva-Miller:** Thank you, sir.

I will start with Deputy Roffey's mention of what problem we are trying to solve and that during consultation only two respondents mentioned the young people's age. I think that is quite important. The fact that there were not others, they actually did not either confirm or deny, so they did not come positively for or against the young people's wage. I have gone through all the consultations right now. The two consultees who do mention very specifically, and as we said they are the ones who are likely to employ the young people, they came strongly. This is the construction industry and the Guernsey Retail Group. I have checked again through all the respondents. There is no reference to the young people wage, either supporting or against that, because my assumption is that it does not affect them because those industries, those respondents, do not employ young people.

2850 So it is not an issue for them but it is clearly an issue for other industries who have come forward to us to say, 'We have consistently told you over the several years that it disincentivises businesses from employing young people.' Deputy Haskins is absolutely right. The whole problem with minimum wage setting is that we are completely still operating in a complete data vacuum, and so everything is just an assumption. Whether we get it just about right, as Deputy Trott says, or whether we do not, actually we do not know. What I do know is when I read the business responses and they tell me black and white, 'This differential disincentivises our members from employing young people' I take it very clearly as evidence that tells me if we had a different differential it would give them a high incentive to employ young people.

2860 I think going back to whether we have unemployment or not, unemployment is only defined when people go and register as unemployed. What we do have across the Island, and I am sure Deputy Roffey and other Committee members would know very well, is we do have a non-participation rate in the economy, and that is quite high for younger people because they are busy doing other stuff, like getting education. Obviously, there is non-participation in others. That is not unemployment. That is non-participation. So no one is saying there is unemployment. What we are saying is that levels of participation to get a bit of skills here and there for seasonal work, etc., is what we are hoping to encourage because the industries that are most likely to employ those young people are telling that to us and have been telling this to us for several years. That has not come out of nowhere.

2870 Deputy Gabriel mentioned that it could be discriminatory to discriminate payment on age, but from memory the age discrimination that is coming to us and that we hopefully will be debating at some point this week I think explicitly carves out that you are able effectively to have that pay differential for younger people.

2875 I think it is really interesting, again back to the data. We seem to be really wanting to be ahead of the pack on the quest to catch up with Jersey, but again data from other comparable jurisdictions very clearly speaks to very different approaches to young people's minimum wage setting. As Deputy Matthews indicated, in the UK the young people's wage is £7.55. This will be 50% lower than the minimum wage that is being proposed here today. In the Isle of Man it is £9.55. It is very different figures. What is also important, in the UK the full minimum wage, adult minimum wage, does not kick in from 18. It actually kicks in from 21, which again I think they are trying to show that there is differential in different age groups.

2880 I think Deputy Blin really explained that there are opportunities for young people at risk, and this is what businesses have been telling us. Deputy Cameron was saying that taxpayers are subsidising businesses not paying enough through income support, but I think as Deputy Taylor indicated, income support is only payable from 18 so it would not be applicable at all in this case.

So I think the scaremongering that the young people's age suddenly will be increasing income support is unfounded.

Deputy Cameron: Point of correction.

The Bailiff: Point of correction.

Deputy Cameron: I was stating there that 16-year-olds cannot claim income support, not that they can.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: I think the key is that if they are unable to get those jobs, there will not be any income. So I think this is really the key. I think the really fine balance is finding that right balance. I think the businesses who are most likely to employ young people are saying the balance is not quite right.

Deputy Inder quoted from the Guernsey Retail Group. Absolutely, that comes from the detailed consultation and he really speaks to that ability to tap into youth employment for those shift jobs, holiday jobs, weekend jobs and other jobs. I think that is really relevant.

Deputy Brouard talked to the differential works both ways. So the older workers that might be just on the minimum wage, experienced, but saying that there is not enough of differential, probably feel equally unfairly treated because they would feel that their wage is too close to the young people's wage.

So I did consult with the Greffier on the wording of this amendment, which is why it is phrased the way it is. I do not know whether we could make the wording stronger to say that is going to be the policy. My reading was that that was the right wording because you cannot prescribe a policy in the regulations. It is a policy that is effectively taken up by the States and strong support for this amendment would clearly indicate the Assembly's preference for the direction of travel for this policy.

Members, it is quite late in the day. I am sure everyone has made their opinions. This is really listening to the businesses that are employing young people, to really support their concerns they have displayed, but this is something that the Committee can consider and I ask the Assembly to support this amendment.

The Bailiff: Well, Members of the States, it is now time to vote on Amendment 2 proposed by Deputy Kazantseva-Miller, seconded by Deputy Vermeulen. I will invite the Greffier to open the voting on Amendment 2, please.

There was a recorded vote.

Not Carried – Pour 15, Contre 20, Ne vote pas 3, Did not vote 0, Absent 2

| Pour | Contre | Ne vote pas | Did not vote | Absent |
|--------------------------|-----------------------|---------------------|---------------------|-------------------|
| Blin, Chris | Aldwell, Sue | Dudley-Owen, Andrea | None | Ferbrache, Peter |
| Brouard, Al | Burford, Yvonne | Snowdon, Alexander | | Le Tocq, Jonathan |
| Dyke, John | Bury, Tina | Taylor, Andrew | | |
| Haskins, Sam | Cameron, Andy | | | |
| Helyar, Mark | de Lisle, David | | | |
| Hill, Edward | de Sausmarez, Lindsay | | | |
| Inder, Neil | Fairclough, Simon | | | |
| Kazantseva-Miller, Sasha | Falla, Steve | | | |
| Mahoney, David | Gabriel, Adrian | | | |
| Matthews, Aidan | Gollop, John | | | |
| Meerveld, Carl | Le Tissier, Chris | | | |
| Moakes, Nick | Leadbeater, Marc | | | |

Murray, Bob
Oliver, Victoria
Vermeulen, Simon

McKenna, Liam
Parkinson, Charles
Prow, Robert
Queripel, Lester
Roffey, Peter
Soulsby, Heidi
St Pier, Gavin
Trott, Lyndon

2930 **The Bailiff:** In respect of Amendment 2 proposed by Deputy Kazantseva-Miller and seconded by Deputy Vermeulen, there voted in favour 15 Members, there voted against 20 Members, 3 Members abstained, 2 Members are absent at the vote, and therefore I will declare Amendment 2 lost.

Which means we have the original Proposition and the three Propositions 2, 3 and 4, inserted by successful Amendment 3, and we now move back into general debate.
2935 Deputy Helyar.

Deputy Helyar: Thank you, sir.

2940 You did unfortunately miss the last sitting of the States but there was quite a degree of backslapping going on for some of the things that we have achieved during this term. I just wanted to commend Members because there has been some discussion in here about how important it is to have a minimum wage. I think that when you add up the total salary that someone on the minimum wage makes in a year, it must be incredibly difficult to survive on such a low amount of money.

2945 Those Members who did vote for the GST-Plus package, and it was a majority, will have voted for a £1,600 pay rise for people at that level. Because that is how much less tax and social security they will be paying. A £30 a week pay rise is what we have given and I think we should be proud of that. I think Members that are still here perhaps after the election that did not vote for it might want to consider that before they lecture anybody about the minimum wage in future. (**A Member:** Hear, hear.)

2950 Thank you.

The Bailiff: Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir.

2955 Just really quickly, and I just emphasise this again, the States of Alderney fully supports minimum wage coming in, but we seem to have been talking about it for literally years and years. So anything we can do with Guernsey to speed that up – I know that some comments were made earlier – would be greatly appreciated. I think politically we are all on the same page with that, but we just need to actually progress it rather than having endless Policy & Finance meetings in Alderney talking about it and just not quite getting there.

2960 Thank you very much.

The Bailiff: As no one else is rising, I will turn back to the President, Deputy Roffey, to reply to that short debate if he wishes to do so.

2965

Deputy Roffey: Well, it was very short. I cannot disagree with Deputy Helyar that the 50% tax band and the much fairer social security contribution system with an allowance will be of great benefit to people on modest incomes. I am a broken record on that, but I also believe that employers should be paying a reasonable minimum wage. I do not think it is an either/or. I think it is both. I think there seemed to be general support for the proposal so I had better shut up before I talk people out of anything.

2970 The only thing I will say for my successors is I think you are going to have an interesting issue next year because I think Jersey will go for a much higher minimum wage. While we do not have to

2975 slavishly follow, one of the first things in the Law that says we should compare with is other territories such as Jersey. But that is for another day. I hope people will pass all of the Propositions today.

2980 **The Bailiff:** There are four Propositions now as a result of the successful Amendment 3. Does any Member wish to vote differently on Proposition 1 to the other three Propositions? No. On that basis, I will put the four Propositions to you collectively and invite the Greffier to open the voting on all four, please.

There was a recorded vote.

2985 *Carried – Pour 37, Contre 0, Ne vote pas 0, Did not vote 1, Absent 2*

| Pour | Contre | Ne vote pas | Did not vote | Absent |
|--------------------------|---------------|--------------------|---------------------|-------------------|
| Aldwell, Sue | None | None | Inder, Neil | Ferbrache, Peter |
| Blin, Chris | | | | Le Tocq, Jonathan |
| Brouard, Al | | | | |
| Burford, Yvonne | | | | |
| Bury, Tina | | | | |
| Cameron, Andy | | | | |
| de Lisle, David | | | | |
| de Sausmarez, Lindsay | | | | |
| Dudley-Owen, Andrea | | | | |
| Dyke, John | | | | |
| Fairclough, Simon | | | | |
| Falla, Steve | | | | |
| Gabriel, Adrian | | | | |
| Gollop, John | | | | |
| Haskins, Sam | | | | |
| Helyar, Mark | | | | |
| Hill, Edward | | | | |
| Kazantseva-Miller, Sasha | | | | |
| Le Tissier, Chris | | | | |
| 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 | | | | |

2990 **The Bailiff:** In respect of all four Propositions there voted in favour 37 Members, no Member voted against, 1 Member abstained, 2 Members were absent, and therefore I will declare all four Propositions as amended duly carried.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

**3. Change to Eligibility Criteria to Receive Family Allowance
and Widowed Parent's Allowance –
Proposition carried**

Article 3.

The States are asked to decide:

- 2995 *Whether, after consideration of the Policy Letter entitled 'Change to eligibility criteria to receive family allowance and widowed parent's allowance' dated 18th March 2025, they are of the opinion:*
- 1. To provide that family allowance and widowed parent's allowance be paid until the last Sunday in July during the academic year in which a claimant's child turns 18, provided that child is receiving full time education and the claimant meets all other eligibility criteria.*
- 3000 *2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.*

The Bailiff: The next item of business, please, Greffier.

- 3005 **The States' Greffier:** Article 3. The Committee for Employment & Social Security, Change to eligibility criteria to receive family allowance and widowed parent's allowance.

The Bailiff: I will invite the President, Deputy Roffey, to open the debate, please.

- 3010 **Deputy Roffey:** Thank you, sir.

This Policy Letter focuses on two very different but in many ways legally co-joined benefits. The first is family allowance, which as Members will be aware is a non-contributory, general revenue-funded benefit. The second is widowed parent's allowance, which by contrast is a contributory benefit available to those who become single parents through the loss of their spouse or co-habiting partner. This benefit is funded from the Guernsey Insurance Fund.

3015 So although they are both quite different in nature, there is a link and the link is that the definition of what is a child under the widowed parent's allowance is in Law the same as for the family allowance. So if you change the definition for one you change it for the other, and that happened quite recently. The last States' Assembly agreed to change the rules around eligibility for family allowance in several ways, and this Assembly implemented those changes towards the start of this term. So now the maximum age that a child can be in order for a parent to qualify for family allowance has gone down. It used to be until the end of the academic year in which that child turned 19 if, and only if, they were in full-time education. Now it stops hard on the child's 18th birthday.

3020 I have to confess I was a dissident on the former ESS in thinking that we were swinging the pendulum too far. I completely agree that the old rule saying that paying family allowance until the end of the school year in which a child turns 19 was probably too generous, but I thought that the obvious answer was to change it to the end of the school year in which they turned 18 if they were still in full-time education. It just seemed illogical to me that if, for example, a child is studying A-levels, or International Baccalaureate if they can, and turns 18 in, say, December or February of

3025 their final year of study at school, we just turn off the allowance on that day, even though they will be just as dependent on their parents as they have been up to that point until they have actually taken their exams.

3030 What it also means is it is a sort of birthday lottery, with some families receiving the allowance almost until the point when their child finishes school while others have it turned off many months earlier, although it is fair to say the counterargument that they all get it for an equal period up to their 18th birthday.

3035 So is this matter coming back before the States just because I thought the previous Assembly got it wrong? Well, no, not at all. I had absolutely come to terms with what I personally thought was

a mistake. No, rather it appeared on my Committee's agenda and radar again due to the linkage of the age limit between the family allowance and the widowed parent's allowance. Someone who is impacted by the cessation of widowed parent's allowance on the day their child turns 18 – and of course that impact is much greater than losing the family allowance, which is relatively small – took their grievance to a tribunal. The appeal was dismissed, as it had to be, on the basis that the administrator had made his decision correctly under the relevant legislative provisions. However, the tribunal did make a number of comments about the appropriateness of the policy and it did cause my Committee to reconsider whether or not the current rule was appropriate.

To cut a long story short, my Committee does not agree with the current rule and thinks that both family allowance and, perhaps more importantly, widowed parent's allowance, should provide financial assistance to parents throughout the academic year in which their child turns 18, providing that the child is still receiving full-time education. That was the principle.

The next question we had to ask ourselves was: could we afford to put this unfortunate situation right? Sir, some context in that respect. The change in the age rule was part of a package of family allowance savings, which aimed at providing funding for a range of paediatric medical services and also enhanced enrichment provision in our schools. That package of savings also involved changing the family allowance from a universal benefit, as it had been up to then, to one with an affluence cap. That cap was initially set at £120,000 annual income for a household but has since increased to £125,000. Of the two main elements that were trying to produce savings, it was the introduction of the affluence cap which was by an enormous margin the main driver of savings. By contrast, the savings that were delivered by the change in the qualifying age was really small beer indeed.

In the event, the savings that we realised in spending on family allowance were actually £400,000 per year more than we had estimated when we put forward the suggestion, so more than enough to fund the new developments in health and education. The reason for that was that more households were impacted by the affluence cap than we had expected. A bit like minimum wage, we were in the dark. We did not know exactly how many households would be impacted, but it was more than we thought. Although the cap has since gone up from £120,000 to £125,000, it has gone down in real terms and, therefore, the number of people impacted has increased yet further. Therefore, the savings have increased, too. Just as well, I know, given the States' financial position.

Against that backdrop, the extra cost involved in implementing these measures before the States today, which is so overwhelmingly morally right, which we estimate to be about circa £230,000 a year from 2036 onwards, will still leave us much more better off than the original estimates.

Sir, of course, it is a judgement call for this Assembly, but it seems to the ESS to be patently the right thing to do, and in particular in relation to the widowed parent's allowance. The widowed parent's allowance is something that people have paid their contributions in order to qualify for. It is something that no parent ever wants to be in receipt of because they are only in receipt of it if they have still got minors when their spouse actually dies. To cut that off at the age of 18 when their child is still in school, possibly doing A-levels or whatever, before the end of the academic year, maybe for six months, maybe for eight months, we think is just patently wrong and we very much urge the Assembly to put right this this historic mistake.

The Bailiff: If nobody wants to speak – Deputy Gollop.

Deputy Gollop: I do not really need to say much because Deputy Roffey has said it all, but I think what it reveals is perhaps the difficult nuances of doing these social policies. Because it struck me when I looked at it – and I cannot remember which way I voted. I hope I voted with Deputy Roffey on the former Committee. But we went from a generous approach to a restrictive and perhaps illogical approach, and now we are widening it in between. As Deputy Trott earlier said, maybe the comfortable middle.

I think it does explore the subtle thinking you need with social policy in order to make things fair and logical. Despite the excellent words Deputy Bury said about young people who have to

3090 work, I think we want to encourage young people to study and stay in full-time education as well. That is important, stay on the Island and get what they achieve.

There is one further point. It is quite interesting that because we perhaps did not increase for inflation the cap, the income cap at the top, we have seen more income coming in than we expected, or at least budget, by restricting family allowance to those most affluent. What that tells me is there are quite a lot of affluent families on the Island, too.

I support the policy.

The Bailiff: If no one else is rising, I will turn to the President, if he wishes to, to reply to that comment from Deputy Gollop.

Deputy Roffey: No, thank you, sir.

The Bailiff: Thank you very much.

In that case both Propositions are interlinked and I am minded to put them both to you together and invite the Greffier to open the voting, please.

There was a recorded vote.

Carried – Pour 31, Contre 0, Ne vote pas 1, Did not vote 6, Absent 2

| Pour | Contre | Ne vote pas | Did not vote | Absent |
|--------------------------|--------|----------------|------------------|-------------------|
| Aldwell, Sue | None | Mahoney, David | Brouard, Al | Ferbrache, Peter |
| Blin, Chris | | | Burford, Yvonne | Le Tocq, Jonathan |
| Bury, Tina | | | Dyke, John | |
| Cameron, Andy | | | Leadbeater, Marc | |
| de Lisle, David | | | Queripel, Lester | |
| de Sausmarez, Lindsay | | | Trott, Lyndon | |
| Dudley-Owen, Andrea | | | | |
| Fairclough, Simon | | | | |
| Falla, Steve | | | | |
| Gabriel, Adrian | | | | |
| Gollop, John | | | | |
| Haskins, Sam | | | | |
| Helyar, Mark | | | | |
| Hill, Edward | | | | |
| Inder, Neil | | | | |
| Kazantseva-Miller, Sasha | | | | |
| Le Tissier, Chris | | | | |
| 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 | | | | |
| Vermeulen, Simon | | | | |

The Bailiff: Now, in respect of both Propositions there voted in favour 31 Members, no Member voted against, 1 Member abstained, 8 Members did not participate in that vote and, therefore, I will declare both Propositions duly carried.

**COMMITTEE FOR HOME AFFAIRS &
POLICY & RESOURCES COMMITTEE**

**5. Nationality Borders Act 2022 and Article 72A of the Reform (Guernsey) Law 1948:
Electronic Travel Authorisation, Visa Penalties & Carriers' Liability –
Proposition carried**

Article 5.

Whether, after consideration of the Policy Letter entitled 'Nationality and Borders Act 2022 and Article 72A of the Reform (Guernsey) Law 1948: Electronic Travel Authorisation, Visa Penalties & Carriers' Liability' dated 21st March 2025, they are of the opinion:-

1. To agree that an Order in Council be made to extend sections 70, 75 and 76 of the Nationality and Borders Act 2022 to the Bailiwick, with such modifications as appear in His Majesty in Council to be appropriate following consultation with the Committee for Home Affairs.

2. To signify their agreement to the substance of the proposed Order in Council entitled "The Immigration (Guernsey) Order 2025" in Appendix 2 to this Policy Letter, for the purposes of Article 72A of the Reform (Guernsey) Law, 1948, as amended.

The Bailiff: Next item, please, Greffier.

The States' Greffier: Item 5, the Policy & Resources Committee and the Committee for Home Affairs. Nationality and Borders Act 2022 and Article 72A of the Reform (Guernsey) Law, 1948, electronic travel authorisation, visa penalties and carriers' liability.

The Bailiff: I am going to invite Deputy Prow, who has been nominated to open the debate, to open the debate, please.
Deputy Prow.

Deputy Prow: Thank you very much, sir.

There are two separate considerations with regard to this debate. The first is the Nationality and Borders Act 2022 and the considerations which fall under the Committee for Home Affairs. The second part of this is the question of Article 72 of the Reform Law of 1948. My friend Deputy Trott will address the Assembly on that part. So in my opening, sir, I will speak about what the changes to the legislation are and what they mean for Guernsey and the wider Bailiwick which falls to the mandate of the Committee for Home Affairs.

Updating the Bailiwick's immigration legislation is part of a continual process to ensure that the provisions applying in the Bailiwick are broadly consistent with the provisions applying in the UK and other parts of the Common Travel Area, the CTA. The Nationality and Borders Act of 2022, or NABA, came into force in the UK on 28th April 2022. The Committee agreed to the inclusion of a permissive extent clause in relation to immigration matters at the Bill stage. NABA contains three points of particular interest to the Bailiwick: a pre-entry electronic travel authorisation, ETA, scheme; a visa penalty that can be imposed on nationals or citizens of a specified country; and amending current carrier liability provisions contained in the Immigration and Asylum Act of 1999 has already extended to the Bailiwick to enable penalties to be imposed on carriers who do not comply with the ETA requirements. The ETA scheme will mean that all foreign travellers will be required to use passports as a secure method of identification and proof of identity and nationality. The introduction of ETAs is in line with the approach taken to border security in many of the UK's closest international partners, including Australia, the USA, Canada and New Zealand, and as such will be a familiar concept to many travellers and carriers.

With reference to the provisions in respect to the new visa penalties, these may be imposed where it is considered to be desirable to impose visa penalties and is appropriate in relation to citizens or nationals of specified countries where, for example, countries pose a risk to international peace and security and warmongering.

The third element is in relation to carrier liability. All air, sea and rail operators who carry passengers to the UK and the Islands are required to check that an individual has the correct documentation, such as a passport and in the case of visa national, a visa. A carrier which carries a passenger who does not have the correct documentation risks incurring a financial penalty. These provisions are contained in the Immigration and Asylum Act of 1999 as extended. The Nationality and Borders Act (NABA) includes the provision to extend this requirement to ETAs as amended by the Asylum Act.

As Members of the Common Travel Area, the Crown Dependencies have a responsibility and an obligation to ensure parity with a strong and secure CTA border. The UK and other Crown Dependencies are seeking to jointly participate within the ETA scheme. This is considered a positive move, bringing additional strength to a united approach to security at our common borders and ensures that the Crown Dependencies are not a weak link in the CTA single border.

As the Policy Letter notes, without the CTA, all Islanders travelling elsewhere in the British Isles or the Republic of Ireland or the UK, and Irish residents travelling to the Islands, would have to clear through the relevant immigration entry channels on every journey. So it is not just the movements within the Common Travel Area, so there would be implications for those arriving in transit via the UK.

The Committee for Home Affairs unanimously supports the legislative provisions contained within this Policy Letter and commends them to this Assembly.

Thank you, sir.

The Bailiff: I do not see anyone rising up.

Deputy Gollop.

Deputy Gollop: I was expecting Deputy Trott to join in as well because it is a joint Policy Letter. I entirely support the Policy Letter and know the really hard work Deputy Prow and the team have done.

That does not mean to say there are not a few issues that arise. We are aware that Deputy Inder at Economic Development is seeing a renaissance in tourism this year, especially from France, but at the same time there is a paradox, a contradiction between our obvious need to both reciprocate and be a part of the Common Travel Area and obligate with the EU rules as well, but at the same time continue, if possible, to have flexibility for French day-trippers and potentially even short-stayers or parties of young people.

A secondary issue is we were pleased this morning to see colleagues from Sark Chief Pleas attend, but I am aware from many media reports and other dialogues that Sark would benefit potentially from a Customs post and that would indeed be an important part of this border's move of making it more statutory, but of course there is a financial and logistical cost there that Sark might need to contribute to.

Finally, we hope that the kind of confusion that sometimes occurs with stressed travellers and travel companies can be alleviated because I am as confused as anyone as to what may have happened in Jersey when certain Jersey and Guernsey residents were denied access to a flight in Spain because their passports were considered invalid, whereas under certain rules they were not invalid. So hopefully there will be great clarity from Home Affairs as to what these Laws mean on the ground to people in the travel sector and that the work that has been done will pay dividends for our economy too.

The Bailiff: Deputy Inder.

Deputy Inder: Only in response to Deputy Gollop, I will never pass up the opportunity to remind myself how well our Committee has done on behalf of the Island with delivering the Brittany Ferries contract. Deputy Gollop is absolutely right, and we are seeing a renaissance in French visitors and we are also aware that it is only going to improve and we have had a fantastic Easter. The period
 3215 between Easter and June, forward bookings are looking fantastic, and I would imagine between July, August and September that is also going to be very good.

But it is true, as a consequence of the quite daft thing that the British did by voting for Brexit, these are the benefits of it. Now Deputy Le Tissier can shake his head all he wants but if he could
 3220 count, Brexit has cost us millions and millions of pounds and no benefit whatsoever. But I would invite Deputy Chris Le Tissier to stand up if he would like to challenge that in any way and tell me what the benefits have been for Guernsey. No, he is choking. Now there we are, there you go.

But there has been some criticism of the post-Brexit work. As I will remind all Members, the point of this Policy Letter is peppered all the way through the various sections. 2.4, updating the Bailiwick immigration legislation as part of a continual process of ensuring the provisions that apply in
 3225 Guernsey and the rest of the Bailiwick are broadly consistent with provisions applying to the UK and other parts of the CTA. It goes on to say that the main objective for the introduction of ETAs in the Bailiwick is to secure the CTA border, which is entirely what we have to do as members of the CTA. What Guernsey cannot be is the soft underbelly of the CTA area.

Genuinely, to Deputy Gollop, I wish we could have some kind of regional carve-out. I would like
 3230 to think, strangely enough, with what is going on in the rest of the world, Britain weirdly seems to be moving closer to Europe than it has been since it was in Europe. All we can do is watch as a waiting brief and see if at some point in the future – I know Deputy Blin is quite keen on it – see if there could be some regional carve-out. But I think that is more hope over reality at the moment.

In short, we are where we are as a consequence of a vote somewhere else. It has cost us millions and millions of pounds. It will continue to cost this Island millions and millions of pounds. Brexit has
 3235 done nothing for this Island. Protocol 3 was an absolute gift for this Island. (**Several Members:** Hear, hear.) This is the consequence of what happened in a country north of us.

But I will be supporting this Policy Letter.

The Bailiff: Deputy Blin.

Deputy Blin: Thank you, sir.

I do not disagree with the comments of Deputy Inder regarding Brexit. I do not disagree with the legitimacy of the ETA and I have already heard from various individuals who are using it that it
 3245 is a very quick system to apply, a bit like the ESTA, but quicker and cheaper and lasts three years. I do not disagree that the Common Travel Area is our saving grace in the sense of maintaining our relationships, etc.

But, as Deputy Inder has just pointed out, there is this hope. I have to be realistic that I know unless there is some extreme support from the other Islands, including Jersey, because the
 3250 consequence, the reason we have got to this ETA is also on the back of the CTA. The CTA has had impacts on how we have to re-establish our Employment Permit (EP) system, i.e. we had to reduce the Short-Term Employment Permits (STEP), from five years to three years, which did not allow family. We had to remove the Medium-Term Employment Permits (MTEP), the five-year, because of other human right consequences, and remain within the CTA. I am sure Deputy Prow will stand up and correct me if I err on this. Then it allows the Long-Term Employment Permits (LTEP), which does
 3255 allow dependents and will have an impact, whether we like it or not, increase on population and dependents there. The reason I have mentioned all those parts there, this was another aspect, and ETA came under maintaining that relationship with the CTA ETA comes in.

As was mooted, my concern has always been that I wish we could have maintained or had an
 3260 exemption for a period of time. For this summer, we are seeing the French visitors coming in for this summer. But come October, when the 40%, for example, on the French side, individuals who do not carry passports, will have to get a passport to apply for an ETA, and therefore it is going to

have a huge impact on our industry. But I also accept that, unless there is a solution to this, there is little we can do about it. Although I do take the example of how Ireland, it is a different situation, has tried to adjust it with Europe and Northern Ireland.

So, I would be grateful if the President, in summing up, could just maybe clarify, because I have had the opportunity to speak with him regarding this matter, but it would be really good. I know our sister Island has also had some concerns there, but unless we all work together, we have to remain within the CTA and therefore support this. So I will be supporting this, but I would really appreciate some comments on what could be done. Well, I do not think anything could be done, but looking at how we could change something.

Thank you, sir.

The Bailiff: On the basis that no one else is rising to speak in debate, I will turn back to Deputy Prow to reply to the short debate, please.

Deputy Prow: Thank you, sir.

Very briefly then, sir. I thank Deputy Gollop for his support, and he very briefly outlined some of the issues, and he did quite rightly also balance them with our obligations to the CTA.

He spoke about French visitors. Just one point on that, and Deputy Blin has touched on that, the arrangements that are in place at the moment until September of this year are still going to remain in place, and so we have indeed this season, and of course this only applies to French nationals who have not got a passport. I think where we need to be focusing some energy is persuading French nationals to have passports and to travel on passports, because this is the global way forward. The security arrangements in the passport, they are machine readable, they contain biometric information, and globally to travel across borders it is essential in a modern world to have a passport, and this is all about security. Passports are machine readable, they are watched against a security watch list, and it is absolutely vital to maintain our security.

Deputy Gollop mentioned Sark border controls. Well, currently those people travelling to Sark have to go through an approved port, and that is a matter that we are going to discuss later, but he was right; if Sark is to ever have any direct access to the CTA, there are resource implications for Sark, there are IT resource implications, the discord implications, and a trained officer resource, and those are matters, if Sark wishes to take up with Home Affairs, we would be very happy to listen to them.

Deputy Gollop talked about clarity. Well, in some ways NABA does provide clarity, but the point I would make is that, of course, the Guernsey Border Agency will work with carriers to make sure that everything is sufficiently explained, what their responsibilities are, and I have to say the Border Agency has got a very good reputation in doing that.

I thank Deputy Inder for his very supportive comments. He is absolutely right, and I would just take this opportunity to thank him and Economic Development on the work they have done around sea connectivity. I frankly think they have done an absolutely outstanding job, so I thank him for that, and he is right about Brexit. It has absolutely caused massive change to the way that we have to do things. We have now got a Customs Union, and it has to some extent made our provisions under the CTA more difficult. He is absolutely right; Protocol 3 was a fantastic agreement with the EU.

Deputy Blin, I thank him for his questions. He did speak about medium-term permits and long-term permits.

I give way to Deputy Le Tissier.

Deputy Le Tissier: Thank you.

I have to say that Protocol 3 did discriminate against locals that had no connection with the UK, so I had the stamp in my passport, it is now valueless, so on that basis I am treated the same as everyone else.

Thank you.

3315

Deputy Prow: Deputy Le Tissier is absolutely right, but 99.99% recurring Protocol 3 was a very good deal. But he is right to point that out as the exception.

3320

Yes, sorry, going back to Deputy Blin's very helpful comments, he spoke about MTEPs and LTEPs, which is not directly involved in NABA per se, and perhaps that is for another debate, and he and I have had conversations around this. It was absolutely right to get rid of the MTEP because it does absolutely nothing for us. STEPs, you cannot bring dependents, and you can only stay for a shorter time, so that does not give you human rights obligations. I think that the Island is extremely well served by the changes we made there.

3325

He spoke about the French visitors. As I have already explained, it only applies to those with national identity cards, and I would just reinforce the point that French nationals are going to have to get used to crossing international borders using passports. The scheme will stay in place until September.

There was another point that Deputy Blin made, and I will give way to him if he does not think I have sufficiently covered it.

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Deputy Blin: I thank Deputy Prow.

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The only other part was if there was a way to look, next year – post-September, as he corrected me on – there will be the situation that, for the good that Economic Development has done having the travellers coming in, we are going to lose the quantity. So although it is not Deputy Prow's objective, but if there is anything that could be looked at compared to Ireland.

Deputy Prow: Yes, I thank Deputy Blin for that.

3340

In section 4.9 of the Policy Letter, we do point out that our conversations with the UK, and indeed with Jersey, will continue, and I completely understand, and I applaud and support our fantastic relationships, which have improved mainly through the sea links operations, and I absolutely endorse those links.

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The issue really is that the CTA is an agreement with those partners, it is the UK, the other Crown Dependencies and Ireland, so France are not a party or a decision-maker in the process. But the point that Deputy Blin is rightly making is that, working with Economic Development, working with External Relations and Home Affairs, dialogue must generally, not just on the issue of French ID cards, we must really continue to reinforce those relationships. I can give him the assurance, certainly from a Home Affairs point of view, and having spoken to Deputy Le Tocq and Deputy Inder, we are all pushing on the same open door on that one.

So that is all. All I would ask is that the Assembly supports the Policy Letter.

3350

Thank you, sir.

The Bailiff: Members of the States, there are two Propositions. Does anyone wish to vote differently in respect of both Propositions or can I put the two of them to you jointly? Okay, then we will take both Propositions together, and I will invite the Greffier to open the voting, please.

3355

There was a recorded vote.

Carried – Pour 33, Contre 0, Ne vote pas 0, Did not vote 5, Absent 2

Pour

Aldwell, Sue
Blin, Chris
Burford, Yvonne
Bury, Tina
Cameron, Andy
de Lisle, David
de Sausmarez, Lindsay
Dudley-Owen, Andrea

Contre

None

Ne vote pas

None

Did not vote

Brouard, Al
Helyar, Mark
Leadbeater, Marc
Mahoney, David
Queripel, Lester

Absent

Ferbrache, Peter
Le Tocq, Jonathan

Dyke, John
Fairclough, Simon
Falla, Steve
Gabriel, Adrian
Gollop, John
Haskins, Sam
Hill, Edward
Inder, Neil
Kazantseva-Miller, Sasha
Le Tissier, Chris
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

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The Bailiff: In respect of the two Propositions, there voted in favour of 33 Members; no Member voted against; no Member abstained; 7 Members did not participate in that vote, and therefore I will declare both Propositions duly carried.

COMMITTEE FOR THE ENVIRONMENT & INFRASTRUCTURE

6. Establishment of Guernsey's Offshore Renewable Energy Commission – Proposition Carried

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Article 6.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Establishment of Guernsey's Offshore Renewable Energy Commission' dated 21st March 2025, they are of the opinion:

- 1. To approve the proposals contained in Section 5 and Appendix 1 of this Policy Letter concerning the establishment of the Offshore Renewable Energy Commission (referred to as the Offshore Renewable Energy Commission in this Policy Letter).*
- 2. To note that £200,000 has already been agreed by the States at its meeting on 6th September 2023, to be made available to cover the establishment and some early costs of the Renewable Energy Commission (referred to as the Offshore Renewable Energy Commission in this Policy Letter), and that a provision of £300,000 (inclusive of the £200,000 previously agreed) was allocated for this purpose through the 2025 budget as per paragraphs 5.11 and 5.19 of this Policy Letter.*
- 3. To agree that the Committee for the Environment & Infrastructure may make a grant of up to £346,000 to the Renewable Energy Commission (referred to as the Offshore Renewable Energy Commission in this Policy Letter) towards the costs of the Commission carrying out its functions during its first 12 months of operation and each year thereafter, such monies to be made available from General Revenue, until the Offshore Renewable Energy Commission receives its first application for the licencing of a renewable energy activity, from which time no grant shall be made as outlined in paragraphs 5.7 and 5.18 to 5.22 of this Policy Letter.*

4. To agree that officer support, as set out in Table 3 of Appendix 1, should be made available to the Renewable Energy Commission (referred to as the Offshore Renewable Energy Commission in this Policy Letter) and that a cash limit increase of up to £121,000 be made available, if required, as outlined in paragraph 5.1 of this Policy Letter.

5. To direct the Committee for Health & Social Care to consider making an order under section 7(1) of the Food and Environmental Protection Act (FEPA) (as that Act applies in the Bailiwick) for the purpose of exempting persons who hold a licence issued under the Renewable Energy (Guernsey) Law, 2010 from also having to obtain a FEPA licence as set out in paragraph 4.13 of this Policy Letter.

The States' Greffier: Article 6, the Committee for Environment & Infrastructure, Establishment of Guernsey's Offshore Renewable Energy Commission.

3370 **The Bailiff:** I will invite the President, Deputy de Sausmarez, to open the debate, please.

Deputy de Sausmarez: Thank you, sir.

Now, for any offshore energy project, whether that is wind, tidal stream, wave, floating solar, or any other technology, the Renewable Energy Law imposes a range of licensing and consenting requirements to make sure that the marine environment is used in a legitimate and responsible way that protects human health and the ecosystem. This Policy Letter responds to the direction of the States through the Electricity Strategy, and sets out the steps required to establish an OREC for Guernsey, which will be the body to issue those permissions.

The most obvious, if imperfect, way to think of it is that it is a little bit like the building control of the sea. For a marine renewables project to be developed, it needs the equivalent of planning permission, which it secures through the seabed lease, and then the equivalent of sign-off from building control from the OREC. At a very basic level, the OREC is the body that will establish necessary processes and then consider and ultimately authorise any applications for offshore renewable energy projects.

One key difference, however, is that, under our proposals, it will be a body independent of the States, helping to minimise political involvement and risk, and making it a much more attractive proposition to developers. The OREC will consider various aspects of an application, including safety, human health impacts, technical quality, visual amenity, environmental impacts, potential conflicts with other uses of the sea, and decommissioning and the restoration of the site. In making its determination, the OREC must carry out appropriate consultations with relevant stakeholders and other interested parties, and can instigate a public inquiry or other hearing as it considers necessary.

It can decide on relevant licence conditions, for example, in respect to maintenance, testing, and monitoring. Once an application has been approved, it is responsible for ensuring that those conditions continue to be met for the duration of the development. It has the power to vary, suspend, or revoke a licence if conditions are not met, along with certain other enforcement powers as appropriate and proportionate.

The OREC will therefore need commissioners with the appropriate skills and experience to discharge its functions and respond to the evolving demands of the renewable energy sector. The requirement for and functions of a licensing body are already set out in the renewable energy legislation, different aspects of which need to be commenced by ordinance and regulations so that offshore renewable energy activities can be authorised.

The OREC will independently oversee the licensing regime in accordance with the legislation, taking direction of a general nature, but importantly not application-specific direction, from the States, as is the case with other regulatory bodies. It is therefore an essential part of the local regulatory infrastructure and an enabler for offshore wind.

The OREC will need to remain proportionate during the various phases of its existence. Its level of resourcing is scalable to meet the requirements and is expected, therefore, to change and fluctuate over time within the parameters set out in the Law.

3410 Although the OREC can, in all likelihood, be self-funding once it has income from renewable energy applicants or operators, it will need some initial seed funding to cover its start-up costs, anticipated to be up to a maximum of £346,000 per annum. £300,000 has already been allocated through the budget approved by the States, thanks to the direction given through the Electricity Strategy for the establishment of the Commission, and this would cover both the pre-establishment
3415 costs and a proportion of the first year's running costs. There may be some further costs to the States of providing delegated functions, such as legal, IT and admin, to a maximum estimate of £121,000 per year, although we will explore the most cost-efficient means of supporting the OREC in an effort to keep the duration of any financial support from the States as short as possible.

In a similar vein, the OREC would not be set up before it is needed. As the States now has
3420 approved the next steps for phases 3 and 4 of the offshore wind opportunity for Guernsey, we anticipate that the OREC will need to be established mid next year to enable sufficient time for the licencing processes and guidance to be developed and published before we go to market for a developer at the end of 2026 or early in 2027. The Committee will continue to work with the Offshore Wind Group to make sure actions are well co-ordinated and efficiently timed.

3425 The Policy Letter therefore asks for the Assembly's agreement on the process of the establishment of the OREC and the funding for the initial establishments costs through a grant of up to £346,000 per annum to bridge the gap between its establishment and its own generation of revenue, plus some officer support, noting that £300,000 of this potential funding has already been allocated for this purpose in the budget. With the States' agreement, we will then be able to
3430 progress this key enabler and component necessary to fulfil the Island's offshore wind potential.

The Bailiff: There is one Amendment that has been submitted. Is it your wish to move that amendment now, Deputy de Sausmarez?

[Amendment 1.](#)

After Proposition 5 agree to insert a new Proposition as follows:

6. To direct the Committee for the Environment & Infrastructure to investigate whether an alternative approach to the establishment of the Renewable Energy Commission (referred to as the Offshore Renewable Energy Commission in this Policy Letter) for the delivery of licencing offshore renewable energy developments may provide a more cost-effective approach while maintaining the necessary independence to provide certainty to developers, and report back to the States with their recommendations, including any necessary legislative changes, by the end of 2025.

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Deputy de Sausmarez: Yes, please, sir.

The Bailiff: Then I invite you to do so.

3440 **Deputy de Sausmarez:** Thank you, sir.

I have got screen windows control issues; I would like to get it up. I have not got it in front of me, so I will just explain it.

This amendment, which Members may well have paper copies of, it is imaginatively entitled Amendment 1, and it is to agree to insert a new Proposition as follows:

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To direct the Committee *for the Environment & Infrastructure* to investigate whether an alternative approach to the establishment of the Renewable Energy Commission (referred to as the Offshore Renewable Energy Commission in this Policy Letter) for the delivery of licencing offshore renewable energy developments may provide a more cost-effective approach while maintaining the necessary independence to provide certainty to developers, and report back to the States with their recommendations, including any necessary legislative changes, by the end of 2025.

So I hope it is relatively straightforward. We did put an explanatory note on, so hopefully Members have had a chance to read that.

But essentially, this amendment is in response to some feedback. We did go through all the usual consultation channels, etc., but this was really in response to some feedback that came later than those standard consultation processes, asking some valid questions about whether there was any potential to save some money by effectively setting up the functions of the OREC in a slightly different way. So, for example, using an existing body, potentially a regulatory body, to save on some of the functions that are already and would therefore not need to be duplicated.

It is quite complex. It does need proper consideration. We think there may be a simple way of doing it and a more complicated way of doing it, but both are worthy of consideration. There need to be some conversations. Because this suggestion came forward after the Policy Letter had been published, we are taking this route of amending that Proposition in, because we have not had a chance to have all the necessary conversations and do all the work to understand what the potential is. But we do think it is worthwhile doing that.

As there would be an amount of work in order to prepare for establishing the OREC anyway, we do not think this will negatively impact the timings for establishing the OREC. So, as I explained when I opened on this item, we think that the OREC really needs to be established ideally mid next year. We are anticipating getting the ball rolling as quickly as possible with this, so that the next Committee *for the Environment & Infrastructure* will be able to bring a Policy Letter back to the States, basically setting out their findings and confirming what the most cost-effective means of establishing the OREC might be.

So that is this amendment in a nutshell. It is just to insert this additional Proposition in. We cannot guarantee anything, but basically it gives us that latitude to ensure that we may be able to do this, that a future Committee would be able to set up an OREC in the most cost-effective way possible. So, for that reason, I would ask Members to support this fairly straightforward amendment.

Thank you.

The Bailiff: Deputy Gabriel, do you formally second Amendment 1?

Deputy Gabriel: Yes, sir, I do.

The Bailiff: Thank you very much.
Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

Yes, I am one of the people who is guilty of giving in late feedback. Once I saw the Policy Letter, I was concerned – and I have a similar concern when I look at regulation generally – that is Guernsey building something, replicating something from another market that is potentially more than we need, bigger, more complex, more expensive than Guernsey needs, and could we do something in a smaller and more practical, pragmatic approach to achieve the same end? So that was my automatic, generic response to seeing regulations like this.

But, as Deputy de Sausmarez has mentioned, we have legislation already that describes this. The Committee *for the E&I* have put together a Policy Letter based on existing legislation and the specifications within it. So I very much support this amendment that gives them the latitude to go back and look at it and see if there is a way to adjust this in a more practical way.

There is another element of this that directly relates to the wind farm project. It is only now that we have effectively completed phase 1 and 2, and this Assembly has overwhelmingly supported pursuing it further, but the work in phase 3, where we are looking at designing the route to market, will involve conversations with our UK counterparts on the regulatory side, Crown Estates and others, and developers as well, to look at what is the appropriate way to regulate this for Guernsey in possibly a more pragmatic and practical way. The same way as Guernsey will not replicate the

entire UK Crown Estates mechanism, which handles dozens or hundreds of wind farm developments, we would not want to do that for Guernsey for one wind farm.

3500 Equally, as a regulator, if we are setting up a regulator whose initial focus will have the ability to regulate tidal power and other things that come down the line, but if we are setting up initially to handle one project, it does not necessarily need the scale and sophistication of a UK regulator. But, it is an absolutely important, key part of what is required to go to market. The developers want to see a licensing and regulatory and permissioning mechanism before they consider investing.

3505 So, it is important that this Assembly supports this Policy Letter and to allow us to have more flexibility to have that conversation with the Crown Estates in the UK and regulators and specialist lawyers in this area to see if there is a more practical, pragmatic approach. It is also important that this amendment is supported as well. So I commend that Members do so.

Thank you.

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The Bailiff: Deputy Inder.

Deputy Inder: Thank you.

3515 As Deputy Meerveld said, I am going to talk to the amendment and in general debates, but it was the last sitting that we overwhelmingly supported the wind farm renewables opportunity, which had a ticket price cost to it, which is fine, only in as much as you cannot do everything with a penny in this world.

3520 When this came to the Committee, one of the things that we asked, and Deputy de Sausmarez may respond to this, we wondered why we would be setting up a different regulatory framework when we have already got a regulatory framework under the GCRA. So that is a question which I did a Ctrl-F and looked for GCRA and saw nothing in the documents. I did a Ctrl-F and thought, well, if I did a find-and-replace, you could replace the whole of the OREC with GCRA and you would get to the same point.

3525 So I am genuinely intrigued, is there an industry expectancy that there should be a regulatory body which is specific to the project rather than folding it with something that is normally dealing with telcos and other things? If that is the answer, that is okay. If that is the answer, that is okay, but there was a natural thing for our Committee, why do you not just give this to the – I will give way.

Deputy Meerveld: I thank Deputy Inder for giving way.

3530 Deputy de Sausmarez obviously will respond to debate, but just to answer that question, it is one of the questions we need to ask is whether it needs to be a separate body. But we need to ask specialist lawyers, Crown Estates and developers whether that is an acceptable approach. But it is exactly the kind of thing I would want to explore to try to reduce the cost of bureaucracy that might be involved.

3535 Thank you.

3540 **Deputy Inder:** So, in short, we have made a decision at the last States' meeting. We are still effectively finding our feet. Deputy de Sausmarez says she is going to come back to – or someone will come back to – the States next term and a future E&I will decide what this is going to be, which may be the GCRA. It may cost a little bit more money because, once the team find their path or find their way, someone is going to tell them what is really required to put opportunities next to regulation to sell the project on to a larger investor or possibly even a country.

3545 So that is my question that has been answered, so I am relatively happy with that. Strangely enough, you would automatically think that, as soon as you do something separate to an existing function in the States, it therefore must cost more, but I am not entirely sure it does. When I look at the Propositions, there is effectively £700,000 worth of funding, of which £200,000 has already been agreed. Having sat –

Deputy de Sausmarez: Point of correction.

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The Bailiff: Point of correction, Deputy de Sausmarez.

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Deputy de Sausmarez: Sorry, just to clarify, I know it is quite confusing how it is set out, but that is not what is being requested. It is £346,000, of which £300,000 has already been allocated, so there does not need to be any double counting of those. Then there is an additional up to £121,000 in terms of cost to the States in terms of States' support for anything that has to be added on and cannot be absorbed through existing budgets. So my mental maths, I am afraid, is not good enough to add those two up, but it is not as much as £700,000.

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Deputy Inder: Well, if we have already agreed £300,000 elsewhere, then that is basically sunk somewhere. And if my maths are correct, and I hope they are, we are basically being asked to approve around £166,000, which in the scheme of things, having worked with – and I think my Committee will agree – some of the costs we are getting out of the GCRA for them picking a pen up are absolutely phenomenal, and I do not mean phenomenally cheap.

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So the great surprise of course is the pragmatic part of me says, 'We have got an existing function, get on with it', but in this case, if they really can do everything that they want to do to get them to the next stage, my view is to allow an idea that came from a group of people that were not necessarily related to Economic Development. You have had all of the – and I hated saying it – the praise last time. I am just not going to say it again, even though I reminded myself. But to allow this to continue, in my humble view, those who are experienced in it, those who have been working on this for the last two years, I genuinely believe in this instance we should just support this process to get it to that point, whether it is either sellable to private investors or a larger country.

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So, I hope that helps in some way. My natural position was what I said it was, but having read the Policy Letter, I say thoroughly, but I never read anything thoroughly as everyone has worked out by now, I think it is in relatively good shape. So therefore I will be supporting the amendment and the Policy Letter, if indeed it does get amended.

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The Bailiff: Deputy Kazantseva-Miller.

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Deputy Kazantseva-Miller: Thank you, sir.

Deputy de Sausmarez sounded a bit cryptic in her speech, and also the amendments looks a bit cryptic. But it very much came from the issue we raised as Economic Development. Because, although it did come to the Committee, but somehow it did not come to the Committee agenda, so an officer response was lodged without Committee involvement.

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When I retrospectively looked at it, I said, well, basically, you are setting up a regulatory function with bells and whistles, maybe equivalent to a planning regime, but effectively it is a regulatory function. We do have various regulators, and undergoing through a review of one of the regulators, we understand that regulating well, and having the right checks and balances, governance and funding models, is much more tricky than it sounds, and it is an iterative process.

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So, if we are reviewing a regulator, and who will potentially have the scope of regulating the whole energy market, why should it not also involve the wider potentially offshore energy market as well? So it came very much from what we raised, and making sure that this was included as an option to consider as part of establishing effectively an OREC, whether that could be folded into a GCRA-type function. I am very grateful that the Committee has come forward with the additional Proposition to tighten up, and to really show that they will be exploring that option.

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Back to the costs, and having effective regulation, as I said, Deputy Inder highlighted that the costs that we already see proposed here, they are in the region of half a million already, it is not unsubstantial. But, if this was to work properly, I have absolutely no doubt the costs will be higher down the line, but also having the right mechanisms, whether it is enforcement, whether it is governance around making decisions, that all of those things are really, really crucial.

3600

So I am fully supportive of the amendment, and grateful to the Committee for being open-minded and flexible to look effectively at alternative options for setting up.

Thank you.

3605 **The Bailiff:** Deputy Blin.

Deputy Blin: Thank you, sir.

3610 I have been very impressed by the logic and thought process, and the views that this has started more than two years ago, but it is going through. When we had the opportunity, we had the 33 votes in support of the Policy Letter on the wind farm, that was a real recognition of the support. We knew at that point already that the OREC was required. There were conversations, and I will admit as well to Deputy de Sausmarez that I was also concerned by the figures for the initial thought on the regulatory economic commission.

3615 The comments of both Deputy Kazantseva-Miller and Deputy Inder on the use of the GCRA, definitely on the line, but what we do know is that one requires the other, it is the yin-yang, there is no way we can proceed without having the two. So that is why that continuation of the work must continue.

3620 I particularly support the amendment because it is giving that little leeway that we can look at how things can be adjusted to get it to the most optimal way to succeed, and the continuation of looking at other renewable energy including, so that it has got an opportunity to take us way beyond and with other parts of the Bailiwick, obviously including Alderney in the work they wish to do.

So, I am really very supportive of the amendment, but also very supportive of the comments that have been raised during the debate.

3625 Thank you, sir.

The Bailiff: Deputy de Lisle.

3630 **Deputy de Lisle:** Yes, just to say that I am very supportive of this Offshore Renewable Energy Commission. I just wanted to ensure that, while it is through essentially the wind development that this has been supported and come through to this stage, that we are looking at Guernsey's marine Offshore Renewable Energy Commission, and that would include, as I understand it, any tidal power developments which could well come before the wind development, and also barrage development, and also it could include solar development offshore as well.

3635 So, I would like to just make sure that all are clear that we are dealing with Guernsey's marine offshore, because marine is lost sometimes in the titles here. It is a marine Offshore Renewable Energy Commission, and it includes quite an array of renewable developments.

Thank you, sir.

3640 **The Bailiff:** Deputy Dudley-Owen.

Deputy Dudley-Owen: Sir, I am not sure if my comments are specifically confined to this amendment, so I will forfeit my right to speak in general debate.

3645 But I have had concerns about this Policy Letter as I have read it. It seems to me it is hand in glove with the offshore wind Policy Letter that was debated a few weeks ago, and again I had comments similar to that of members of Economic Development about duplication of effort. But I would also like to understand a little bit more about the competencies required, because this is highly technical and specialised work, and we need to really understand what we feel are the likelihood of being able to attract the right calibre of individuals, as well as the time that these individuals have got. The money is not huge that we are giving them, but it is not insignificant either.

3650 I also think that the President really does need to give some clarity around these figures, because I have noticed that she said on a couple of occasions now, 'It is only £300,000 per annum', but there

is an aggregate cost here, and it looks to me, with my not particularly good mental maths, of over £1 million over a three-year period. I will give way to Deputy Haskins.

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Deputy Haskins: I am sure the President can confirm the correct amount but the per annum cost that I have worked out is £467,000.

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Deputy Dudley-Owen: I thank Deputy Haskins for his intervention because I know his mental maths is much better than mine, and so I am pleased that I was going in the right direction.

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But I have been really quite confused with the layout of this particular Policy Letter because if we look at pages 33 and 36 there is a nice table, it is quite clear, but actually if you tot up all the numbers, the aggregate sum, it is £1.1 million over a three-year period. That is not clear from the Propositions – that the Committee hope to become resolutions – on the front page. So I really do think that needs some drilling down into, especially since a lot of the proponents of this particular workstream – which is admirable and I really do support it – have been anti-spending and anti-GST. So we really do need to look at this quite carefully about setting up an additional regulatory environment and what the costs of that regulation will be.

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The other thing that I was rather confused about – and this is not my area of strength at all, renewable energy, so I have come at this with a really fresh pair of eyes and I am very interested in it – is that I am wondering how much business we are going to be licensing. This is not like the GFSC, we have not got an awful lot of licensed businesses that are queuing up for this; it seems to me there is only one or two. It says in the Policy Letter that there is an ambition for this to become self-funding. But it also says that due to the nature of the licensing process for renewables, where there are only ever likely to be a small number of applicants, applications and issued licences, any resultant development would be over a long period of time over which fees could be spread annually.

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So would we please be able to have from the President some clarification as to what those licence fees look like, how many licensees we expect to be queuing up for these licences, because it is really not clear from the Policy Letter. While it is an interesting read it does not paint a picture for me of what the marketplace looks like, and I think that is quite important for us.

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I am just thinking of any other – I have made a lot of notes and I do not really want to go through them all. But, yes, it really is in relation to that size of the market and if the President in her closing remarks can do a little bit of picture painting for us to describe what this looks like and how it is envisaged to progress, and also to drill down into those figures so that we have got a really clear view of the aggregate sum that is being requested by the Committee.

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I will give way to Deputy Meerveld.

Deputy Meerveld: I thank Deputy Dudley-Owen for giving way.

3690

Just to address some of those questions, the regulatory authority is only going to go ahead if we believe there is a line towards earning revenue. You would only establish a regulatory body if it is going to have something to regulate. It might be possible – if it has got costs you could pass those costs directly on to developers and, as you say, there might only be one, two or three developers for Guernsey for offshore wind and for tidal we do not know yet until that technology is more mature. But you would charge accordingly to cover its face.

3695

You could even make application fees for the licensing to cover the capital that has been expended up front, but all of that needs to be determined with more conversations with specialist legal advisers who have set up these regulatory regimes in the UK, the consultants, and the developers. Now we are moving to that next stage of how we – what has been to date is establishing we have a real tangible opportunity. The next stage is working out exactly what it is worth and how we get that revenue, so I think all of that will come out in the wash.

3700

What E&I have done is said, 'This is what the original Law specified, and this is how we would cost it.' But the amendment we are now discussing enables us to go away and potentially come back with a different proposal, depending on the feedback from the next phase of the offshore

3705 wind project. That, I would expect, would cover the funding for this Commission and how it can be recovered, one way or another.

Thank you.

3710 **Deputy Dudley-Owen:** Thank you to Deputy Meerveld for his intervention, which raises more questions actually than it answered for me, because I am just wondering why then are we being asked to set this up now, and rather than – if the Committee had felt so strongly to bring an amendment, why was Deputy Meerveld not being consulted in the construction of this Policy Letter because of the relationship with the offshore wind project? So the amendment superseded some of the quite detailed structure that is being proposed in this particular Policy Letter.

3715 I am afraid that I am a little bit more confused than I was before. I know that Deputy Meerveld, despite his best intentions, has not helped me so I will look forward to listening to the President in the sum up, but at the moment I can support this amendment but I do not know if I would be able to support Propositions 1, 2, 3 and 4 as currently drafted, unless I can get some clarity.

Thank you, sir.

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The Bailiff: Deputy Haskins.

Deputy Haskins: Thank you, sir.

3725 Just going back to the costs, it was £467,000 per annum. I think it might also be helpful to highlight that there is also office space from the States which is not accounted for. We have got some office somewhere, so that is free. It is not, as Deputy Dudley-Owen was highlighting, over the three years. That is per annum after the setup of the OREC.

3730 Members, this to me is a risk-reward scenario. This seems a bit of a gamble, and I do have the same concerns as Deputy Dudley-Owen. It is a gamble but we do not even know the odds. Let us be very clear and call a spade a spade. We would not even be considering this if a wind farm with the potential for the windfall was not on the table. I do not think really Members here would be thinking that it is value for money.

That said, with this Proposition I think absolutely I can support this Proposition, but 1 to 5 for the Policy Letter I remain unconvinced at the moment and will listen to the debate.

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The Bailiff: Well, as nobody else is rising to speak on the amendment I will turn to the proposer of the amendment, Deputy de Sausmarez, to reply to the debate please.

Deputy de Sausmarez: Thank you, sir.

3740 I will do my best to answer all the questions so I am going to be a little bit boring about it and go through sequentially, if that is okay, because unlike some other debates there were actually different points introduced by different speakers.

3745 Deputy Meerveld talked about proportionality, and we totally agree. He is also quite right to point out that this is set out already in a Law that already exists, so we would need to bring forward ordinances and regulations in order to commence the appropriate parts of the legislation, but the legislation is there and it has been there for about 15 years. It was 2010 that I think that was first put on our statute books.

3750 But this Assembly – this one, not a previous Assembly – has also already agreed the principle of this because it was one of the Propositions within the Electricity Strategy Policy Letter. So Members did approve it at that point in principle and that is why it also ended up in the budget as a result of that Proposition in the Electricity Strategy letter, and that is why actually the allocation – which started off as £200,000 but then grew to £300,000 – ended up in the budget allocation, which is why we have got that £300,000 figure.

3755 I do appreciate Deputy Dudley-Owen's point; because we have got these different figures it can be a bit confusing so I will do my best to set them out, but I think actually Deputy Haskins has done a pretty good job of condensing what those figures are. But I will come back to that.

On the issue of proportionality we completely agree, but we need to remember at the same time that this does perform a really important function. It is not just required to make sure that it does all the things that I outlined in my opening speech, so in terms of making sure that it is going to protect human health, for example, and not destroy an ecosystem, and not have a terrible effect on the visual amenity of the area and things like that; all these different functions, and they are set out in the Policy Letter. Especially because we are a very small jurisdiction and we have not done this before it is really important that we can give confidence to developers, yes, that we are a serious outfit and we know what we are doing.

That is one part of it, but I am going to introduce something that has not been mentioned so far, and that is, as Members will be aware because of the debate that we had on Guernsey's offshore wind opportunity, one of the most important components of that – in fact one of the most important components of that going ahead at all – is route to market. If we do not have a route to market we do not have an offshore wind project, it is as simple as that. We know that we are looking – we think our best opportunity is an export model, and at this moment we think that the UK is the best option. We are also keeping an eye on France.

But irrespective of whether it is the UK or France, they will want assurance that we are not cutting corners, that we are not cowboys, and it is, therefore, very important that we have a commission that we can demonstrate is professional, does have the right expertise, and can give that assurance and be taken seriously. So that is a function of the OREC; that I think is important that we all share that understanding of.

Speaking of function and expertise, Deputy Inder mentioned the GCRA, and he is quite right to do so. Deputy Kazantseva-Miller is right, I was being a little bit cryptic; I was keeping it non-specific. Deputy Inder has no such qualms, he is straight in there. So those are conversations that we still need to have, which was the reason I was maybe being a little bit coy about it. But absolutely, we do have existing regulatory bodies and that is the obvious one to cite. I can give him and other Members my assurance that is absolutely where we will look and we will explore that very option.

How regulation works – Deputy Kazantseva-Miller is quite right, as is Deputy Dudley-Owen – the expertise that is required for these regulatory roles is very sector specific and sometimes even more specific than that. It is very important that they have the right level of expertise and relevant qualifications, etc. My understanding of how regulatory bodies are set up is that they do tend to recruit to those particular roles. So if it is a telecoms regulatory role you would obviously recruit – or a regulatory body would make sure that they bring within their organisation the relevant expertise to carry out that function.

It is important that however it is set up, whether it is set up under or as part of an existing regulatory body, or whether it is set up as an entirely different body, that we do have the right people with the right qualifications and expertise to be able to do that job. But absolutely, that is an option that we will definitely explore.

Deputy Kazantseva-Miller touched on some of the other themes. She mentioned also the review of regulators, and she is absolutely right. My understanding will not be as detailed as her but absolutely, from my experience of regulation, she is quite right that it is often a much more complex area than people assume, and it is also really important for a number of different reasons that we get it right. I thank her for her input as well in terms of this particular amendment.

Deputy Blin talked about the yin and the yang, and I think that is a fundamentally important point to stress as well, that if we want an offshore wind project, or indeed any other kind of project – and I will come on to that in a moment – we need this function. We need to have a commission. So ultimately at the end of the day, if Members would like to see an offshore wind farm, or indeed any other kind of marine renewable energy project in our waters, then we are going to need a commission, an OREC.

Deputy Blin talked about the wider applicability beyond just wind. I think this does go a little bit beyond the amendment but I think it is a point worth addressing because that was also something that Deputy de Lisle picked up on. I would just reiterate my very opening line in the opening speech, which was to say that for an offshore energy project, whether that is wind, tidal stream, wave,

floating solar or any other technology, the Renewable Energy Law imposes a range of licensing and consenting requirements to make sure that the marine environment is used in a legitimate and responsible way that protects human health and the ecosystem.

So I can give Deputy de Lisle my absolute assurance that the OREC would have far wider applicability than just offshore wind. However, I would just add a little note of caution on the idea that tidal stream energy is just around the corner or will probably be in place before offshore wind. Tidal stream energy has been 'just around the corner' for at least 15 years, and it has been a source of much frustration. I am afraid it is still – Alderney is playing a very important role actually in making sure that that is a technology that is maturing to a point of commercial viability, but we are not there yet.

I very much doubt that we will see a tidal stream project in situ before an offshore wind project, however, the point is that for either one we would need a commissioning body. This does bring me on to another point in that of course, to Deputy Haskins's point, we only want to set that body up – because it does come with some costs which have been a source of debate – as and when we need it. We do not want to jump too soon. It would have been an absolute disaster if we had set it up in 2010 and sat there just paying money for no good reason for the last 15 years.

So it is absolutely right and correct that we only want to set it up at a point where it has got a role to play, and that is why it is being brought forward now. It has been a workstream that has worked in tandem – and of course I am a member of the Offshore Wind Group and the project board there, so it has been brought very much in tandem – I do not know how fried everyone's brains are but I did actually bring an amendment to try to get this item into the same debate even as the offshore wind, which it was successful but then we ran out of time in that particular meeting.

Deputy Dudley-Owen talked about competencies, and that is a really important point to raise. I hope I have covered it in what I mentioned earlier in response to some of Deputy Inder's points, but she is absolutely right. These are highly technical areas and it is absolutely essential that we get the right people who are suitably competent and qualified to carry out those roles. That probably does explain some of the cost, but Deputy Haskins I think did do the sums for me. I trust his maths, I have worked on a Committee with him, I know he is very good, so my understanding is – so just to explain again, and I do apologise if any of this was confusing, we are asking for up to – 'up to', important – £346,000 per annum, of which £300,000 has already been allocated through the budget, plus up to a potential £121,000 in terms of additional cost to the States in the form of supports such as legal, IT, administrative.

Deputy Dudley-Owen asked about how long it will be needed for. Well, the answer is, as little as possible. As I tried to explain in my opening speech, this is effectively bridging finance. It is seed finance in a way, so there are some costs to establish the OREC and there are some costs that it will incur before it has a revenue stream of its own. That revenue can derive from application fees from applicants, and licensing fees from successful applicants. Those are ongoing. Obviously the licence fee would be ongoing, and Deputy Meerveld did touch upon the fact that actually those licence fees – the most obvious way to look at it is those licence fees would indeed be set at a rate that would cover the running costs of the OREC. Indeed, that is standard practice for regulatory bodies. That is my understanding. I am in no way an expert on regulatory bodies but my understanding is that is how they are typically funded. So the answer is, as little time as possible.

I do not know how complicated to make this. Maybe I should not go there – I will go there anyway. There is part of the Law which would allow the OREC to take a loan, but only from the States of Guernsey, so it could not go out to the commercial market and take a loan. The reason that is potentially relevant is because when we look at that bigger picture for what an offshore wind development might do there may be different ways of crumbling that particular cookie. It may well be that when we look at how that revenue is coming to the States, it may well be that – and I am being purely hypothetical here, I do not have any specific scenarios in mind, but it may well be that the States decides that actually it would be better to get more revenue through the seabed leasing or whatever, or through wider economic benefit, and maybe take a bit more of a hit on the licensing

fees. But anyway, the general understanding and the general assumption is that the licence fees would cover the operational costs of the OREC.

In terms of cost to the States, there are some costs in establishing the OREC in the first place, but we are anticipating that that funding model is only an interim funding until such a point as the OREC can generate its own revenue sufficient to wash its own face. That is the assumption underpinning this.

So in answer to the question, why are we being asked to set this up now: well, we are not setting it up right now. We are needing to do the work so that it can be set up at the appropriate point, but as I hope the Policy Letter stresses, and I tried to stress and other Members have stressed through the debate, we definitely do not want to set it up too early. It would need to be set up ahead of any applications coming in because there is probably about a six-month lead-in time necessary in order for those processes to be agreed and put in place. So there is an amount of work that the Commission would need to do in order to just be in a position to receive any applications. So that is part of the explanation for why the States is being asked to step into that gap and help provide that funding.

Deputy Haskins described this as a gamble. Well, I think he is probably not wrong in terms of the general sense that we already, as a States, supported and committed a significant amount of money to doing work for a project that there are scenarios in which that might not progress. I think we do have to acknowledge that and understand that it is not a small amount of money that we have committed to that, and it will be lost if it cannot progress for whatever reason. One of those reasons is if we do not have a commission – I will give way to Deputy Blin.

Deputy Blin: I thank Deputy de Sausmarez for giving way.

I just want to clarify something because when we use the word 'gamble' it has got a lot of connotations. But within the Policy Letter on the wind farm there was the net present value, the NPV documentation, which was assessed using data and information engineers and experts. It was a sample area and it did give a figure. Yes, there is the gamble that it may not reach the point where we get to market or something like this, there may be another wall, there may be another impact on energy resilience. But at least if we could just clarify that the figures were assumed in there and included in there with the calculations, just to sort of clarify.

Thank you for giving way.

Deputy de Sausmarez: Yes, thank you.

I think that is a helpful clarification. I was repeating Deputy Haskins's word but I think it is fair to say that there is always some inherent risk with projects of this nature. But we have been as cautious as we possibly can be. The reason we are debating it now is very explicitly because there is this opportunity in the near future. We do need a little bit of a lead-in time in order to – well, if this amendment is supported, which I hope it will be, to figure out the most cost-efficient way of setting that up.

Even if there is not massive legislative change required as the result of that – I hope it would not be massive – but even if there is not a more significant legislative impact, we still need time to commence various parts of the Law that are not yet commenced. So there is some legislative work that requires a lead-in time, there is some procedural work that requires a bit of a lead-in time, and then there is some time where the OREC would need to exist in order to do the work so that they are in a position to accept applications. All of that means that we are bringing this to the States now in order to get that work running.

If this amendment is successful though, what it does do is it means that a further Policy Letter will come back to the States by the end of this year. If that helps the likes of Deputy Dudley-Owen or Deputy Haskins provide any more assurance around that, hopefully they can take comfort from the fact that it will be coming back, those details will be coming back in a Policy Letter, and the next Assembly will have an opportunity to consider those ahead of any legislation being progressed.

So I hope Members will support this because at the end of the day it is a really critical enabling feature of the offshore wind opportunity and wider opportunities thereafter, so I ask Members to support this amendment and the Policy Letter.

Thanks.

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The Bailiff: Well, Members of the States, it is now time to vote on Amendment 1, proposed by Deputy de Sausmarez, seconded by Deputy Gabriel, and I will invite the Greffier to open the voting on Amendment 1 please.

3920

There was a recorded vote.

Carried – Pour 32, Contre 1, Ne vote pas 0, Did not vote 5, Absent 2

| Pour | Contre | Ne vote pas | Did not vote | Absent |
|--------------------------|-------------------|--------------------|---------------------|-------------------|
| Aldwell, Sue | Le Tissier, Chris | None | Helyar, Mark | Ferbrache, Peter |
| Blin, Chris | | | Inder, Neil | Le Tocq, Jonathan |
| Brouard, Al | | | Leadbeater, Marc | |
| Burford, Yvonne | | | Mahoney, David | |
| Bury, Tina | | | Taylor, Andrew | |
| Cameron, Andy | | | | |
| de Lisle, David | | | | |
| de Sausmarez, Lindsay | | | | |
| Dudley-Owen, Andrea | | | | |
| Dyke, John | | | | |
| Fairclough, Simon | | | | |
| Falla, Steve | | | | |
| Gabriel, Adrian | | | | |
| Gollop, John | | | | |
| Haskins, Sam | | | | |
| Hill, Edward | | | | |
| Kazantseva-Miller, Sasha | | | | |
| 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 | | | | |

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The Bailiff: So on Amendment 1, proposed by Deputy de Sausmarez, seconded by Deputy Gabriel, there voted in favour 32 Members, 1 Member voted against, no Member abstained, 7 Members did not participate in that vote, but I will declare that carried, which means that there is now a Proposition 6 as well and we move into general debate.

Deputy Murray.

3930

Deputy Murray: Thank you, sir.

I found the conversation over the amendment very helpful but there is an area here I think that needs to be clarified by the President when she sums up. To clarify and to make it easier for people to understand, there needs to be a trigger point for the creation of this OREC. It is very necessary to have the OREC; I think we all understand that now, but the trigger point for me as always will trigger the money. So I am obviously always concerned as to when to expect that to actually happen,

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and I am not entirely clear from the Policy Letter as it stands actually when that is intended to happen.

But there is a trigger point that suggests when it should happen, so if you will bear with me for a moment. Clearly we recall the Assembly has given their approval for the next steps to be taken in relation to investigating the offshore wind opportunity, which has been touched on. Paragraph 1.8 of that Policy Letter was quite explicit, and I will repeat it here:

Access to the UK or French CfD regime is critical to the financial viability of an offshore wind development on the seabed and it must be clear by the end of 2025 at the latest if that can be achieved. On that basis, while the funding for Phases 3 and 4 of the work has been agreed ...

That being the £1.3 million:

... the deployment of the funding for Phase 4 will be dependent on the Policy & Resources Committee's agreement ...

That of course would be the new P&R:

... being satisfied with the progress and outcomes on Phase 3 and on the progress in respect of securing access to the UK and/or French CfD regimes.

In addition to that gate being achieved, paragraph 1.6 added the requirement for due diligence and derisking by adding to the need to have negotiated access to a CfD with access to a UK/French grid connection, and I specifically quote:

... finalising a Marine Spatial Plan identifying offshore wind development areas (which will likely require legislation to set out the relevant legal framework for implementation and enforcement) and an associated licensing and consents framework.

Now, what we have before us today in the Policy Letter appear to be the proposals for those last four words, the licensing and consents framework. But this is where I get a little bit confused for it seems to me that we are being asked to approve proposals before establishing the necessary Marine Spatial Plan, which will identify those areas over which the OREC will administer licensing. But perhaps of more concern is that we have clearly not yet achieved the crucial gate of securing CfD and grid connection, upon which all of this subsequent work relies.

While we would wish to remain completely optimistic on the end-of-year timeframe, we should not ignore the reality that the Isle of Man have been pursuing access to the UK grid for about 10 years. It seems to me then that we may be getting somewhat ahead of ourselves, and indeed the OREC proposals are very clear that at this time we cannot be sure – and it has been mentioned before – on whether it could be administering just one developer, or several, or none. Now, I raise this simply because there are resource implications, which have been touched on already, and particularly of course those financial considerations which if we approve will be for the next P&R to find the money for. Heaven knows, they are going to inherit enough cheques from this Assembly that they are unlikely to be able to cash.

I would have expected proposals that identify how we are going to approach a Marine Spatial Plan potentially before we commit to the body that will have responsibility for licensing and regulating parts of it. But let us return specifically to those proposals because I am not clear whether in fact we are being asked to greenlight work to begin doing now, or to what will be done once we have the aforementioned CfD and grid access negotiated.

I am assuming the latter because in paragraph 3.3 we are told:

Given the work set out in the Policy Letter, 'Offshore Wind Opportunity for Guernsey – Update and Next Steps', it is now an appropriate time to consider the practical details in relation to the establishment of the OREC, so that it can be set up as soon as it is required.

3980 Just to reiterate, 'as soon as it is required' and, self-evidently, without clarity on that all important CfD and grid access, that is not now. Furthermore, in paragraph 5.13 we are told:

If the propositions in this Policy Letter are agreed, there would still be flexibility around when the establishment phase ...

I imagine there should have been the word 'begins' here:

... and therefore when any costs of the OREC will be incurred.

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The issue, however, is that we are advised of there being 3 phases. Phase 1 being prior to establishment, phase 2 being a skeleton commission, and phase 3 being an established phase, and each one has a cost. But it gets very confusing as to when and how much this will amount to across tables 2 and 3, which is why when the OREC is actually initiated matters. So I really would appreciate confirmation of that when Deputy de Sausmarez sums up.

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As to the proposals, it is not clear whether OREC is to be an entirely independent regulatory body, including from the States of Guernsey or its political Committees or Members, as stated in 4.11, yet will rely on support as needed from the States through Committee and law officers ad hoc. I would also have some concern, given what a tortuous road we have travelled with the IDP in not providing complete clarity that the Assembly has enshrined sovereignty over any legislation provision. But that might need to wait until we actually see what legislation is proposed.

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So my approval of this Policy Letter – and I have supported the new amendment – is entirely dependent upon clarification that it will not be instigated until it is known that the necessary access to the CfD and grid agreement is secured.

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Thank you.

The Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

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I leap to my feet to address Deputy Murray's concerns. All of these things are in progress so they all need to be done concurrently. The Marine Spatial Plan is currently being undertaken. The States has now, as of the last meeting, approved the principle of proceeding with exploring the wind farm further. The Regulatory Commission is an absolute requirement and is part of approaching the UK to ask for access to CfDs they are going to want to see that in process.

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So what this Policy Letter is doing, it is not saying we want to go out and spend £364,000 or whatever tomorrow; it is simply saying this States as part of its progressing towards having and exploiting a wind farm opportunity, is approving in principle the establishment of a regulatory body, designed around a Law that is already extant and has been for 15 years. What Deputy de Sausmarez has said several time, and what I anticipate is you do not pull the trigger on setting this up until you have got an assurance there is a deal and a route to revenue, and that includes having secured an indication that we can tap into both the CfDs in the UK and land the power, and they will be part of the process.

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But what we cannot do, and I know some people would prefer to do, 'Let us do a Marine Spatial Plan. When we have finished that we will have a designated area, then let us build a regulatory authority and spend another couple of years on that.' If you start doing that you can waste literally a decade getting to the point. In a business world you do these things concurrently, you minimise your expenditure until you have got some high degree of certainty – it is never 100%, but a high degree of certainty – that you have got a route to revenue. When you have got a route to revenue you then do not gamble, you make an investment to make a return. You are putting that money up there for the regulatory authority, for further work to raise phase 4, going to market, and that will be done as an investment with the objective of achieving a seriously large return on that investment.

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So this is just purely in that sequence, but this needs to be approved today. I hope everybody will support it because it sends a signal to the UK Government when we approach them for CfDs,

to the developers when we go to the market and say, 'Yes, we are ticking all the boxes, we are doing everything correctly to be in a position to go at this, this is real, we are proceeding, please engage with us on what we need now to be able to finalise phase 3 and design our route to market' and phase 4, the final stage, will be going out, identifying developers, getting cheques in the bank and securing a deal. But that is conditional on phase 3 being completed successfully which will be designing the regulatory environment, completing the Marine Spatial Plan or at least getting near to the end of that, securing access to CfDs and to landing the power. All those things are things we have to do.

I would hope that the future States and whoever is in these positions will look at it and say, 'Yes, absolutely, we do not spend any more money than we have to until we get there.' But doing this kind of thing here, approving this Policy Letter, starting to have those conversations about what is the most practical way of establishing that regulator, and starting to think about the regulatory licensing application process. That OREC will have to be established and actually work out what is our application process, what information do we take in, what forms do you fill in, what data has to be supplied as part of the application. This all has to be done and I want to see it all done concurrently, not sequentially, because sequentially loses us years, and that is years that we have an asset, the seabed, on which we are not earning an income.

If you have a property for rental, you want to rent out an apartment. If you leave it empty for a few years, when you finally rent it out you do not get back the back rent for the period when it was vacant. We have a vacant seabed out there earning us nothing that could be helping contribute to our economy and helping to support some of our expenses. But let us do it as a business would do, run everything concurrently, have your Gantt chart, have your milestones, and make sure everything is done in sequence as efficiently as possible with as little expenditure up front as possible, but with the ultimate objective of actually obtaining a significant return for our Government and our community.

Thank you.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Sir, I wanted to speak specifically to Proposition 4, which is to agree that officer support, as set out in table 3, and the officer support is not just administrative, monitoring staff costs, but also includes IT, website design, legal services, accountancy, contingency. The reason why I am concerned about this Proposition is that what we are trying to do here is set up an independent regulator, and I think it has been highlighted very clearly it has to be independent of the States to give the trust to industry that the process will be managed properly.

So if we are setting up an independent regulator or folding it into other regulatory function, at the same time we are saying, 'Well, no, we are going to provide administrative and other support' and on page 27 we are suggesting that will be the more cost-effective way of doing it, by using a combination of States' resources, rather than potentially effectively managing that through some serviced arrangement or corporate services provider, so the OREC itself manages that through employing staff, etc. So we are setting up a regulator but they are not quite independent because we are going to be still doing a lot of the admin and effectively increasing Civil Service headcount to do that, using States' IT systems and other systems.

I am not sure this speaks to the autonomy and the independence that we are trying to set up the OREC with, so I am currently quite uncomfortable about Proposition 4 because I think it is against the independence approach, which has been I think enshrined in the principles of what this Commission regulator has to be. I really do not have evidence to say that doing it within the States is a more cost-effective way, because that is not necessarily the case.

So I am currently not very comfortable in approving Proposition 4 because this is not – as we have just discussed, there are no immediate implications, it is not going to be starting today. The Policy Letter might be coming out at the end of the year. Deputy Dudley-Owen mentioned the confusion around probably some of the setup. I do feel the actual setup, the funding and resourcing

of it, has to be explored in more detail, and perhaps this has to be elaborated further in the Policy Letter that might come out. Because certainly if we are talking about folding this into the regulatory function like GCRA, well, the States does not provide any support; that is the point of having an independent regulator, is that the States is not involved.

4085 I think there is a real concern around the fact that there is no provision of legal services within the budget of the actual OREC, and that we are defaulting to effectively our own law officers and are not ring-fencing legal costs around that, because this could be quite substantial. So I feel there has to be a better outline of how this is going to be set up as an independent regulator. With the amendment that has been approved I think more of that work will be explored, and so I am not in principle in support of Proposition 4. But I do not think not approving it will have an influence for this work to continue and for better proposals to be outlined.

4090 That is my position.

The Bailiff: Well, Members of the States, we will now adjourn until 9.30 a.m.

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The Assembly adjourned at 5.31 p.m.