



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 22nd April 2026

*All published Official Reports can be found on the
official States of Guernsey website www.gov.gg*

Volume 14, No. 8

ISSN 2049-8284

*Published by the States' Greffier, The Royal Court House,
St Peter Port, GY1 2NZ. © States of Guernsey, 2025*

Present:

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

Law Officers

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

People's Deputies

C. P. A Blin	A. Kazantseva-Miller
Y. Burford	M. S. Laine
T. L. Bury	M. P. Leadbeater
A. K. Cameron	M. Malik
H. L. Camp	A. D. S. Matthews
G. M. Collins	L. J. McKenna
R. P. Curgenvén	P. S. N. Montague
H. L. de Sausmarez	A. J. Niles
D. F. Dorrity	G. A. Oswald
A. Gabriel	C. N. K. Parkinson
J. A. B. Gollop	S. R. Rochester
L. T. Goy	T. M. Rylatt
S. T. Hansmann Rouxel	G. A. St Pier
M. A. J. Helyar	J. D. Strachan
R. M. Humphreys	L. C. Van Katwyk
N. R. Inder	S. P. J. Vermeulen
B. R. Kay-Mouat	S. Williams

Representatives of the Island of Alderney

Alderney Representatives E. Hill and E. A. J. Snowdon

The Clerk to the States of Deliberation

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

Absent at the Evocation

Deputy S. J. Falla (*absent de l'île*) ; Deputy J. M. Ozanne OBE (*absent de l'île*) ;
Deputy A. S. Sloan (*absent de l'île*)

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States of Deliberation

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

[THE DEPUTY BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

EVOCAATION

CONVOCATION

The States' Greffier: Billet d'État VI of 2026. To the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday, 22nd April, 2026 at 9.30 a.m. to consider the items listed in this Billet d'État, which have been submitted for debate.

STATEMENTS

General Update Statement – Statement by the President of the Committee *for the Environment & Instructure*

The Deputy Bailiff: Good morning, everybody.
Can I invite the President of the Committee *for the Environment & Infrastructure* to present his Statement?

Deputy Gabriel: Thank you, madam; morning, Members.
One of the challenges we regularly receive as States' Members is a simple and entirely reasonable question: what are the States of Guernsey doing to help me?

It is a challenge I welcome, because it goes to the heart of trust in Government and accountability for how public money is used. Through this update, I want to set out plainly how that money is being spent for the benefit of our community, and how the Committee *for the Environment & Infrastructure* is focused on delivering value for money in practical, recognisable ways.

To begin with that issue, the Committee has agreed to act as a pilot for the States' move towards priority-based budgeting. We have done so deliberately. We recognise that public finances are constrained, and that people rightly expect Government spending to be aligned more closely with agreed priorities, outcomes, and demonstrable value. By volunteering some areas of E&I as a pilot, we are challenging ourselves to examine what we do, why we do it, and whether it is genuinely the best use of public funds.

This approach is not about salami-slicing services or chasing short-term savings. It is about being clear what we are trying to achieve and ensuring that spending decisions support those objectives.

Equally importantly, we are committed to sharing what we learn from this process, to help inform wider reform across the States.

30 However, I also recognise that when I am stopped in the supermarket, explaining that we are working on major long-term strategies – strategies which are complex, interconnected and necessarily slow to deliver – that can sometimes feel unsatisfactory or frustrating to people. It can give the impression that not very much is happening, or that progress is taking too long. Yet when we take a moment to look more closely, the reality is quite different.

35 Much of the Committee's work is simply not very visible. In many cases, it is noticed only when it fails. When it is done well, it is taken for granted, which, in many ways, is exactly what we want. Roads are repaired, buses arrive, coastal paths are open, fuel and food move freely to and from the Island, and the natural environment is protected. All these things fade into the background of daily life. But behind that normality sits a substantial and often unseen body of work that touches almost every day-to-day experience of living in Guernsey.

40 For example, the Committee is responsible for maintaining more than 400 km of road network, which is roughly equivalent to the distance between Poole and Leeds, along with nearly 250 junctions. Keeping that network safe and serviceable is not simply a matter of resurfacing roads when they wear out. It underpins access to work, education, healthcare and for emergency services too, and it also supports the movement of goods and services across the Island. In other words, it underpins the economy.

45 That network is subject to regular condition assessments, allowing planned maintenance to be scheduled sensibly, contractors to programme work efficiently, and utility companies to co-ordinate network upgrades. This helps avoid unnecessary disruption and makes best use of resources. All this work is delivered by what is, in reality, a relatively small team within Traffic and Highway Services, whose impact often far exceeds their visibility.

50 Alongside roads, the Committee also plays a vital role in safeguarding Guernsey's ability to trade effectively, particularly through our responsibilities for animal and plant health, commonly referred to as sanitary and phytosanitary, abbreviated to SPS, regulations. This is especially important at a time when the UK and EU continue discussions around changes to trading arrangements; the UK-EU reset.

55 Officers continue to liaise closely with the UK government and other authorities to ensure that goods, plants and animals can continue to move into and out of the Island without disruption. When this work is done well, nothing much appears to happen, which is exactly the outcome people want.

60 The Committee is also acutely aware of uncertainty arising from events in the Middle East and elsewhere in the world. Within our mandated responsibilities, we continue to monitor implications for energy resilience and food security, working closely with local suppliers to ensure that risks are understood and contingency arrangements kept under review. While we cannot insulate the Island from global price pressures, we can ensure that Guernsey is as prepared as possible to respond to supply disruptions should they arise.

65 The Committee has formally identified the need for a Strategic Infrastructure Plan for Guernsey. This will provide a co-ordinated, long-term framework to guide investment across transport, energy, water, coastal defences, and land use. This marks an important shift away from fragmented, asset-by-asset decision-making toward a more holistic approach that considers how different systems interact, how population pressures and climate risk affect future demand, and how limited resources can be deployed more effectively.

70 A piece of work with such a wide remit inevitably takes time to shape properly. We are currently at the very start of this process, determining its scope and methodology. Getting this right at the outset is essential because the decisions informed by this work will have consequences that extend decades into the future.

75 These responsibilities – covering infrastructure, energy, environmental protection, and regulatory oversight – are fundamentally about resilience and public safety. They rarely generate headlines, but they matter enormously when things go wrong.

Having set out some of that context, I want to turn now to the more visible ways in which the Committee is working to deliver the needs of the community we serve.

80 When people talk about infrastructure, it can sound abstract or distant. In reality, most people judge whether Government is delivering in very practical ways: can I get to work; can my children get to school safely; can an ambulance get through there; and can businesses operate efficiently?

On the roads, the past year saw delivery of the annual maintenance programme, including resurfacing of key routes such as the Grange, Le Bourg and Route Militaire, alongside patching works where that represented better value for money than full resurfacing. Works were also 85 undertaken at Port Soif car park to allow emergency helicopter access.

More recently, improvements have been delivered at the Weighbridge roundabout, which is a critical gateway into and out of St Peter Port and vital for both business and social activity. Through careful planning, we ensured that access through the roundabout was maintained during the 90 working day, reducing disruption for commuters, shoppers, and town-centre businesses, recognising that roadworks do not happen in isolation, but can have wider economic impacts.

Alongside physical works, the Committee manages a constant flow of less visible co-ordination. In 2025 alone, around 4,000 enquiries and applications were managed in relation to temporary traffic management, with almost 3,000 permits authorised and issued, resulting in 1,252 actual road 95 closures. This planning and co-ordination ensures that essential works can take place safely, while preventing unnecessary congestion or duplication. It is precisely this behind-the-scenes work that stops small issues escalating into large-scale disruption.

Public transport is another area where delivery is judged in practical terms. For many people, the bus is not an optional extra. It is how they get to work, attend hospital appointments, or remain 100 socially connected. In 2025, there were around 1.8 million bus journeys across this Island. Stagecoach marked its first full year of operation in Guernsey, covering more than 1.3 million miles and carrying over 1.7 million passengers, alongside improvements in reliability, cleanliness, and service standards.

At the same time, we have begun taking measured steps towards fleet modernisation. Two 105 electric buses are now in operation, with charging infrastructure being developed to allow future expansion. This approach reflects our broader philosophy: sensible, cost-effective improvements over time, rather than abrupt or expensive transitions.

Another important measure of performance is whether people feel safe, particularly when it comes to their children. This means safe routes to school and confidence on the roads for all users.

110 Last academic year, more than 400 children completed Bikeability level 2, equipping them with practical cycling skills, while adults also took part to build their confidence. Building on this success, we are trialling family sessions in partnership with the Health Improvement Commission. This work makes everyday journeys safer and benefits everyone, whether they walk, cycle, drive, or use public transport.

115 School Streets are another example of targeted, practical intervention. In addition to St Martin's, a School Street at La Houquette has now been made permanent. Schemes are progressing for Les Beauamps and St Sampson's High School, and a feasibility trial for Castel Primary is starting shortly ahead of a potential longer trial. These are not symbolic gestures, but carefully designed local measures aimed at improving safety during peak school times.

120 One of the clearest tests of public service delivery is what happens when things go wrong. Things did go wrong on 8th January this year. Storm events place real strain on infrastructure and on the people responsible for keeping the Island functioning. During Storm Goretti, officers worked across teams and with external partners to clear primary routes, restore access and support continued bus operations where it was safe to do so.

125 Environmental teams carried out remedial works to restore public access and repair damage, including some preventative 'stitch in time' interventions such as at the Bathing Pools, where early action avoided far more expensive repairs later.

This kind of response does not happen by chance. It depends on effective planning, good co-ordination and people stepping up under pressure, often outside normal working hours. I want

130 to place on record my thanks not only to civil servant officers, but also to the emergency services,
States Works teams, contractors and specialists whose efforts ensured that disruption was
minimised. (**A Member:** Hear, hear.)

Living on an island means we can never ignore the sea. Coastal defence is not glamorous, but it
is fundamental. In Guernsey, Alderney and Herm, ongoing maintenance from revetments and
135 repointing to slipway and harbour works protects communities and saves money in the long term.

In Alderney, the breakwater remains a critical asset. Following damage from Storm Goretti,
repairs are being prioritised ahead of next winter, recognising both its importance and the practical
challenges of working in such an exposed location. Recent engagement with the States of Alderney
has been constructive and underlines the value of close communication when we are managing
140 major infrastructure.

With improved clarity around future development, the Committee is now progressing flood
resilience work at the Bridge. This project will enhance protection for infrastructure, businesses and
homes while helping unlock development at major housing sites including Leale's Yard and land
around the Braye du Valle. Survey and investigation work is under way, with construction tenders
145 expected later this year, subject to business case approval.

Guernsey's environment is not merely decorative. It underpins our quality of life, our identity
and, in a very real sense, our economy.

In March, the Committee worked with Guernsey Ports to launch a Marine Biosecurity Guide,
providing clear, practical advice to marine users, including the simple 'Check, Clean and Dry'
150 approach. This is a good example of the Committee's preference for low-cost, preventative
measures that avoid more serious and expensive environmental damage later.

We are also continuing work that supports local production and resilience. The States previously
agreed proposals to renew support for the Guernsey cow and the dairy sector, and the new
arrangements have been taken up by all eligible farm businesses. In an increasingly volatile world,
155 that kind of resilience matters.

When it comes to energy policy, people want two things: security and common sense. I recently
represented Guernsey at the British-Irish Council Energy Ministerial meeting, continuing
engagement with UK counterparts on market access for offshore wind, alongside other work being
progressed through the Policy & Resources Committee. That engagement remains constructive and
160 supportive.

On local generation, while the Electricity Strategy target of five megawatts of solar capacity by
the end of 2025 was narrowly missed, more than four megawatts was installed. This progress has
highlighted the need for better monitoring, and work is under way with Guernsey Electricity and
industry to improve data accuracy while continuing discussions on how to further support further
165 progress towards the 2028 target.

As a member of the Offshore Wind Delivery Board, I can report that the programme has now
moved into a more delivery-focused phase. The board is progressing through phases that will take
us from opportunity identification toward developing credible routes to market and delivery models
for the Bailiwick.

170 Offshore wind offers significant potential economic and strategic benefits, including long-term
revenue and progress toward net zero. But it is also complex, and this phase of work is about
thoroughly testing assumptions, understanding market access, commercial structures and
regulatory alignment, and ensuring decisions are grounded in robust evidence. The board's role is
to balance ambition with realism and act in the long-term interests of the Bailiwick as a whole.

175 Madam, I have sought to demonstrate that the Committee *for the* Environment & Infrastructure
is focused on practical delivery and the things that matter most to Islanders: safe roads, reliable
transport, protected coastlines, energy, and food resilience. In short, the fundamentals that keep
people safe and support a functioning economy.

The Committee has increasingly prioritised pragmatism over aspiration, enabling frameworks
180 over premature capital spend, and long-term resilience over short-term fixes. I hope this has

positioned E&I as a delivery-focused Committee as Guernsey enters the next phase of its major projects' agenda.

185 Although we are not pretending that everything is perfect, nor that there are no difficult choices ahead. That is precisely why we are piloting priority-based budgeting and placing value for money at the centre of our decision-making.

If I may end where I began: when someone asks me in the supermarket what the States are doing for them, I want to answer plainly; not with buzzwords or theories, but with real examples of delivery that people can recognise in their daily lives.

190 I thank you, Members, and I welcome your questions.

The Deputy Bailiff: Thank you.
Deputy Van Katwyk.

195 **Deputy Van Katwyk:** Thank you, ma'am; and I thank the President for his update and all the work of his team.

The President mentioned renewed support for farmers, which happened in early 2025. Does the President see any potential for our fishing industry to become custodians of the ocean and for them to see similar financial support as the farmers receive?

200 Thank you.

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, ma'am.

205 Sea fisheries does form a part of our mandate, and offices are working with Agriculture, Countryside and Land Management Services (ACLMS), the land management specialists. It is a very difficult situation about how we support industry. I would hope with colleagues on Economic Development, we could come to some agreement about how, if or when any support could be directed to fishermen. But again, we have to spend wisely.

210 We also have to take into account where fishing will happen in and around Guernsey waters. Our Marine Spatial Plan will help inform that as well. But I welcome working with colleagues at Economic Development about what we can do, if anything.

The Deputy Bailiff: Deputy Vermeulen.

215 **Deputy Vermeulen:** I thank the President for his brief update on environment.

He mentioned maintaining roads and coastal erosion. I want to turn his attention to an area of land at Pleinmont, the access road to Fort Pezeries and the Fairy Ring, which there has been some undermining, I understand, of the road. I would hate to see access on that wonderful walk closed down, especially in the tourist season which we are heading towards, but also for locals that use it all year round. Perhaps he could update us on the works which he has taken to support that road and keeping that network open, please.

The Deputy Bailiff: Deputy Gabriel.

225 **Deputy Gabriel:** Thank you, ma'am.

Deputy Vermeulen will appreciate that I am not King Canute; I cannot hold back the tide. There has been some tidal erosion and the cliff has become undermined. We have taken some safety measures and barriered off and taped off that area by some benches, which is the area underneath the monuments, the flag on the rock out there.

230 Our officers are working, they have limited resources. Again, it is pedestrian access and there is a significant width available at the moment. It is about balancing resources spend with access, but

I do hope very much that the access will be retained – pedestrian access certainly – because there is a significant amount of road width there.

235 **The Deputy Bailiff:** Deputy Strachan.

Deputy Strachan: Thank you.

I thank the President for the update, and also for the brief update on the wind farm. You mentioned that you are looking at a delivery-focused plan, and you also made reference to the Marine Spatial Plan that would be part of that. Could you give us more information on the road map and timing of this project?

The Deputy Bailiff: Deputy Gabriel.

245 **Deputy Gabriel:** The Marine Spatial Plan is a key driver for many activities that happen around Guernsey; offshore wind being one of those. The Marine Spatial Plan has just kicked off with our consultants, Howard Consulting, and aiming to deliver in at least 12 months' time. In tandem, the Offshore Wind Delivery Board is working with, again, its consultants, its specialists around what, where, why, and how, and as I mentioned, regulatory regimes and also access to the UK markets.

250 If you are looking, and want to look and see some turbines out there, that is not going to be for a significant period of time, because we have to get this right. We have to get the access right for Guernsey and negotiate well so that we can have a great economic benefit.

The Deputy Bailiff: Deputy Curgenvén.

255

Deputy Curgenvén: Thank you, ma'am; and I thank the President for his update. Just two quick questions, if I may.

The Deputy Bailiff: Can you do them one at a time, please, Deputy Curgenvén?

260

Deputy Curgenvén: Sorry, ma'am?

The Deputy Bailiff: Can you do them one at a time?

265 **Deputy Curgenvén:** Yes, sure.

Does the President have a rough estimate of resources, including financial resources, that have been allocated for anything relating to 'net zero'? Are there any thoughts towards tidal power at all? You mentioned wind power before, I am just wondering if there is anything to do with tidal power?

270 Thank you.

The Deputy Bailiff: Deputy Gabriel.

275 **Deputy Gabriel:** In relation to resources for net zero, we have one energy specialist working in the States of Guernsey. That is one person, one resource, although there has recently been through the Organisational Capability Assessment Framework (OCAF), States' Civil Service approval method, approved for one and a half members of staff to support that role. That is around energy security, not just responding to net zero. It is an energy specialist.

280 In relation to tidal, for some people it is in its test phase. Orbital Marine are working up in Orkney and O3 is about to be put in through its paces, and O2 is delivering. QED Naval are working, another company off Cornwall, and we have had approaches from them about trialling tidal sources in our waters. But that does not come without cost and you have to balance the ambition and test bed.

Our waters are fantastic, do have tidal capability which is predictable, but it is landing that power, balancing that power and the infrastructure required to do that and the offset of the cost and the cost-benefit analysis related to that.

The Deputy Bailiff: Deputy Rylatt.

Deputy Rylatt: Thank you, ma'am; and I thank the President for his update.

As I understand, the long-term infrastructure investment requirement in flood defence for St Sampson's has been agreed in principle by the States for over a decade. Can the President confirm a firm timeline on when he expects the new site investigations to be completed?

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: Yes, this is something which is live at the moment, the enabling flood defence at the Bridge to enable activity to continue unhindered at development sites at Braye du Valle is happening. We have gone out to tender. We are in the throes of appointing a contractor to do some site investigations and that is physical excavations on and around the Bridge to determine what the ground conditions are like. This is not another survey. In fact, we have not commissioned a survey since 2012. This is actual physical works.

Those works will inform what, how and when we do any works. At the moment, the timeline is planned for handover of the new defence to be in June 2027.

The Deputy Bailiff: Deputy Inder.

Deputy Inder: Thank you.

A member of the St Peter Port Douzaine has claimed that the budget for cleaning town has not been increased for many years, and I have no idea if that is true or not. However, they went on to cite litter, weeds and steps not being maintained and a greater use of volunteers. Will the President commit to working with the St Peter Port Douzaine to provide them greater contract assurance and address possibly any of the issues that they may raise?

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, Deputy Inder.

There are two aspects to your question, as I understand it. Why has budget been diverted or why is there not budget? Our budget for street cleansing is given and has increased year-on-year because it goes through a service level agreement. That service level agreement has been interrogated recently through Committee intervention, and I want to thank Deputy Rochester and other colleagues on E&I for spearheading that work.

So budgets have not been reduced, certainly, because our contractor, we know, had price increases themselves they have had to bear, which have been passed on.

As regards to working with the Douzaine, certainly. The Douzaine are an integral part of St Peter Port; we will work with them. Again, it is about understanding asset management as well: who owns what, who is responsible for what. Because there is street lighting, there are zebra crossings, there are litter bins, there are all sorts of parts of infrastructure. So it is good to understand. So, yes, I will, of course, pledge to work with them.

The Deputy Bailiff: Deputy Blin.

Deputy Blin: Thank you, ma'am.

I would like to thank the President for a comprehensive statement and also thank him for, as a member of the OWDB, to share the updates on the wind farm work. But my question regards, which

335 I have been looking at the joint work between E&I and Home Affairs on the excessively noisy vehicles, which I know now is in place to do some of the testing in it. If the President could just update the Assembly on those stages and a little bit of a timeline to give us more information.

The Deputy Bailiff: Deputy Gabriel.

340

Deputy Gabriel: Thank you, ma'am; thank you, Deputy Blin.

I was expecting this question from you, so I am forewarned and forearmed. The States agreed by resolution to collect data on how best to enforce a limit. That data is informed by a six-month trial jointly with Home Affairs, Bailiwick Law Enforcement officers and Traffic and Highways officers. Our Traffic and Highways officers, as I mentioned, there are very few of them. They have now received training on how to operate equipment, what levels, how to collect the data effectively, how to collect accurately and in a measured performance way the noise emitting from noisy vehicles.

345

They have had that training, they will be going out on the streets with Bailiwick Law Enforcement at dedicated traffic stops from May, and that sixth month will then start from May; so May to October, November. That will then inform how and when we set any decibel limits.

350

The Deputy Bailiff: Thank you.
Deputy Leadbeater.

355

Deputy Leadbeater: Thank you, madam.

Would the President agree with me that the issue with certainly noisy motorbikes is fixing itself as more people transition away from the small noisy two-strokes on to e-bikes – certainly the younger generation – because the main problem we were getting was two-stroke scooters with the baffles out. It seems like more parents are encouraging their children on to e-bikes and that is fixing the problem in itself?

360

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: In short, yes, I would agree that it is fixing itself.

365

The market is reacting as well in that two-strokes are becoming obsolete. Manufacturers are not making 50 ccs. I also welcome Bailiwick Law Enforcement's (BLE) efforts by doing inspections at schools and advising young people about how to maintain their motorcycles and how to use them effectively in a safe manner.

370

The Deputy Bailiff: Thank you.
Deputy Matthews.

Deputy Matthews: Thank you, madam.

375

I am sure the President would agree with me that many of the roads in Guernsey – part of a feature of Guernsey – is that they are quite difficult and sometimes dangerous to walk along for pedestrians. Does the President have a list of areas for improvement, perhaps a prioritised list of areas which could be improved around the Island?

The Deputy Bailiff: Deputy Gabriel.

380

Deputy Gabriel: Yes, ma'am.

385

As part of efforts to improve road safety, which the Committee has prioritised this term, we have tasked Traffic and Highway officers with coming up with effectively a hierarchy of areas by doing surveys and also taking into account reports we have had from, again, Douzaines. They play a critical part in informing us because again they are partly our eyes and ears on the ground. We have specifically asked our officers to prioritise areas around schools, so yes, there will be a list coming

about what and where we can make improvements for all road users, not necessarily just pedestrians.

390 **The Deputy Bailiff:** Deputy Malik.

Deputy Malik: Thank you, ma'am; I thank the President for the update.

Can the President outline the criteria which is used to authorise the scaffolding in public areas, particularly in high footfall locations such as the high street, and the conditions or limits that are
395 imposed on them for how long it can remain in place?

Thank you.

The Deputy Bailiff: Deputy Gabriel.

400 **Deputy Gabriel:** Certainly, ma'am. I am just trying to find some information. But scaffolding is approved as part of our traffic policy as one of those 4,000 applications I mentioned earlier. Scaffolding in the town is generally not accepted between 1st May and 15th September unless a project has significant clarity and depth around it that it is going to be taking longer than that.

Again, if that requires a road closure, then consultation is undertaken with St. Peter Port
405 Douzaine, as Deputy Malik may know, as being a Douzenier as well.

The Deputy Bailiff: Deputy Kazantseva-Miller.

410 **Deputy Kazantseva-Miller:** Madam, in the previous political term, the Committee commissioned an external provider to develop what was then called the Better Transport Plan. That plan was very important to help facilitate housing developments, especially in the northern sites. Could the President update the Assembly in terms of what has happened with that piece of work and how the Committee intends to facilitate housing development through improved transport policy, especially with the northern sites?

415

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, Deputy Kazantseva-Miller.

The Better Transport Plan was designed in-house. We did not use consultants around that. The
420 Better Transport Plan at the time was conceived before and reacting to housing developments before Leale's Yard was purchased, and undertaken by the States. Since Leale's Yard and the wider Braye du Valle is now under the control of the States and allocated for housing, a transport infrastructure plan is being developed, which will go a little wider than the outreaches of the Better Transport Plan to try and encapsulate more of the Island, not just the north.

425 So some feeler roads, and that is still being tweaked, designed and, firstly, we need to get the enabling flood defence in place so that we can get some development sorted. But again, infrastructure needs careful planning and should not be knee-jerk because it is there for a significant period of time. So it has to be right and it has to be catered for, for most needs.

430 **The Deputy Bailiff:** Deputy Oswald.

Deputy Oswald: Thank you, madam.

I thank Deputy Gabriel for his comments and report. Deputy Gabriel will undoubtedly, correct
435 me if I am wrong, but I understand the vessel to look at this, which has just returned from an expensive refurbishment, sits under the remit of Environment & Infrastructure. No, it does not. I will sit down. *(Laughter)*

The Deputy Bailiff: Deputy Hansmann Rouxel.

440 **Deputy Hansmann Rouxel:** Thank you, madam; and thank you to the President for his Update Statement.

Speaking of St Peter Port and accessibility, there are areas of St Peter Port which are not accessible and remain not accessible. I know that there is a plan to where they can make improvements. However, is there any plan to put a more comprehensive structured plan to make
445 St Peter Port more accessible, i.e. looking at the cobbled streets and access to the very heart of our retail in St. Peter Port?

The Deputy Bailiff: Deputy Gabriel.

450 **Deputy Gabriel:** Thank you, Deputy Hansman Rouxel.

Accessibility for some is a barrier certainly, and for others an inconvenience. Our officers at Traffic and Highways are under significant pressure to deliver many things. Again, it is around prioritisation and should we really be paving over or changing our historical nature of our beautiful town. (**A Member:** Hear, hear.)

455 In my mind, we should not necessarily be sacrificing our historical features for accessibility absolutely everywhere, although that does strike a chord with me that that is being undemocratic to our citizens who have accessibility issues. So it is about getting a balance right and getting it right for everyone.

460 Again, it is about doing what we can pragmatically. It is not about getting rid of the cobbles, it may be some small solutions that we can make with drop curbs, etc., or lowered areas to get into and out of properties. But again that is in our prioritisation scheme and, at the moment, I cannot see that as being relatively high on our list, although it is on our list.

The Deputy Bailiff: Deputy Gollop.

465 **Deputy Gollop:** Madam Deputy President, last week Policy & Resources announced in one of their numerous media releases that they were going to not zero-based budget but priority-based budget, and Environment & Infrastructure were chosen as the guinea pig Principal Committee, with comment that real opportunity to identify savings, review services and assess relative priorities.
470 Does the Committee welcome this opportunity in the context that the last time this happened there was a proposal to reduce the bus services, for example?

How is the Committee prepared for what amounts to a scrutiny review from P&R on priority-basing your budget?

475 **The Deputy Bailiff:** Deputy Gabriel.

Deputy Gabriel: Thank you, Deputy Gollop.

480 One of the key words there is 'priority'. What is a priority for some is not necessarily a priority for others. Maintaining an ubiquitous service for all, certainly in the bus service, is a challenge. Certainly we had some pushback about some changes to the service and the routing, which is why we did not implement that in early April or late March.

485 The priority-based budgeting is working well. Probably at the start of the term, and I want again to shine a light on Deputy Rochester because she, with her financial experience, has taken to task some of our areas, certainly around our service level agreements, and interrogated those and made sure they are fit for purpose.

490 So effectively this is not necessarily an easy task for us. It has certainly taken some time out of our officers' working days to get absolutely everything on paper and established. But now we welcome the challenge. As regards what will be the outcome, I cannot say that yet because it is up until July that we are in the three or four phases of the priority-based budgeting. But no, I welcome the challenge.

The Deputy Bailiff: Thank you.

Any more questions?

Deputy Gollop, this will be the last question of the 20 minutes.

495

Deputy Gollop: Recently there has been speculation that the wind farm project, which I support, has changed perception and the sighting of plant north of L'Ancrese has changed to the west coast. Can the Deputy and the Committee advise us that there has been at this stage a relocation of potential wind plants of maybe up to 100?

500

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: Madam, I cannot give Deputy Gollop that confirmation. As I said in my Update Statement, we are progressing into next phases of the work, which will define what, where, why and when the actual turbines will be in the water. But I cannot say where they will be because our Marine Spatial Plan will be a key driver of what activities will be permitted or even with mitigations.

505

So yes, of course, there have been some studies around the wind flows, around where is the optimum, but again we have to take into consideration many things. One of those is seabed depth; access on to onshore if it is coming on shore to Guernsey; access offshore, where it is going to be landed; and again what size we are talking about as well.

510

One of the key drivers, to repeat, is the Marine Spatial Plan. When that is formalised that will play a part in determining where any turbines and stanchions will be based.

The Deputy Bailiff: Thank you, Deputy Gabriel.

**General Update Statement –
Statement by the President of the States' Trading Supervisory Board**

515

The Deputy Bailiff: I will now invite the President of the States' Trading Supervisory Board to give his Update Statement.

Deputy Helyar: Thank you, ma'am.

520

Given the scope of our responsibilities I cannot speak on every issue so I will focus on three things: what has been achieved; how we are now running the trading assets more commercially; and what is required from colleagues in this Assembly in relation to major infrastructure and Aurigny.

525

Over this term the Trading Group has been tested and delivered. When Blue Islands collapsed, we worked successfully and at pace with Aurigny and others to protect lifeline connectivity for Islanders and for the wider economy. We maintained services, protected critical routes, recovered our debt and avoided the prolonged disruption that would have done real damage to business, tourism and patients travelling for care.

530

We have also stabilised the finances of the unincorporated businesses. Between 2021 and 2023 several of them were reporting operating losses against the backdrop of the pandemic, Brexit and the spike in inflation and energy costs. That was not sustainable. Through a mix of tighter cost control, efficiency measures and more commercial approaches to fees and charges, where appropriate, those businesses are now on a much firmer footing and are forecasting operating surpluses for 2026, excluding exceptional items. The board does not wish to return to a position where these assets depend routinely on general revenue to fund commercial activities.

535

Looking ahead, we have set a clear financial objective: by the end of 2029 the unincorporated businesses should be financially self-reliant. By that I mean able to fund their operating costs and a

540 sustainable programme of capital investment from their own income, using borrowing only where
that can be properly serviced from revenues. The exception is Guernsey Waste, which is not
operated as a commercial business. This is not about treating essential infrastructure as pure
profit-making enterprise; it is about ensuring they are run with the discipline, accountability and
clarity that Islanders are entitled to expect, and that the taxpayer is only asked to step in for strategic
reasons, which are openly debated in the Assembly.

545 To support that goal we have set all unincorporated businesses the target of delivering a 1%
real-terms reduction in operating expenditure each year for the next three years. That mirrors the
discipline the Assembly has already required for general revenue and will help to relieve pressure
on customer charges. It will not be easy. Pay costs are the most significant component of
expenditure and, even with restraint in future pay awards, further efficiencies will be necessary. We
want to help embed a culture which ensures this is a process of continual efficiency improvement
550 rather than a one-off exercise.

This links directly to the way in which the Trading Group is governed. The Review Committee
reports that led to the creation of the STSB envisaged a dedicated board, with the capacity and
expertise to supervise the trading entities, balancing political and commercial considerations. That
model can only work if the board is actually allowed to do its job. What it did not envisage, in my
555 view, is the dual governance and bureaucratic duplication that we have increasingly fallen into: two
routes for decisions, two sets of procedures and the inevitable delays and extra costs that come
with that.

We are already required to demonstrate that investment decisions align with agreed States'
strategies and that borrowing remains within authorised limits, and the businesses undergo regular
560 external audit and scrutiny. Within that framework, however, it is reasonable that where capital
expenditure could be funded by a business from its own reserves or by borrowing, which it can
clearly service, it is wasteful to duplicate process by having to repeat the same exercise for Treasury
officers. The decision to proceed should rest with the STSB. That is the position for our incorporated
entities, and there is no compelling reason why unincorporated businesses should be treated
565 differently.

Granting greater delegated authority over capital projects and over fees and charges would
improve accountability, reduce costs by speeding up decision-making, improve planning certainty
and reduce the need for avoidable debates on issues which are often simple binary choices.

570 The Assembly has already agreed that Guernsey Water should be incorporated by January 2028,
and preparations are progressing with that in mind. The business is now in a strong financial
position with a clear, long-term investment and funding plan.

The Assembly has also agreed in principle that Guernsey Ports and States Works should be
incorporated, but frankly both have much work to do before that is likely. In particular, we need
greater clarity about future harbour requirements, the treatment of non-commercial operations
575 such as Guernsey Coastguard and what, if any, ongoing contribution from general revenue is
appropriate for the airport's role in economic enablement. Until those points are resolved, the
benefits and costs of incorporation remain unclear.

The Dairy continues to be an issue on the States' 'too difficult' and 'too expensive' list. Members
of STSB travelled to Jersey in early March to meet representatives of the Jersey Dairy and Jersey
580 farmers to examine why their own system is so much more successful and what can be learned from
their experience. We continue to engage with Guernsey farmers directly at their own request to
explore how we can best disentangle Government from what should be a more commercial,
successful and transparently funded industry. We certainly have one of the best products but the
whole structure needs a radical rethink. More on this in due course.

585 I want to turn now to infrastructure and commercial development, because decisions taken – or
not taken – in this Assembly will determine what the Trading Group can deliver over the next few
years. The Assembly has already agreed a land reclamation project at Black Rock as the preferred
option for the next inert waste disposal site. Our role is specific: to ensure continuity of inert waste

590 disposal for the construction sector, and to maintain safe and efficient operations at St Sampson's Harbour for as long as it remains essential for the import of goods, particularly hydrocarbons.

We have been stockpiling material at the current site for 18 months to maintain this critical service. That is expensive, operationally inefficient, and capacity is finite, so we will seek to extend the existing planning permission beyond September 2027, but that underlines the urgency of resolving the next facility and delivering it.

595 At the same time, we have to be honest about the risks. Both the Harbourmaster and the general pilots have cautioned that reclamation at Black Rock may increase navigational risk because of changes to already strong tidal flows in that area. The board has written to the Committees for Environment & Infrastructure and for Policy & Resources to say that further data collection, modelling and analysis are needed before firm decisions are taken.

600 It may prove necessary to consider an interim solution for inert waste elsewhere if we are to avoid compromising shipping at St Sampson's. Those are not decisions for the STSB alone, but we will not recommend any course of action that places navigational safety or fuel security at unacceptable risk.

605 The same is true of energy infrastructure. Together with the Committee *for the* Environment & Infrastructure we intend to bring a joint policy letter later this year covering the proposed second electricity interconnector and its funding. That is a key element of the Island's Electricity Strategy: it improves resilience, reduces reliance on on-Island generation, and in time should reduce the requirement to import heavy fuel oil through St Sampson's.

610 But progress depends on outstanding workstreams which sit with the wider States: a clear hydrocarbons importation and storage policy, decisions on future harbour requirements, and the interface between these and broader climate and energy objectives. Until those are settled the Trading Group cannot optimise its capital programme.

615 There are also areas where we have recently moved to rationalise assets. The fuel tankers Sarnia Cherie and Sarnia Liberty were acquired because of concerns about the availability of suitable commercial vessels to discharge safely at St Sampson's. Since then, specialist vessels have entered the market and are now regularly delivering fuel to the Island.

620 On the back of a review commissioned by the Committee *for the* Environment & Infrastructure in the last term, and accepted by the previous Policy & Resources Committee, the STSB was instructed to dispose of the tankers. That sale has now been completed and will allow the remaining loan associated with their purchase to be fully repaid.

625 In the ports more generally, there is scope to do more with the estate and operations commercially, as Members will have seen in relation to invitations for commercial development partnerships at the Slaughterhouse site and Boathouse, provided that we remain clear about the non-commercial obligations that must be met and how they are funded. That applies not only in Guernsey but also in Alderney.

630 The long-term condition and capability of Alderney's runways and related facilities are important to connectivity, economic activity and resilience for that Island. The board's view is that Alderney's infrastructure should be considered as part of an integrated trading and connectivity strategy, not as an afterthought, and responsibility for its upkeep and management should also be examined and clarified as part of the forthcoming work of the Bailiwick Commission.

Given we collectively have such a short time in office I have become something of a fan of confronting rather than ignoring difficult and challenging political issues, as I did with Tax Policy last term leading to creation of the GST Plus policy.

635 This neatly segues me to the subject of Aurigny and the Island's air policy, where some long ignored and fundamental choices need to be made. The new daily Heathrow service is clearly positive for connectivity. But additional capacity into London, especially on a route which is central to Aurigny's business, will affect Aurigny's London services and may have knock-on effects for other routes such as Southampton, and in turn will generate financial losses in a publicly-owned business.

640 The key point from the STSB's perspective is that Aurigny's role must be defined clearly and explicitly. Is Aurigny to be treated and funded primarily as a commercial airline, expected to

compete freely and to earn a commercial return on capital? Or is it to be treated primarily as a strategic asset, tasked with guaranteeing specific lifeline routes and minimum service levels, with a corresponding level of subsidy or support?

645 There is room for a position between those extremes, but Government needs to make a decision and it needs to be spelled out. Without that clarity, no board and no management team can sensibly optimise the business, and the Island will continue to see periodic shocks when commercial realities collide with implicit political expectations and at a cost to the public purse.

650 Once that strategic policy is set, the division of responsibilities should become more straightforward. The Committee for Economic Development and this Assembly should determine the air policy and Aurigny's mandate, including the balance between commercial freedom and social obligation and the acceptable level of financial support. The STSB will then hold Aurigny's board and management to account for delivering that mandate efficiently, transparently and with appropriate commercial discipline. Aurigny cannot be expected to be both a fully commercial carrier and a social utility, and judged as both at once, without that conscious choice being made.

655 Finally, I want to say something about the role of the Trading Group more generally. The STSB is a policy taker. Our function is simply to give effect to decisions taken elsewhere. But that is only half the picture. Within the Trading Group there is deep local expertise in power generation and networks, in airport and harbour operations, in airline management, logistics and fleet, and in the delivery of complex capital projects.

660 In a small jurisdiction where much of what we do is sub-scale, that expertise is one of our most important assets. Our job is to use it to inform and shape policy as well as to implement it, and to ensure that every pound invested in our trading assets is deployed to maximum effect, in the interests of Islanders, businesses and our future generations.

665 That is the approach this board intends to take: candid about addressing some of Guernsey's most profound long-term challenges, clear about the commercial standards we expect, realistic about the limits of what we can do alone, but determined to ensure that the States' trading assets are run professionally, with purpose, and with a sharp focus on accountability and value.

Thank you.

670 **The Deputy Bailiff:** Thank you.
Deputy Inder.

675 **Deputy Inder:** I am going to thank Deputy Helyar for his update, but it has long struck me and him, there is always this permanent tension between Aurigny, what Aurigny wants to do and how it communicates to States' Members, and obviously what Economic Development wants to do and its responsibilities for connectivity. Both are often right and that is almost an impossible position to be in.

680 Would it not be a better position for this Assembly to get into if STSB and Economic Development got into one room and said effectively that the airport is likely to never particularly wipe its face and, let us say, it has got a loss of say £3 million a year, Aurigny has an upper limit of losing, let us say, £4 million a year, and that that combined cost is effectively £7 million. Would it not be better for both STSB and Economic Development to come to the States with a policy letter and allow this Island to accept that the cost of connectivity is X amount and that is effectively end of the subject and work within that framework, rather than this permanent tension between two
685 opposing views?

The Deputy Bailiff: Deputy Helyar.

690 **Deputy Helyar:** I thank Deputy Inder for his question.
Yes, certainly that is one of the moving parts which can be adjusted to take account of improving our connectivity. Obviously, I have a personal view about that as well as a view as President of the board. But if we were to move to a position where the airport was considered to be an economic

enabler, then it would need permanent, long-term funding for that purpose. That really is a decision for the whole Assembly and not really just for the board.

695 Thank you.

The Deputy Bailiff: Deputy Van Katwyk.

700 **Deputy Van Katwyk:** Thank you, ma'am; and thank you to the President of STSB and his team for all their hard work.

As I understand it, the world-leading environmental consultants, Haskoning, were commissioned with taxpayer money to do the work on fluvial flows and the effects that the Black Rock land reclamation might have in Little Russell. Can the President tell us, because that work was due to finish in February, why we are not using that consultant's work to tell us about the impacts of the Black Rock land reclamation project on the fluvial flow of Little Russell.

705

Thank you.

The Deputy Bailiff: Deputy Helyar.

710 **Deputy Helyar:** Yes, I thank Deputy Van Katwyk for his question.

That reporting is being used but part of the report recommended that there needed to be accurate tidal buoys placed in position to collect data for a long period to enable the modelling to be verified. So we have modelling, in fact modelling was developed for future harbours during the last term, but that needs to be verified by actual data because otherwise it is a computer model rather than a reflection of what is really happening. That data, we are now progressing to collect it.

715

The Deputy Bailiff: Deputy Camp.

Deputy Camp: Thank you.

720 Given that any future look at Aurigny will take some time, and I think given the fact that all public answers about what can STSB do about Aurigny always seem to be about what it cannot do, could I please ask the President of STSB exactly what STSB can do in respect of governing the shareholding position over Aurigny?

Thank you.

725

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: I am not sure I really understand the question but in terms of – I am assuming that means in terms of responding to Heathrow.

730

The Deputy Bailiff: Would you like to clarify, Deputy Camp?

Deputy Camp: Yes, I meant more in terms of – so criticism around the operational issues that exist. There always seems to be a denial that Government can do anything to intervene or step in, in respect of ongoing operational issues.

735

The Deputy Bailiff: Deputy Helyar.

740 **Deputy Helyar:** I am not sure whether the aspect of alleging there is a denial of the ability to interpose – we are not responsible for running the airline in the same way as we are not responsible for running the electricity board. Operational decisions are made by the persons who are appointed to be directors of those entities. Our role as a shareholder is to ensure they have the right team and the right strategy. If they do not have the right team and the right strategy, those are the things

745 that we would seek to change and we have been taking steps and we have regular contact with Aurigny to ensure that we are right on top of that but it is not a destination, it is a journey.

The Deputy Bailiff: Alderney Representative Snowdon.

750 **Alderney Representative Snowdon:** Thank you very much.

I just want to say thank you to Deputy Helyar for the update. I just understand from the Alderney policy letter that we approved in this Chamber, 4.4, the milestones and I understand from the States of Alderney that we have got six weeks' delay with the tender construction issued, which is probably more a question for Policy & Resources, but I just wondered if STSB had any views about delays with the process with the milestones for the Alderney runway policy letter, if at all.

755 Thank you.

The Deputy Bailiff: Deputy Helyar.

760 **Deputy Helyar:** We are making good progress and I am very pleased to say that Deputy Burford from P&R is also on the project board I have attended. We have raised a number of initial questions, which we hope might redirect some of the major work and speed things up at a later date. If there is a delay now we have the opportunity to catch up, and we think some of the work that we have taken may assist with that. I also understand that there have been discussions with potential tenderers already, so there are contractors who have been engaged to discuss with them because we wanted to make sure that at the earliest opportunity we speak with contractors rather than leap boxes with guesswork as to the costs in the final tender.

765 **The Deputy Bailiff:** Deputy Cameron.

770 **Deputy Cameron:** Thank you, madam; and I thank Deputy Helyar for his Update Statement.

Given that Guernsey Water sits within the mandate of the STSB and that the board is responsible for its efficient management and operation pending incorporation, what action has STSB taken or does it intend to take to address the sewage outfall at Soldier's Bay serving the Fort George catchment, which remains unbudgeted, particularly given that this is a near-shore discharge and increasing numbers of open water swimmers are using this stretch of coastline?

775 Thank you.

The Deputy Bailiff: Deputy Helyar.

780 **Deputy Helyar:** I thank Deputy Cameron for his question and also for giving me warning of it because I have been able to check what the position is. The matter has not been considered by the STSB. This is the kind of issue that would be treated at an operational level by Guernsey Water's board. It was last considered by that board in 2021. There is no capital allocation for works of that sort. All the businesses, despite being in a healthy position, there is no plan to undertake capital works of that nature and, reflecting on that, I had a commentary from the Manager of Guernsey Water that the water quality results for swimming in both Havelet and Fermain remain excellent.

785 **The Deputy Bailiff:** Deputy Vermeulen.

790 **Deputy Vermeulen:** I thank the President for his update on States' Trading. I have been alarmed at the amount of wet leases that Aurigny has been using since its disposal of its marvellous Embraer jet. Last year there was absolutely no competition, certainly on London, but there was very limited competition from any other airlines. Could the President give me some clarity on Aurigny's performance last year, please?

795

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: Thank you for the question, Deputy Vermeulen.

800 It is an evolving picture in terms of the way in which the business will need to respond to competition and cannibalisation of passengers on the Heathrow route. The latest figures that we have available for the business show that it is likely – the forward bookings to the end of October are down by 15% and the business is likely to reach the end of this year with a £5 million loss.

The Deputy Bailiff: Deputy Gollop.

805

Deputy Gollop: One of the reasons why we incorporated or put committees to the States' Trading Board, Public Services Department too, was to let them be on a freer lease from being under direct Civil Service or political control. How is the President able to ensure that there is not a duplication of, say, business cases for capital projects and so on so that the businesses are able to have their own sources of money outside of the centralised framework?

810

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: I thank Deputy Gollop for his question. I cannot reassure him of that because there is duplication. If an unincorporated business is able to afford to conduct capital works it may simply go ahead without any States' interposition. The businesses which remain rather – I will correct myself. The incorporated businesses are able to do that. The unincorporated businesses, however, if they reach a limit in terms of their capital expenditure on a particular project and it goes over the delegation limit then that has to go through the entire process. So it may have already been through a process to get to where it is but then it has to go through a Treasury process, as we shall see later with the debate which we are about to have on the capital programme.

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The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: Madam, the ports are of course the flagship entry point to the Island. Whilst it is an operational matter the state of the airport is perhaps less good than it should be, but in particular the state of the roof and encased in scaffolding for an apparently indeterminate period. I think it would be useful to understand what position the board has taken in relation to the improvement of the airport generally, but more particularly dealing with that long outstanding issue.

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830

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: I thank Deputy St Pier for his question.

835 This is something we have spent quite a lot of time on trying to unravel. A more complete insurance claim has now been made to repair damage to the original storm damage, which damaged the roof. We understand that the rest of the structure, having now been reinvestigated, may be able to be taken out of the capital programme altogether and dealt with as a running item out of the revenue of the airport rather than as a large rebuild project. I cannot guarantee that that will be the case but that is what we are working towards so that the scaffolding can be taken down. Also I have to say that the walkways, which have been in a terrible state for quite some time, a contractor has just been engaged to repaint and repair those areas.

840

845

The Deputy Bailiff: Deputy Burford.

Deputy Burford: Thank you.

The President mentioned that there is an estimated loss to Aurigny for this calendar year of £5 million but can he separate out what figure is attributable for the eight and a half month period of the operation of the Heathrow service in relation to a loss occasioned by Aurigny?

850

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: I cannot do that precisely at this stage, and it is only an estimate because that is based on forward bookings. It may be in three months' time that we find those bookings pick up, but there is a 15% reduction in comparison to the previous quarter where there was actually a significant increase on previous years' travel. It is very difficult to say at this stage, but that is a net position even taking into account the additional frequency and transport of passengers to Southampton and Jersey. It is a net position after the gain of those new routes.

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The Deputy Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Madam, Aurigny currently does not have a published schedule of flights beyond the end of October. Would the President agree that a lack of forward bookings is partly linked to the inability of travellers to book Aurigny beyond October, which other airlines operating into the islands offer until the end of March of the next year?

865

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: Yes, I will accept, and I thank Deputy Kazantseva-Miller for her question.

870

The issue is if Aurigny is to be required to break even then it will have to cut something in order to do that, and that would include consideration of cutting routes or the frequency in which they fly to particular places, including potentially Gatwick. Now, the whole reason that Aurigny was purchased in the first place was because BA left the Island without any warning, funnily enough, which is quite ironic, but securing those slots at Gatwick was the ultimate strategic reason for purchasing it. We now need to land, if you forgive the pun, the air policy in order for Aurigny's board to be able to understand what actions it can take in order to protect itself from that adverse financial outcome.

875

The Deputy Bailiff: Deputy Gollop.

880

Deputy Gollop: We note today later we will be looking at urgent repairs to the dairy which may provide an interim solution, but is the President in a position to confirm, probably in conjunction with other Committees, when he is able to launch a longer-term future of the dairy and agricultural industry to make it both environmentally supported and sustainable financially and to the consumer?

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The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: I thank Deputy Gollop for his question.

890

We had a really interesting trip to Jersey to see the way that they do things and I think this is one example, there are not many, obviously (*Laughter*) where they do something better than we do and there is a lot to be learnt. They were incredibly helpful in offering their support for how we might develop a model where the farmers either run the dairy or have significantly more input into the way in which it is run, rather than Government doing that, so that it can be a more commercial organisation. We have a great product and we learnt a lot about the way they do things, which is slightly different to us but we are very much constrained by what we can spend. We will need a new dairy. It is just a question of combining those things and particularly the environmental support which is paid towards farmers and how transparent that is. That is a really important part of the mix.

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900 **The Deputy Bailiff:** Are there any more questions? No. In that case I thank the President of the States' Trading Supervisory Board for his update,

**General Update Statement –
Statement by Alderney Representative Hill**

The Deputy Bailiff: I will turn now to Alderney Representative Hill, who is giving the general update on behalf of the States of Alderney.

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Alderney Representative Hill: Thank you, Madam Bailiff.

As you all know, in February I gave quite an extensive speech on the economic aspect of Alderney, so I am not going to cover too much of that in this speech, but over the past year the States of Alderney have continued to make steady and positive progress across a range of key areas, reflecting a clear commitment to the wellbeing of the Island community and to constructive collaboration within the Bailiwick.

910

In the field of infrastructure, Alderney has taken meaningful steps to maintain and improve essential public assets. A structured programme of road resurfacing has been undertaken in key areas such as Victoria Street and Braye Road, improving safety and accessibility for residents and visitors alike.

915

At the harbour, targeted maintenance works at Braye Harbour have strengthened sea defences and improved resilience against adverse weather conditions. In addition ongoing support for Alderney Airport has included upgrades to safety equipment and operational facilities, helping to maintain reliable air links that are vital to the Island.

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We would like to place on record our sincere thanks to the States of Guernsey Deputies for their continued support in relation to the Alderney runway. This investment and commitment to maintaining critical aviation infrastructure has been essential in ensuring the ongoing safety, operability and resilience of the Island's air connectivity. It is a clear example of effective collaboration within the Bailiwick in delivering infrastructure that is vital to both communities.

925

However, it is also recognised that connectivity remains a key challenge. Ongoing issues with reliability, frequency and resilience of air services provided by Aurigny and Skybus have had a tangible impact on the Island. These challenges have affected not only residents but also the Island's ability to attract inward investment, support tourism and enable business growth. The States of Alderney have continued to engage constructively with partners in Guernsey to seek improvements in service provision, recognising that stable and dependable transport links are fundamental to the Island's long term economic success. I am pleased to announce that especially over the last two weeks there has been a notable improvement with the arrival of the Twin Otters and more crew being able to be used by the Skybus, so thank you to them.

930

Closely linked to this is the importance of emergency medical connectivity. The States of Alderney continues to express concern regarding the resilience and reliability of the medevac service, particularly given the Island's remote location and dependence on timely emergency transfers to Guernsey and beyond. Ensuring a consistently dependable emergency ambulance service remains a critical priority for patient safety and community confidence, and we would like to work with you to look at some various additional solutions which will help that problem.

935

In addition, there remains the ongoing concern regarding absence of a dialysis machine on the Island. The lack of on-Island dialysis provision means that patients requiring regular treatment must travel off Island, frequently placing additional strain on individuals and their families. The States of Alderney continues to highlight this as a key healthcare gap and to work with partners across the Bailiwick to explore sustainable solutions that improve access to this essential treatment.

940

945 Financially the Island has demonstrated careful stewardship of public funds. The States of
Alderney have successfully set a balanced budget reflecting a disciplined and responsible approach
to public finances despite a challenging economic environment. Through prudent decision-making
and a focus on affordability the Policy & Finance Committee has brought forward a series of
important resolutions aimed at strengthening fiscal discipline and transparency. These have
950 included the adoption of a more structured medium-term financial framework, tighter controls on
departmental expenditure and clearer reporting mechanisms to improve oversight. At the same
time, Alderney recognises the wider fiscal pressures being experienced by the States of Guernsey.

There is a clear understanding that the Bailiwick as a whole faces increasing financial demands,
particularly in relation to public services and infrastructure. In this context, Alderney remains
955 committed to working collaboratively and responsibly within the framework of the Bailiwick,
ensuring that its own financial management supports rather than detracts from the overall stability
and sustainability of the wider public purse.

Alongside this the States of Alderney continues to strengthen its internal leadership and
operational capacity. We are pleased to state the recent appointment of an excellent Chief Executive
960 Officer who brings 30 years of dedicated experience within the States of Alderney. In addition, we
have also recently appointed a new Head of Finance, who brings 16 years of experience within the
organisation. These appointments strengthen continuity, institutional knowledge and financial
governance at a senior level.

Healthcare and community services have also seen continued attention. Alderney has worked
965 closely with partners across the Bailiwick to maintain and enhance healthcare provision, including
improvements to patient transfer co-ordination and access to specialist services in Guernsey when
required. Locally investment in community care has supported older residents to remain in their
homes for longer with expanded domiciliary care services and support for carers. The Mignot
Memorial Hospital has also benefited from incremental upgrades to equipment and facilities.

970 At the same time, Alderney continues to face the structural challenge of an ageing demographic.
A growing proportion of the population is of retirement age, which places increasing pressure on
services while reducing the size of the working age population. Addressing this remains a key
strategic priority with efforts underway to attract younger people and families through employment
opportunities, remote working and a more accessible housing framework.

975 In response, the States of Alderney has also established an open office to support the relocation
of new businesses and individuals moving to the Island. This initiative is designed to provide
practical guidance and streamline engagement with Government services. Alongside this there is a
clear aspiration to develop population management approaches to help ensure that those moving
to Alderney are economically active and able to contribute to the Island's long-term sustainability.

980 In the area of housing and development, property sales over the past year have remained strong,
reflecting continued demand and confidence in Alderney as a place to live. However, there is a
recognised need for increased supply particularly more two and three-bedroom homes to support
young families, key workers and new residents. Expanding this housing provision is essential to
supporting population growth and addressing the demographic imbalance.

985 On environmental matters Alderney has continued to make progress through improved
recycling services, waste reduction initiatives and early stage renewable energy exploration,
including solar potential on public buildings. Conservation work continues in partnership with local
organisations to protect the Island's internationally recognised natural habitats.

Economic development remains focused on diversification and sustainability. The Economic
990 Development Committee has advanced an initiative supporting remote working, tourism strategy
development and private sector engagement, and indeed we will be welcoming your Economic
Development Committee in June to come and join us in Alderney to discuss future co-operation.

Alderney continues to benefit from strong community events and cultural activities that support
the Island's tourism offering and community life.

995 Alderney's contribution to the wider Bailiwick economy remains substantial. Through the
Alderney Gambling Control Commission, although still under verification, the Island generates an

1000 estimated £84 million annually for the Bailiwick economy, reinforcing its importance as a regulated international centre. The Bailiwick Commission Framework, underpinned by the 1948 Agreement between Alderney and Guernsey, remains central to this success. It enables the delivery of key public services through shared arrangements while supporting economic contribution and operational efficiency across the Bailiwick.

Planning and land use policy has also progressed with work on the Alderney Land Use Plan providing a clearer framework for sustainable development. This includes support for housing, protection of environmental assets and enabling infrastructure for future community needs.

1005 Alderney is in many ways a small island community often described as a village on an island, but its relationship with Guernsey remains of fundamental importance. That relationship is built on shared history, constitutional arrangements and practical co-operation that continues to underpin stability and resilience across the Bailiwick.

1010 Engagement with Guernsey has remained strong across policy, economic and planning matters, ensuring continued alignment on shared priorities such as transport, investment and development in parallel also strengthening engagements with Jersey recognising the value of wider Channel Islands co-operation. There is a clear potential for the islands to work more closely together in areas such as economic development, regulation, tourism and connectivity, strengthening the Channel Islands' collective resilience and international competitiveness.

1015 The States of Alderney also extends a warm welcome and invitation to all Deputies of the States of Guernsey to come and visit the Island to see first-hand the progress being made and the opportunities available, particularly in financial services, digital industries and construction and development.

1020 Over the coming period Alderney also welcomes the forthcoming visit of the German Ambassador. This visit provides an opportunity for reflection on the Island's Second World War history, including evacuation and the significant post-war rebuilding effort that followed. That period of recovery remains an important part of Alderney's identity and continues to shape its outlook today.

1025 In summary, the States of Alderney has continued to demonstrate responsible governance, steady progress and a clear focus on long-term sustainability. While challenges remain, particularly in relation to transport, healthcare resilience, housing and demographics the Island continues to move forward with practical initiatives and a strong commitment to working collaboratively with the Bailiwick and across the Channel Islands.

1030 Finally, as we are all aware, there is the Bailiwick Commission and we welcome that and we look forward to working constructively with the commissioners when they arrive in May.
Thank you.

The Deputy Bailiff: Thank you.
Deputy Vermeulen.

1035 **Deputy Vermeulen:** Thank you, madam.

It is good to see both Alderney Representatives in the House today although they missed the last meeting because they could not get a flight across. I thank you for the update.

1040 I understand since then there has been a mass demonstration in Alderney regarding air connectivity up at the airport and some of the pilots from Skybus have suggested reinstating the grass runway which runs across the tarmac runway would assist in high cross winds and help reliability in cross winds with connectivity. Do Alderney States have a position on reinstating this grass runway?

1045 **The Deputy Bailiff:** Alderney Representative Snowdon – sorry, Hill. You can ask and answer if you want to.

Alderney Representative Hill: This has happened many times before (*Laughter*).

1050 Thank you for your question, Deputy Vermeulen. I would not describe it as a mass protest, it was
actually just really a lot of people coming and there was a question and answer session with the
CEO of Aurigny. Yes, indeed both Aurigny and Skybus have indicated that a lot of the operational
cancellations due to weather as a result of cross winds would be assisted if the grass runway was
allowed for commercial use. That has now been taken up at another level as part of the runway
discussions and I await their conclusions but, yes, in principle we would like to see the reinstatement
1055 of the grass runway in order to avoid more weather cancellations.

The Deputy Bailiff: Deputy Inder.

1060 **Deputy Inder:** Thank you, Alderney Representative Hill for his update. Coherent, sensible,
positive, so thank you for that.

However, two States' meetings ago, this Assembly delegated £24 million to P&R for a runway in
under 45 minutes. Under 45 minutes. In his update Alderney Representative Hill expressed
Alderney's sincere thanks for the support from the Guernsey taxpayer but since that date there has
been a demonstration at the airport, a school has gone on strike and your Government's lead has
1065 stated that she has lost confidence in the Aurigny fleet. Are those really the actions of a Government
or indeed population that are thankful for Guernsey's ever-increasing support and investment in
the northern island?

The Deputy Bailiff: Alderney Representative Hill.

1070 **Alderney Representative Hill:** Thank you for your question, Deputy Inder.

I think we do not need to over-exaggerate. There was a year 11 group who had some issues
about the lack of teachers that took an action, so I think we do not need to over-exaggerate that
particular issue. That I understand now has been addressed, and I am very glad to hear that we have
1075 now appointed a new head of St Anne's. I am sure that head will deal with those issues as they go
on.

The transition between Aurigny to Skybus has not been without its challenges (**A Member:** Hear,
hear.) and I do not think anybody in this room would not agree that there have been some technical
issues. There was a certification of an aircraft issue and it did lead to more than usual logistical and
1080 technical cancellations than perhaps there would have been, but also we have had a period of the
January and February of appalling weather conditions. Unfortunately, as everybody knows, when air
connectivity fails people do get slightly in more of a lather than anything else and, indeed, here in
this Assembly when you had the black swan event people complained also.

1085 **The Deputy Bailiff:** Alderney Representative Hill, I recognise it was a very big question but it
was said in the allocated time. I am afraid you have only got a minute and a half to respond and
you have now gone on.

1090 **Alderney Representative Hill:** Okay. But I can tell you now that our ongoing gratitude for the
States here, of the liberation to –

The Deputy Bailiff: Alderney Representative Hill, can you sit down? You only have a minute and
a half, I am afraid. It is the rules that the States have decided to impose upon these sorts of
questions.

1095 Deputy Oswald.

Deputy Oswald: Thank you, madam.

I recognise that the absence of dialysis provision on Island in Alderney is a healthcare gap.
However, do the States of Alderney recognise and accept the view of our contracted suppliers of
1100 renal support to the Bailiwick, that is, the Guy's and St Thomas' Healthcare Trust, is consistent in

their view that they cannot support the provision of dialysis services on Island for a variety of practical, not economic, reasons?

The Deputy Bailiff: Alderney Representative Hill.

1105

Alderney Representative Hill: Thank you for your question, Deputy Oswald.

Yes, we do accept that that is the official stance from Guy's and your contracted suppliers, however we still would like it looked into because it is our belief that other organisations within the United Kingdom do allow for dialysis to be performed on an off-Island situation.

1110

The Deputy Bailiff: Thank you.
Deputy Leadbeater.

Deputy Leadbeater: Thank you, madam; and I thank Alderney Representative Hill for the update.

1115

It is interesting that he talks of their wish to look at population management. On HSC last term we heard the story of a couple moving to Alderney from the UK bringing an elderly relative with them, putting the elderly relative in the Connaught Care Home then deciding they did not like Alderney and leaving their elderly relative there at the cost of the taxpayer. Will the States of Alderney commit to working with us to address these gaps either through the review of the Population Management (Guernsey) Law or through other mechanisms?

1120

The Deputy Bailiff: Alderney Representative Hill.

Alderney Representative Hill: Thank you for your question, Deputy Leadbeater.

The answer to it is yes. Can I just say that that was one particular example so I think it is slightly apocryphal, so let us not get too taken away that this is like a permanent situation. The figures are still very low, however we are really trying to focus on attracting young people and also in the provision, particularly of people who are coming of a certain age, in making sure that they can finance their own healthcare and not be a drain on your resources. However, there are some challenges within that, not least with the fact that it is actually quite hard to enforce people to have health insurance, which we find very odd because other countries insist on it but for some reason we are reaching blocks and I would like to work with P&R to work out how we can resolve that problem.

1130

1135

The Deputy Bailiff: Thank you.
Deputy Collins.

Deputy Collins: Thank you, madam.

Good morning. Would my good friend from Alderney – the Transport Authority has seen quite a lot this term so far – agree with me that Guernsey does not actually have such a bad deal. When we look at the Alderney Breakwater, instead of us paying £5 million to Defence, we pay for that. Considering the UK Defence budget is now £60 billion – that works out at £850 per person – the population of Guernsey and Alderney taking about 65,000, would be £55 million a year if we were to pay our contribution to Defence. So would my good colleague agree with me that actually Guernsey has not got a bad deal?

1140

1145

The Deputy Bailiff: Alderney Representative Hill.

Alderney Representative Hill: Thank you for your question, Deputy Collins.

1150

You are 100% right. *(Laughter)* I can confirm that as a result of an agreement in 1987, the Alderney Breakwater is actually owned by Guernsey and is part of a deal that is the Guernsey

Defence contribution which, had that deal not been in place, Guernsey could be asked to pay up to 3% of its GDP towards defence. So indeed, yes, it is a very good deal.

1155

The Deputy Bailiff: Deputy Helyar.

Deputy Helyar: Thank you, madam.

1160

Alderney Representative Hill mentioned that there had been technical disruption in the changeover of fleet, and I just wanted to perhaps make a correction because data has been provided to the States of Alderney to demonstrate that the Twin Otter fleet has been performing better. But I wondered if he would agree with me that analysis of ordinary Meteorological Aerodrome Reports (METARs) reveals that cross winds exceeding aircraft operating limits applicable to Dornier and Twin Otter fleets arose at nearly 10 times the frequency in January 2026 compared to 2025. Reduced visibility conditions were equally severe. Whereas a single METAR recorded visibility below 600 m across the whole of February 2025, 63 METARs recorded this level of visibility impairment in February 2026 in Alderney.

1165

The Deputy Bailiff: Alderney Representative Hill.

1170

Alderney Representative Hill: I am very happy to confirm that we did have extremely adverse flying conditions meteorologically in the period of January and February and, yes, it did disproportionately result in a lot of cancellations, and there is nothing anyone could have done about that.

1175

The Deputy Bailiff: Deputy Gollop.

1180

Deputy Gollop: Recently in an interesting podcast with Deputy de Sausmarez and another Alderney Member the President of Policy and Finance expressed a wish that Guernsey and Alderney could work more harmoniously together but suggested it would be helpful if there was more input by Alderney Members in one way or another on to States' Committees responsible for transferred services. Would the States of Alderney wish to see more engagement with Health, Education and Economic Development, for example, from the States of Alderney to ensure that the islands are working together in those areas and the structures necessary in terms of corporate governance to succeed with those?

1185

The Deputy Bailiff: Alderney Representative Hill.

Alderney Representative Hill: Thank you very much for your question, Deputy Gollop.

1190

The answer is yes, but that is something which I think we will put to the Bailiwick Commission about how both islands can work better together. At the moment, the Alderney Representatives take an overall view of when people have issues and then we try to transmit them, but I think it would perhaps be slightly more efficient if those directly responsible for those portfolios within Alderney actually had a little bit more access to the Deputies and Presidents of Committees here.

1195

Thank you.

The Deputy Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, madam.

1200

I am just wondering if Alderney Representative Hill is aware of Guernsey's contribution towards UK Defence coming via the passport fees?

The Deputy Bailiff: Alderney Representative Hill.

1205 **Alderney Representative Hill:** Thank you.
I do note that, but I am not 100% briefed on the substance.

The Deputy Bailiff: I do not think it is a question for a States of Alderney Representative. I do not think it really goes to the States of Alderney but thank you for trying to answer it, Alderney Representative Hill.

Alderney Representative Hill: I have not got the answer. I am really sorry.
Thank you.

1215 **The Deputy Bailiff:** Deputy Cameron.

Deputy Cameron: Thank you, madam.

I thank Alderney Representative Hill for his update and also for the hospitality shown during the recent E&I visit to the Island. (**A Member:** Hear, hear.)

1220 Given the Assembly has committed £24 million towards Alderney's runway, and recognising that final costs may exceed this, what steps are being taken to secure financial contributions from private stakeholders, including businesses and high-net-worth individuals who directly benefit from that connectivity?

Thank you.

1225 **The Deputy Bailiff:** Alderney Representative Hill.

Alderney Representative Hill: Thank you for your question, Deputy Cameron.

1230 I would like to refer you to the speech that I made in the runway speech in February – I think it is on *Hansard* – where I did say that Alderney would look to contribute towards the runway costs through mobilisation and trying to reduce those costs as much as we can. But the problem we have got at the moment is we do not have a price for the tender, so it is very hard for us to go out to anybody and ask for anything until we actually know how much it is going to cost.

1235 However, I would also like to issue a little bit of a warning that if we are going to talk about private industry coming into Alderney Airport then we are drifting down the privatisation route, which has implications that would need to be very carefully thought out. However, it is our aim to be as collaborative and financially help as far as we possibly can but indeed I think, if I am right, that there was somebody here on this Island that wanted to do something with Guernsey Airport on a private basis. That was actually rejected, if I vaguely remember, and I think we need to think very carefully before we privatise or get the private sector involved in things in an airport that belongs to the community as a whole.

Thank you.

1245 **The Deputy Bailiff:** Thank you.
Deputy Gollop.

1250 **Deputy Gollop:** In terms of Energy Policy, we are very aware – or should be aware – in Guernsey that Alderney people have very high fuel costs, petrol costs and so on, which has an effect on their economy. What efforts are Alderney making to improve renewables and maybe an interconnector to France or to Guernsey or some way of moving into tidal or wind powered energy that can ensure greater sustainability and indeed a huge income for Guernsey and maybe the Bailiwick?

The Deputy Bailiff: Alderney Representative Hill.

1255 **Alderney Representative Hill:** Thank you for your question, Deputy Gollop.

I think it is reasonably well-documented that Alderney is really active on renewables, and indeed we appointed Alex Herschel to be our renewable person who is working indeed with certain Members, Deputies, here in this Assembly.

1260 The problem we have with renewables, we are moving quite quickly in solar. Indeed, you will find that our electrical generating plant will soon have an entirely solar roof, but it is still long term. It takes a long time for the infrastructure to take place.

1265 In terms of the immediacy on the fuel crisis, we have looked at a particular scheme, which will be shortly announced, to help alleviate the pressure of price on kerosene but not necessarily fuel. But, yes, you are 100% correct that the Island does need to move to more renewables. We are working with Guernsey and, in fact, if I am correct, we are joining forces in a joint wind farm project which we will provide 358 km² of wind farm to adjoin yours and make that a really serious business.

1270 We also do have tidal, and one of the people involved in that is currently testing in the Orkney Islands. We are very active on that and we have invested very heavily in this consultant to try to pull some of the legal aspects of all this together and –

The Deputy Bailiff: Alderney Representative Hill, you are running over time again. Thank you.

Any more questions? Deputy Vermeulen. No, you are not asking a question. You are just standing up for Deputy Rochester (*Laughter*). In that case I thank Alderney Representative Hill for his statement.

Rule 10(3) –

Statement by the Vice-President, Policy & Resources Committee

1275

The Deputy Bailiff: I will turn now to the Vice-President of the Policy & Resources Committee who has been given permission to give a Statement under Rule 10(3).

1280 **Deputy St Pier:** Madam Presiding Officer, thank you for granting me permission to deliver this Statement on behalf of the Committee, although we wish it were in very different circumstances.

Anyone who has followed the news over the last 24 hours will share the reaction we had at our Committee meeting last week when the Chief Executive and Head of the Public Service outlined his draft findings of his MyGov investigation and it was, I understand, the same when he briefed States' Members on Monday.

1285 We knew that it would be bad. We knew that the standards had fallen far short of what the public rightly expects but the waste of public money, it has been revealed, is absolutely staggering and it is simply unacceptable that MyGov was allowed to continue for so long consuming vast sums while delivering almost none of what was promised. It has and will rightly prompt anger and deep disappointment among Members, across the public service and within the wider community, and it demands that we receive a response equal to the scale of that failure.

1290 What is laid out in the report is not a technical failure or a one-off mistake but a systemic failure, a prolonged breakdown in governance and accountability. It seems that despite warning signs being present opportunities to intervene were missed and governance arrangements became ever more complicated instead of more effective.

1295 Reporting at a project, at a programme and at a political level, falsely reassured when it should have enabled effective challenge. Opportunities to pause, to reset properly or to stop were missed. The programme carried on regardless. More than £21 million was spent on a programme defined by high ambition and bold promises but which ultimately failed to deliver. Money that was meant to transform services, invest in infrastructure and improve value for money was instead absorbed by a programme that drifted, expanded and contracted without sufficient ownership or scrutiny.

1300 The Chief Executive's report lays bare the reality of a programme which went wrong on multiple levels. Let there be no misunderstanding. While there is no evidence of malfeasance this was an

1305 epic failure of leadership and accountability. Public money was spent without a firm enough link to delivery. Performance was not clearly owned and failure did not trigger timely consequences. The programme's closure was the right decision, and I commend those who made it, albeit it came far too late.

1310 There are simply too many serious concerns identified in this report to isolate or single out any one issue. The failures were systemic, interconnected and repeated over time. Some of the findings were, frankly, astonishing, that a key supplier was embedded within the programme board overseeing its own work and repeatedly failed to deliver what was required; that staff – capable, committed individuals who cared deeply about their work and about their Island – were marginalised for raising legitimate concerns.

1315 The Policy & Resources Committee unequivocally supports the Chief Executive to lead the change that is required. His report is candid, uncomfortable and necessary. The actions he has set out are not cosmetic fixes. They go to the heart of what went wrong and are focused on delivery, improvement and restoring confidence; clear ownership for projects; fewer but more effective layers of governance diligently followed and a firm, uncompromising approach to procurement backed by real and robust commercial discipline; business cases which focus on what matters most; professionalising how the public service approach and report on change in delivery; clear separation
1320 between those delivering work and those charged with challenging it; funding released only when delivery is proven; reporting internally and externally that tells the unvarnished truth fairly, accurately and transparently; re-establishing ownership of our digital future, focusing on what matters most to the public and the organisation and a culture that listens to its staff and acts swiftly and decisively on what it hears and leadership accountability that applies at every level including
1325 the most senior.

As a Committee our expectation is clear. The actions which have been set out by the Chief Executive must be implemented in full. Progress must be visible and transparent and accountability must be sustained over time. Only then can confidence be rebuilt, both within the organisation and with the community the public service serves.

1330 We expect some of these changes to be made within days. Others will necessarily take more time but none will be deferred or diluted and all will be accompanied by clear milestones, ownership and reporting so that progress can be properly monitored and assured.

1335 Later in this meeting, madam, we will be asked to prioritise the major projects that we will be progressing over the coming years. It is entirely understandable that Members and the public will question how we can do so in good faith when a serious question mark has been raised over the public service's ability to deliver at scale. That is a legitimate concern and it must be acknowledged openly, but the answer cannot be to stop making decisions altogether nor to retreat from change.

1340 We know there are things that the Island needs delivered. We need more homes built. We need infrastructure maintained and modernised. We need improvements in health, education and the everyday services that people rely on. Standing still is not an option and inaction carries its own risks and costs for the community. Indeed, inaction, being afraid of making difficult but necessary decisions, was at the heart of the MyGov failures.

1345 We must not allow the failure of one programme however serious to tarnish the whole public service or to paralyse future decision-making. MyGov represents a profoundly serious failure but it does not define the dedication, capability or daily commitment of the vast majority of those who work across the organisation. By being candid about where the programme fell short we create the space to speak honestly and with confidence about both the organisation's shortcomings and its successes. The public service operates under sustained scrutiny; we are all well aware of that, with criticism levelled daily, sometimes fairly, sometimes less so and that scrutiny is an inherent part of
1350 serving the public. It is right that concerns are raised, challenges applied and performances examined, but it is equally important that the criticism is proportionate and informed, recognising both where the organisation must improve and where it continues to deliver effectively, often under significant pressure and constraint.

1355 What is needed is an honest and transparent conversation grounded in substance rather than
sound bites, and this report is part of helping to reset that narrative. When things go wrong the
organisation will be up front and open about it. MyGov should sharpen our judgement, not shut it
down. It demands the most senior leaders in our public service to be more disciplined in what the
organisation does, more realistic about capability and capacity, and more demanding about
governance and accountability from the outset.

1360 Crucially, this also strengthens political oversight. When priorities are clearly defined, reporting
is timely and accurate and accountability is properly owned, then Members are better equipped to
challenge, question and intervene at the right time. Effective oversight relies on evidence,
transparency and confidence that issues will be identified and escalated earlier. This is how
Members can properly discharge their responsibilities and how the system is indeed intended to
1365 function.

There is a wealth of expertise across the Island and it would be a mistake not to draw on it, and
once again the Committee would like to acknowledge the considerable value added to date by its
IT adviser, Deputy Laine. The purpose of tapping into independent expertise is to add challenge,
perspective and experience and we are hugely encouraged by the level of interest in the
1370 Digital & Technology Advisory Panel, which demonstrates a genuine willingness from our
community to contribute at no cost to the taxpayer and, subject to the final steps in the
appointment process led by Deputy Laine, the composition of the panel will be announced
imminently and it will be meeting for the first time in the coming weeks. We continue to seek
advisers to the portfolio board and will welcome further applications and names being put forward.
1375 This is another opportunity to bring in independent voices to test assumptions and scrutinise plans.

The Chief Executive has committed to reporting publicly on progress against his actions, and we
know that he will do so with the same candour and honesty that he has shown in this report. The
first update will come from the Chief Executive in July, and I will have no doubt that there will be
tangible progress.

1380 As we agreed as an Assembly back in January when debating the Government Work Plan,
information will be regularly published on the organisation's major projects and this will explain
what these projects are aiming to achieve, what has been delivered, what is currently underway and
what comes next. This must include being open about where things have not gone as planned and
how this will be addressed.

1385 In the summer we will be reporting on the first year after our decision to terminate the
relationship with Agilysys. That update will be open and honest about what we inherited, where
progress has been made – and there has been progress – and where further work is still required.
It will set out what we have learnt from bringing delivery back under our own control, how risks are
being managed and how value for money is being assessed. Crucially, it will not shy away from
1390 areas where improvement is still needed.

A common theme running through my Statement today has been accountability. That should
come as no surprise, given the findings of the Chief Executive's report. As elected Members, we are
entitled to expect that well-rewarded senior roles within the public service come with clear
responsibilities and real consequences. That said, it is equally important to be clear about where
1395 responsibility for ensuring this sits. Matters relating to individual employees, discipline and
performance are properly for the Chief Executive in his role as head of the public service. They are
not matters for debate or determination within the States of Deliberation and nor should they be.
The Chief Executive has confirmed in his report that these matters are being dealt with, and has
provided the same assurance directly to Policy & Resources. That is enough. The cost of making
1400 change badly will cost us all much more.

If we are to mitigate the risk of financial exposure to taxpayers we also need to understand and
respect the need to ensure that this accountability is delivered within the constraints of the
protections afforded by Contract, Employment and Data Protection Law. In short, to protect the
public purse, we must resist the inevitable demands there will be in and outside this Chamber for
1405 public tarring and feathering. Accountability has been promised and it will be delivered.

1410 One practical step in support of enhanced accountability is greater openness about the Chief Executive's own objectives. The Chief Executive has had clear objectives in place since last autumn, reflecting an early priority of our Committee when we took office to ensure that this was the case. In light of the findings of the MyGov investigation, those existing objectives will now be reviewed to ensure that they fully reflect both the failures and the actions to be taken. His updated objectives will then be published in the coming weeks providing clarity about expectations, accountability and how his performance will be assessed.

1415 I previously raised concerns about the Revenue Service transformation, and the challenges in that area are already well known to Members; different in detail of course but not unfamiliar in some of the themes. What the MyGov review identifies in terms of issues around scope, capacity, governance, reporting and challenge are not confined to a single programme and to varying degrees some of those same pressures and risks can be seen elsewhere including in the Revenue Service and the delivery of the electronic patient record system.

1420 The decade-long Revenue Service transformation programme was formally closed in May 2025 after £24 million of investment. While new core systems were delivered, fundamental challenges remained and work is now underway to stabilise and improve that position. Efforts are focused on completing outstanding functionality, resolving key integrations, and reducing reliance on manual workarounds that carry both operational risk and of course additional cost. Oversight arrangements have been strengthened. There is a clear line of accountability for progress and staff are fully involved. This is precisely the kind of practical, disciplined approach that the MyGov review reinforces, recognising where programmes have fallen short, being honest about what remains to be done, and applying stronger governance and challenge to ensure that future investment results in tangible, sustained improvement.

1430 Madam, to conclude, the MyGov investigation lays bare a serious failure but what matters most now is what we do with that truth. MyGov does not define the States of Guernsey but it must define what we will no longer tolerate. If this failure leads to stronger leadership, clearer accountability and better delivery across the public service then some good will yet come from it. If it does not, then MyGov will have failed twice.

1435 Madam, I am happy to answer questions.

The Deputy Bailiff: Deputy Inder.

1440 **Deputy Inder:** Thank you for the update, Deputy St Pier, but what Deputy St Pier has not said is that the problems started at the contract signing where he was the political lead for that contract and he sold the benefits to the States of Guernsey and the wider public. The contract is where the rot started. Under my leadership in Economic Development, we only partially awarded the tender for our ferry services. That tender was not legally compliant. When the contract was eventually signed for the Brittany Ferries supplier my Committee had sight of the contract and went through it line by line. **(A Member:** Hear, hear.) The question has to be asked: does Deputy St Pier accept any responsibility for the mess that we are in and why would this Assembly have confidence that he is the Deputy to lead us out of that mess?

The Deputy Bailiff: Deputy St Pier.

1450 **Deputy St Pier:** Well, that was the question which everybody expected from Deputy Inder. Of course the political decision by the States in the 2016-2020 term to outsource IT to a contractor was one that was taken by this States. It was made on the recommendation of the Committee that I chaired at the time, on the advice of officers, after what was an extensive process that lasted the best part of two years. What is quite clear from what has emerged from this report are the failures in the implementation and oversight of that contract that the States was a very poor customer. My concern is it will not just be of course in this area; we are customers elsewhere and that is an issue that will need to be addressed in due course as well.

The Deputy Bailiff: Deputy Van Katwyk.

1460

Deputy Van Katwyk: Thank you, ma'am; and thank you to Deputy St Pier as well.
I quote from his statement:

The MyGov disaster demands a response equal to its failure.

1465

Would Deputy St Pier agree that there were failures at the political level and therefore there should also be political accountability?

The Deputy Bailiff: Deputy St Pier.

1470

Deputy St Pier: The report is quite clear there were failures at all levels. This programme, in essence, was ramped up in the period 2020 to 2025. That is when most of the expenditure was incurred. That is when the project failed to deliver the benefits that were promised of it then. But it is also clear that the information that was being given to our predecessors, including of course Deputy Helyar who fulfilled the role that I currently fulfil, was not adequate to enable them to properly discharge the governance function, which they had at that time. That was a reporting failure based on what they were given at the time.

1475

The Deputy Bailiff: Deputy Vermeulen.

1480

Deputy Vermeulen: Thank you, ma'am.

Vice-President, there is a wealth of expertise within this very Assembly if you would care to listen to it. For some years, I have been suggesting the States takes a more business-like approach. I am often told that Government is nothing like a business and, boy, today, after hearing what we have heard, do I not know it.

1485

I had 43 years in industry before I became a politician. We were quick and we were nimble. There was no reporting to 20 boards and it did not take us five years to realise we were making a mistake and we had to change things quickly.

Would Deputy St Pier please take on board these comments and instil a more business-like approach in future, particularly when it comes to major projects like this?

1490

The Deputy Bailiff: Deputy St Pier.

1495

Deputy St Pier: The Policy & Resources Committee absolutely recognises the experience which exists in this Assembly. We have been very grateful for the assistance offered by Deputy Laine as its IT adviser. It has acknowledged it again today; it has been invaluable.

We are also seeking assistance for the Project Advisory Board to help assist at a portfolio level. So we welcome those in and outside this Assembly who believe they have experience. Please come put your names forward and put others' names forward to assist in that process in order that we do have the appropriate skills and expertise to discharge that important role at the portfolio level.

1500

The Deputy Bailiff: Deputy Goy.

Deputy Goy: Thank you very much, ma'am.

1505

Two days ago, the Chief Executive briefed myself and my fellow Deputies here about the MyGov fiasco and the Chief Executive said – when he highlighted the failures of the organisation, I asked the Chief Executive, 'By organisation, do you mean the intelligent client function, the ICF?' and the answer of the Chief Executive was, 'What is the ICF? I have never heard of the intelligent client function'.

1510 Now, this is highly concerning because the intelligent client function is the IT team that handles MyGov on the States side. It is the team that basically looks after the contract with Agilisys. How can a person investigating £21 million of loss from 2019 not know what the intelligent client function is?

The Deputy Bailiff: Deputy Goy, that is your one-minute question.

1515

Deputy Goy: Thank you.

The Deputy Bailiff: Deputy St Pier.

1520 **Deputy St Pier:** What is quite clear is that the States of Guernsey was not an intelligent client.

The Deputy Bailiff: Deputy Cameron.

Deputy Cameron: Thank you, ma'am; and I thank Deputy St Pier for his update.

1525 Concerns about MyGov were being raised throughout the last political term by Members, officers and through several Commission reviews.

1530 Will the Committee be examining the minutes, papers and decisions of the previous P&R to understand why warning signs were not acted upon and what lessons need to be learned about what good governance, challenge and oversight should look like, not only within P&R, but across all Committees?

Thank you.

The Deputy Bailiff: Deputy St Pier.

1535 **Deputy St Pier:** This Committee intends to place significant reliance on the work undertaken by the Chief Executive in his report and what has been presented to enable the changes which are outlined very clearly in that report, including in relation to reporting to Committees to enable Committees to provide the appropriate oversight of future capital projects.

1540 Clearly, there could be a lot more work undertaken, not only by the Chief Executive but, as Deputy Cameron has suggested, at a political level in looking to lift the drains and see what Committees were told, who was told what at what level. We have got to really question what additional value that is going to add at that point other than seeking to see some form of bloodletting in relation to actions that were taken or not taken at an appropriate time.

1545 There is enough, we believe, that has been unveiled by the Chief Executive's work that will enable improvements which are so richly needed.

The Deputy Bailiff: Deputy Gabriel.

Deputy Gabriel: Thank you, ma'am.

1550 I thank the Vice-President for his update, and again I am going to use a phrase which Deputy Van Katwyk picked up, 'The response should be equal to the failure', which in my view that should be absolutely massive, because this is a massive failure.

1555 The report and Deputy St Pier's statement said there are structural changes needed and there have been systemic failures. So how does an absolute super tanker like the Civil Service get turned around? What impact has the Head of Public Service got and how can P&R monitor that, inform that, and how can this Assembly contribute to that as well?

The Deputy Bailiff: Deputy St Pier. Quite a few questions in that one question so you can have more time.

1560

Deputy St Pier: Yes, do I pick my question, madam, or ...?

The Deputy Bailiff: Well, I think you do the first one first.

1565 **Deputy St Pier:** Okay, thank you. Thank you, ma'am.

The language that Deputy Gabriel has picked up, as others have, was intentional to reflect the scale of the challenge which, as we said, reflects the scale of the failure.

1570 In terms of P&R's response, it is very much that holding the Chief Executive to account, including, as we have said, the publication of his objectives so that it is quite clear what he should be achieving and on what timeframes. Indeed, it will be, I guess, the responsibility of this States to hold P&R's feet to account in holding the Chief Executive's feet to account in delivering the change which is needed within the public service.

It is very clear what has been proposed and it is very clear what the task is and what needs to be delivered.

1575

The Deputy Bailiff: Deputy Rochester.

1580 **Deputy Rochester:** I would like to thank very much the Chief Executive for his excellent work and for role-modelling the very behaviours that were absent and contributed to the issues identified.

1585 He noted in his report that senior leadership needs to be strengthened, and you said in your speech that we need to be realistic about capability and capacity. My concern is that, in choosing to be accountable for what comes next, the Chief Executive may well be alone, and I would like reassurance from Policy & Resources that the resources, the staffing and the capability will be provided for what will be a hugely significant transformation programme that we should not underestimate.

The Deputy Bailiff: Deputy St Pier.

1590 **Deputy St Pier:** It is an excellent question from Deputy Rochester, for which I thank her.

As my Statement made clear, the Committee is unambiguously supportive of the Chief Executive and therefore there is clearly going to be an ongoing dialogue as to what he regards as to be necessary to effect the change which he wishes to lead. In seeking to do so, he will have our support.

1595 **The Deputy Bailiff:** Deputy Curgenvén.

Deputy Curgenvén: Thank you, ma'am.

I thank Deputy St Pier for the update, and I also thank the Chief Executive for all of his hard efforts.

1600 It is just a quick one. In an ITV statement, 28th November 2025, in a statement to the media the Chief Executive said, 'I have been especially concerned about the first version of MyGov programme'. Does this mean that there is a second version and how much have we spent on that, if there is a second version, and what does it deliver?

Thank you.

1605

The Deputy Bailiff: Again, Deputy St Pier, you have three questions in one, so I will leave you to ...

1610 **Deputy St Pier:** Yes. One of the things that became clear during the investigation was that MyGov 1, when it was originally envisaged back in the 2016 to 2020 period, there was only ever intended to be one MyGov. At some point in the 2020 to 2025 period it morphed into, 'There is an iteration of MyGov 1,' because clearly MyGov was failing.

1615 So MyGov was formally closed as a programme sometime in August 2023 and developed into MyGov 2. That again has been identified by the Chief Executive as one of the failures, as a way of effectively covering up for the failure to deliver the benefits which had been identified.

The Chief Executive announced a few weeks ago that MyGov 2 has been paused, not least because of everything else that is going on, so at the moment that is the state of play.

The Deputy Bailiff: Deputy Inder.

1620

Deputy Inder: Would Deputy St Pier agree that it is much worse than that? It is not only we lost £21 million – and I am not really entirely sure what we got for it, which sounds like zero to me – this Government also lost £7 million worth of savings, accepting that it may have started off later because COVID was in between, but the calculation is beyond the £21 million, and it is looking like £7 million a year also because those were the promised savings as well.

1625

The Deputy Bailiff: Deputy St Pier.

1630 **Deputy St Pier:** Deputy Inder is correct that the £21 million on MyGov has delivered next to nothing. There are other failures and the Revenue Service has been identified as another in terms of the additional costs which have not delivered the full functionality. The Electronic Patient Record is another, which again has taken longer and has not delivered the full benefits that were identified at the outset, again in in 2020.

1635 So, it is, as we have identified, or as the Chief Executive said, a systemic issue. It is not confined to one project and that is why a systemic issue, a systemic challenge requires systemic change.

The Deputy Bailiff: Deputy Gollop.

1640 **Deputy Gollop:** The Chief Executive has done an excellent report, which has been enhanced today by the Deputy Chief Minister's speech. But this model of remedial governance appears to give a lot of discretion, understandably so, to the Chief Executive, through Policy & Resources and ourselves. What will be the political role moving forward in terms of shaping projects at this scale in the future and holding them to account? What will the political involvement of Policy & Resources and the rest of us be in the next development of this project?

1645

The Deputy Bailiff: Deputy St Pier.

1650 **Deputy St Pier:** Policy & Resources remains responsible for the capital programme at the portfolio level, even if execution and delivery is elsewhere. We are committed to keeping the wider States apprised of progress on that. There will be enhanced reporting through this term that is set out; we are about to debate of course the change to the wider process as well.

1655 We have consciously, since taking office, chosen to shine a light on this matter and bring it to the States and, indeed, to make additional statements both, not only in November, but of course in January and again today. So we are committed to sharing information as we receive it in order that the States can have an opportunity to provide a challenge through us as the Committee they elected to fill the role of Policy & Resources.

The Deputy Bailiff: I have warned Deputy St Pier I would extend questions, so we will go on for another up to 15 minutes.

1660 Deputy Camp.

Deputy Camp: I am picking up some strong suggestions that the contract was not really worth the paper it was written on from the outset and yet we seem to be avoiding discussion around the

1665 failure to ensure the contract was focused, meaningful and deliverable, and instead focusing on the way that the contract was then managed and talking about that masquerading as governance.

Perhaps Deputy St Pier could talk to the contract initiation process and whether this contract was ever deliverable, and whether the States of Guernsey is capable of ensuring that future contracts are meaningful, focused and deliverable.

1670 **The Deputy Bailiff:** Deputy St Pier.

Deputy St Pier: Again, madam, there are quite a few questions in there, in terms of the original contracts initiation ranging right through to what we are going to do differently in the future.

1675 What is quite clear is, while the political direction and ambition that was set in the policy letter in 2019 was a valid set of political decisions by P&R and the States at the time, clearly the capacity of the public service to deliver on that contract as an intelligent client was clearly a major flaw, and that was a flaw from the outset that was not understood and recognised at the time, which has ultimately led to the failures subsequently.

1680 **The Deputy Bailiff:** Can I ask Members to apply a little bit of discipline to their questions? I have extended question time, so if you have got more than one question I will allow more questions to be asked, but it does help that you have got one minute to ask one question and then Deputy St Pier has one and a half minutes to respond to it.

Deputy Blin.

1685

Deputy Blin: Thank you, ma'am; I will do my best to follow the rules.

I really welcome the information that has been shared to us by the Chief Executive and our Vice-President. But what I would like to do is to ask, if I could ask through Deputy St Pier, if it could be considered to talk to the Chief Executive, to end up with some separate reporting, such as
1690 Treasury, procurement, governance boards, committees, politically to get separate reports so we can understand, rather than having just one general report saying what we have to do. Would he consider that a possibility so we can understand where all the different parts did not succeed?

The Deputy Bailiff: Deputy St Pier.

1695

Deputy St Pier: In a minute and half, madam, I am struggling to design an appropriate reporting process that will satisfy Deputy Blin on my feet on the floor of the Assembly.

1700 What is quite apparent, and I hope Deputy Blin will agree with this, from the dialogue that has already taken place between States' Members and the Chief Executive, and the Chief Executive I am sure is quite willing to engage with Members to develop reporting which is useful for them.

So, to the extent that the Deputy has input and questions and a particular ambition for a style of reporting, I would suggest that he engages directly with the Chief Executive and with P&R with a view to trying to design something which is useful, because otherwise there is no point in it.

1705 **The Deputy Bailiff:** Deputy Leadbeater.

Deputy Leadbeater: Thank you, madam.

1710 Does Deputy St Pier think that there is an element of this, certainly when we look at historic projects like MyGov, Electronic Patient Record (EPR), and the Our Hospital Modernisation (OHM), that we may be giving responsibility to staff within the organisation who have not necessarily got the capability and the capacity and the necessary experience to be able to deliver those projects, therefore setting them up to fail from the start? Would we be better having subject matter experts supporting these projects rather than just the civil servants that we have kicking around?

1715 **The Deputy Bailiff:** Deputy St Pier.

1720 **Deputy St Pier:** In short yes. The capacity and capability has been identified as a real issue and it is really understood in the context of delivering complex capital programmes where individuals have very full day jobs and they are effectively then expected, as non-experts and maybe having never delivered a project before, to suddenly lead and be responsible for the delivery of a major multi-faceted multi-year programme with multi-millions. So, ensuring that we have the appropriate support for the execution of the capital programme is a key part of what needs to change.

1725 **The Deputy Bailiff:** Deputy Strachan.

Deputy Strachan: Thank you, madam.

1730 I am equally horrified by the MyGov report, and I acknowledge that a similar report would probably be made regarding the Income Tax Digital Programme. However, I did want to remove from this categorisation of failures the EPR system. While the digital programme for the Electronic Patient Record system did run over budget and was delayed, it was successfully launched earlier this year, and I would congratulate those that were involved in the successful rollout.

The Committee for Health & Social Care are working on the further phases of EPR, but I would be grateful if the Vice-President would acknowledge the successful rollout of the EPR system.

1735 **The Deputy Bailiff:** Deputy St Pier.

1740 **Deputy St Pier:** Deputy Strachan is quite correct and, if there is a running order of these issues, clearly MyGov is right up there having spent £21 million and delivered nothing. The Revenue Service has spent £24 million and it has delivered a system, albeit one that is not functioning entirely as expected. The EPR, yes, it is up and running, however it cannot be denied that it is later than was anticipated and it is not delivering the full scope that was anticipated at the time it was approved.

1745 In other words, in order to bring it in, some parts of it have been descoped, which is now why there is a further phase, or at least a part of it, and so it is not an unalloyed success. I absolutely acknowledge that a lot of people have worked very hard to get it up and running, and it is working successfully and it is doing what is now expected of it. But there are aspects of it which have not been included because they were descoped earlier in order to help deliver it within the budget.

The Deputy Bailiff: Deputy Vermeulen.

1750 **Deputy Vermeulen:** My question is regarding the tender process. I understand in the initial tender, Agilisys were not the cheapest and they were not perhaps experienced in this field. How on earth did we ever award a contract?

1755 **The Deputy Bailiff:** Deputy St Pier.

Deputy St Pier: Again, we would need to go back and revisit the whole procurement process, which was extensive over a two-year period, and again it is identified in this report, and I have referred to it in my statement, one of the key aspects that we need to consider is our procurement process in exactly the way that Deputy Vermeulen has identified.

1760 **The Deputy Bailiff:** Deputy Oswald.

Deputy Oswald: Thank you, Madam Deputy; and I thank Deputy St Pier for his report.

1765 My question follows on essentially from those raised by Deputy Leadbeater and my colleague Deputy Strachan. Deputy St Pier has recognised the issues he faced with EPR, and I recognise that it has been delivered now successfully, but it has not fulfilled all the problems as originally set out in the process.

1770 Many of the reasons why this has happened are identified in the MyGov process; that is specifically lack of local resource and infrastructure and over-reliance on external commissioning. Much of this relies on external commissioning and lack of infrastructure related, in my opinion, right from the outset, to the lack of resourcing of the initial project. Does Guernsey have the capacity in-house or on-Island to fill the gaps identified by local commissioning?

1775 **The Deputy Bailiff:** Deputy St Pier.

Deputy St Pier: Again, it is an excellent question from Deputy Oswald about capacity and capability, which clearly extends not just to the States but, as the question implies, to a small jurisdiction of only 65,000 people. Are we able to source all of that? Then of course we have the real challenge of using external contractors coming from outside with less experience of the local environment and so on. So there is a balance to be struck here, and that is going to be an inherent challenge in the environment in which we operate. But clearly we cannot just accept that as being a constant cause for failure.

1780 Referring back to the EPR project again, while noting the comments of course again, there was a stage at one point when all the reporting was indicating it is on track and it is on budget. So again the internal reporting was not necessarily supportive of what was happening on the ground. So it is indicative of a systemic culture.

The Deputy Bailiff: Deputy Hansmann Rouxel.

1790 **Deputy Hansmann Rouxel:** Thank you, ma'am.

Although there is a desire for some bloodletting, I am heartened by the approach of the Chief Executive to implement a culture change. That culture change in a large organisation does come from the leadership and perhaps the culture that was there before came from previous leadership. But in order for us, as Deputies, to help with that culture change, it would behove us to change the culture and the way in which we have the ability to scrutinise and constructively criticise other Committees and particularly around these projects.

1795 Would the Vice-President agree with me that that kind of constructive criticism from Deputies is what is needed and not the taste of blood?

1800 **The Deputy Bailiff:** Deputy St Pier.

Deputy St Pier: Yes, I would agree with Deputy Hansmann Rouxel, which of course is precisely why the Committee has taken the approach which it has in terms of giving the opportunity through these statements and others to enable that dialogue to take place with that in mind.

1805 **The Deputy Bailiff:** Deputy Van Katwyk.

Deputy Van Katwyk: Thank you, ma'am.

1810 One of our important roles as politicians is monitoring and scrutinising the work of Government. Policy & Resources generally has business acumen and political experience to enhance that scrutinisation. So the fact there are 20 oversight boards and one person on those boards was from the supplier and signing off invoices, would not basic scrutiny have picked up the fact that there were too many boards and that this was happening on one of the boards?

1815 Thank you.

The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: Again, having not been involved in the oversight of the project during that period, I cannot really comment on what information was being given that would have enabled

1820 anybody to identify. I suspect it was not transparent and there was not clear understanding that
there were even 20 boards. It was only this process which has revealed an increasing web of
complexity that was built up as the project developed. It clearly did not start life that way but it got
layered through the process.

1825 **The Deputy Bailiff:** Deputy Inder.

Deputy Inder: In response to Deputy Oswald, I think Deputy St Pier said that the Electronic
Payment Record System (EPRS) was now up to something like £24 million, where originally the
policy letter was between £15 million and £20 million. I do not ever remember that extra £4 million
1830 coming back to the States. Deputy St Pier might accept that something is wrong there as well.

I think he went on further to say that it was effectively incomplete. So that sounds like I am just
picking a percentage figure, so 80% of it is incomplete. The question has got to be at what point
does any Policy & Resources get red-flagged and tell the sponsoring Committee that this has got
to stop? Because right now it does not sound like the EPRS is complete at £24 million and no one
1835 in this Assembly, probably at P&R, has got any indication what the end cost is.

The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: We seem to have developed something called EPRS. I am not quite sure what
1840 that is.

Deputy Inder: Electronic Payment Record System.

Deputy St Pier: Okay, I was talking about the Electronic Patient Record system, which sits within
1845 HSC, which is something entirely different. I am not sure what the final costs of that are. That is a
question that Deputy Oswald is better placed to answer than I am, without that information in front
of me today.

The Deputy Bailiff: Deputy Laine.

1850 **Deputy Laine:** Thank you, madam.

Hopefully the Deputy President can confirm that, during our correspondence or my
correspondence with P&R and our frequent conversations that included the Chief Executive, and
we regularly referred to the Government and the States' inability to act as an intelligent or a smart
1855 client, never did we refer to it as an IFC? I personally, and I am hoping you can confirm that, am
perfectly confident that our Chief Executive does understand that, but may not have had the term
IFC thrown at him in a meeting or a presentation, perhaps a scary presentation to States' Members,
in explaining his report last week and that he did in fact or he does in fact understand this matter
and it was simply just presented in a way that was unfamiliar.

1860 **The Deputy Bailiff:** Deputy St Pier.

Deputy St Pier: I can confirm that I believe that is my understanding.

1865 **The Deputy Bailiff:** Deputy Goy. We will have the last two, so Deputy Goy followed by
Deputy Humphreys, and then Deputy Bury, and those will be our last three questions.
Thank you.

Deputy Goy: Thank you, ma'am.

1870 In the last political term, when scrutiny was launched against the Agilisys partnership, the Chief
Executive of that time and the Chief Technology Officer of that time as well, both suddenly resigned.

The same thing happened on the Agilisys side, the two most senior leaders of Agilisys Guernsey also resigned around the same time, so four people resigned around about the same time scrutiny was launched against the partnership. Is this a pure coincidence?

1875

The Deputy Bailiff: Deputy St Pier.

Deputy St Pier: I am really not in a position to comment or speculate. I was not involved in either the scrutiny side or the other side, so I am afraid it is not within my knowledge.

1880

The Deputy Bailiff: Deputy Humphreys.

Deputy Humphreys: Thank you ma'am.

1885

Thank you, Vice-President for your update, and specific thanks to the Chief Executive for his honest report.

I am not going to rehearse the disappointment and horror expressed by my colleagues, and I do welcome the approach and commitment to solving these issues. What I would like to understand is whether the Vice-President and the P&R Committee generally are confident that, if a contract is signed today, it will be properly considered and managed, or if there is still a risk of this reoccurring in this gap between now and the full governance and changes being put in place?

1890

The Deputy Bailiff: Deputy St Pier.

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Deputy St Pier: Again, it is an excellent question and we have identified, or I sought to identify that in the Statement which we delivered, is that we must not be paralysed into indecision as a result of what has happened. We do need to continue to press forward, but we do need to do that in an environment which we have acknowledged is going to require some systemic change, including in relation to the leadership which again has been addressed by the Chief Executive in his report.

1900

So we are in an interregnum period between where we are and where we need to be. That does present risk, and I acknowledge that, which we will need to carefully manage, which again speaks to the need for rapidly moving to enhanced governance oversight where we can, and where we can get the expertise and help with that as we have done with the IT Advisory Panel, as we hope to do with the Portfolio Board, the quicker we can do that, the safer place we will get to as fast as possible.

1905

The Deputy Bailiff: Deputy Bury.

Deputy Bury: Thank you, madam.

1910

My question is similar to Deputy Oswald's, but I want to be more explicit about it. There is a narrative around external consultants, both from the public and within the Assembly, but now the narrative is around capability and capacity within the organisation. Those two things cannot sit comfortably alongside each other on many occasion. So I would just like to ask, more explicitly than Deputy Oswald did, notwithstanding the fact that we are seeking voluntary expertise, is there an acknowledgement from the Chief Executive and from the P&R that at times we will have to seek external expertise in order to ensure that these projects get across the line in the way that we need them to?

1915

The Deputy Bailiff: Deputy St Pier.

1920

Deputy St Pier: Thank you to Deputy Bury for the question, and if I failed to properly comprehend Deputy Oswald's question earlier I apologise.

Yes, I absolutely agree, and the Policy & Resources Committee agrees and the Chief Executive agrees, that there will undoubtedly be occasions when it is entirely appropriate and indeed it would

1925 be inappropriate to do anything other than bring in appropriate external consultants and expertise,
particularly of course for some highly technical issues or projects.

1930 There is clearly, as we said, a need for a balance because you also need to upskill your own
population workforce to be able to deliver and particularly, for example, in relation to project
management. We do not necessarily want everything managed by people from outside if there are
those internally who could acquire those skills more generically, then we should be seeking to do
that rather than relying on external consultants.

But to answer the question as directly asked, there will be occasions when appropriate expertise
is required from outside.

1935 **The Deputy Bailiff:** Thank you. Thank you, Deputy St Pier.

Questions for Oral Answer

COMMITTEE FOR HEALTH & SOCIAL CARE

HSC staff currently based at the former Castel Hospital and King Edward VII sites

The Deputy Bailiff: I will now turn to the questions. Deputy Gollop has posed two questions to the Committee *for* Health & Social Care.

Deputy Gollop, your first question please.

1940

Deputy Gollop: I thank Health & Social Care for their timely responses.

My first question is: how many Health & Social Care staff are currently based and employed at the former Castel Hospital site and the King Edward VII Hospital site?

1945

The Deputy Bailiff: Deputy Oswald.

Deputy Oswald: Thank you, madam; I thank Deputy Gollop for his question.

1950

There are currently 192 Health & Social Care staff who are based at the former Castel Hospital site and who provide adult community services. This includes community nurses, the social care team, social workers, the rapid response team, palliative care and home help services.

There are currently 20 Health & Social Care staff based at the King Edward VII site, including staff working in electro and biomedical engineering, community services support technicians and the transport team.

1955

The Deputy Bailiff: Do you have a supplementary question, Deputy Gollop?

Deputy Gollop: My first question is: as far as the board of Health & Social Care know, are there any plans to increase or decrease the 192 and the 20 that the Deputy has mentioned in his answer?

1960

The Deputy Bailiff: Deputy Oswald.

Deputy Oswald: Thank you, Deputy Gollop.

Clearly, the services are evolving over time. I cannot give you any specific figures of expansion in those staff numbers at this particular time.

1965

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

Deputy Gollop: I think so, although it pertains almost to the second one.

1970

Will the Committee *for* Health & Social Care continue to liaise with other relevant Committees and bodies, such as Property Services, Policy & Resources, and the Housing Committee to see what will happen there?

The Deputy Bailiff: Deputy Oswald.

1975

Deputy Oswald: Thank you, madam; thank you, Deputy Gollop.

I can absolutely confirm that HSC are in continuous conversation with the Committees nominated by him about this important site, bearing in mind that we are only occupants of the site, not owners of it.

1980 **The Deputy Bailiff:** Are there any more supplementary questions in relation to Deputy Gollop's first main question? No, in that case your second question then, Deputy Gollop.

Working conditions at former Castel Hospital

Deputy Gollop: Thank you very much.

I probably have one, if not two, supplementaries here as well, please.

1985 But my second question, is Health & Social Care actively planning to improve and change the working conditions of staff based at the old Castel Hospital site by moving them as quickly as possible to new resources, to Burnt Lane, St Martin, or elsewhere, for example?

The Deputy Bailiff: Deputy Oswald.

1990

Deputy Oswald: Thank you, madam; thank you, Deputy Gollop.

Health & Social Care staff working in Adult Community Services are based at the former Castel Hospital site. Interim works were completed in 2021 on the Castel Hospital site in those areas which are occupied by staff, and which significantly improve the working conditions for staff working on this site. There are no plans to relocate Adult Community Services staff from the Castel Hospital site to the Raymond Falla House site on Burnt Lane.

1995

A project for a principal community hub is in stage 1 proposal development of a capital portfolio. Once progressed, this project scope would include those staff based in the Adult Community Services based at the Castel Hospital. However, at present, that project is neither funded nor being actively worked on and therefore there are no immediate plans to relocate staff from the Castel Hospital site.

2000

The Committee *for* Health & Social Care is currently working on a proposal for the redevelopment and repurposing of Raymond Falla House at Burnt Lane in St Martin for a children's services hub. This project aims to co-locate multiple community services, which support children and families, on to a single site. The project would enable States to relocate staff working in children's services from four existing sites including Lucas House, Swissville, Perruque House and Le Carrefour. If the project receives the necessary approvals and funding from the States those sites will be available to be put up for sale or indeed for repurposing.

2005

2010 **The Deputy Bailiff:** Deputy Gollop, your first supplementary question.

Deputy Gollop: Thank you.

Given the potential benefits to the Island and the housing situation and the aspirations of the Committee *for* Housing, among other stakeholders, why has the proposed development of the principal community hub not been progressed, which therefore mothballs resources at the Castel Hospital, because I would request why is this project of moving the principal community hub neither funded nor being actively worked on?

2015

The Deputy Bailiff: Deputy Oswald.

2020

Deputy Oswald: Thank you, Deputy Gollop.

Our priority of course is to our staff and provision of services. There was investment in the Castel site in 2021, as I have pointed out, and I have visited the offices where they work from under the terms of the previous Committee, in fact. The facilities down there for staff working there are totally acceptable at present time, albeit that we recognise a long-term solution is required.

2025

Our priority, as ever, remains for appropriate servicing of the healthcare needs of the population, and although we are in communication with the other Committees, as suggested, Housing is not at

present, apart from perhaps our essential workers who work for us, a deemed priority for our Committee.

2030

The Deputy Bailiff: Deputy Leadbeater, supplementary question.

Deputy Leadbeater: Thank you, madam.

2035

Notwithstanding the work that was taking place at the Castel Hospital site in 2021 that Deputy Oswald referred to, would he agree with me that it is just a complete lack of basic maintenance on that site which has contributed towards the further deterioration of the buildings, which is consistent right the way across the HSC estate and also the wider States as a whole? We build some things, we do some work, but we do not maintain it and it ends up in the condition that we see the Castel Hospital is in.

2040

The Deputy Bailiff: Deputy Oswald.

Deputy Oswald: I thank Deputy Leadbeater for that supplementary question.

2045

I agree with him totally the Castel Hospital per se is essentially a ruin. An issue regarding development of that site is, of course, it has got a protection order on it, which is a totally separate question altogether. But, as I adjusted my response to Deputy Gollop, the facilities that our staff on the Castel site in particular are working from are acceptable.

2050

The same does not apply to the King Edward site where clearly where our staff are working from on the King Edward site is very poor, and to have a very important service located up there is not appropriate. Those services will be relocated as part of the OHM Modernisation Programme, but clearly that is going to take time.

Thank you.

2055

The Deputy Bailiff: Deputy Gollop, your second supplementary question. Can you put your microphone on please, Deputy Gollop?

Deputy Gollop: Yes.

2060

In repurposing Burnt Lane for use as a children's services hub and the many associated and contingent benefits such as releasing Lucas House, Swissville, Perruque House and Le Carrefour for repurposing or for sale, would not the Committee wish to consider that some or all of those sites could be used for housing for key workers, in particular essential health workers, thus relieving both agency and other pressures at Health and maybe on the overall housing market?

2065

The Deputy Bailiff: Deputy Oswald.

Deputy Oswald: Thank you, Deputy Gollop.

2070

Clearly, the four sites to be released fall under the mandate of the States Property Unit, and they will decide what we will do with them eventually, and clearly housing may well be an object, and I am sure the Housing Committee is associated with it at the moment.

There is in fact potential scope for a small development of essential worker accommodation on one of the options we are considering for submission to this Assembly when we come to develop the Burnt Lane site.

Thank you.

2075

The Deputy Bailiff: Deputy Inder, supplementary question.

Deputy Inder: Yes, I think so, and Deputy Oswald may not understand. Not understand – not know rather; of course he will understand.

2080 Deputy Gollop makes great store of these derelict sites, but might Deputy Oswald agree with me it is not the sites that are the problem; it is the fact that we have not got any money or any capacity to build anything at the moment?

The Deputy Bailiff: Deputy Oswald.

2085 **Deputy Oswald:** I am not an expert on building and the provision of building, although clearly I follow the debate on this. So I am not in a position specifically to answer Deputy Inder's question, but it is a good point.

2090 **The Deputy Bailiff:** Thank you.
Any more supplementary questions? No. In that case that completes the questions.

Billet d'État VI

MOTION TO DEBATE

COMMITTEE FOR HEALTH & SOCIAL CARE

Responsible Officer for the Bailiwick of Guernsey – 2025 Annual Report

To resolve, pursuant to Rule 20 of the Rules of Procedure of the States of Deliberation, to debate the Appendix Report to Billet d'État No. VI 2026 entitled 'Responsible Officer for the Bailiwick of Guernsey - Annual Report for the year 2025.'

The Deputy Bailiff: States' Greffier.

2095 **The States' Greffier:** Yes, madam.
Motion to debate an Appendix Report Stage 1, the Committee for Health & Social Care, the Responsible Officer for the Bailiwick of Guernsey.

2100 **The Deputy Bailiff:** This is a motion to debate an Appendix Report. Can I remind Members of the rules in relation to this, that is Rule 20(4), and I will invite Deputy St Pier to speak as proposer of the motion, then Deputy Blin has seconded it, but does not speak, and then I will invite the President of the Committee to speak on the matter, and then we will vote on it. That is the extent of the debate on this.

Deputy St Pier.

2105 **Deputy St Pier:** Thank you, madam.

2110 In moving this motion I shall be brief. The background section in paragraph 3 on page 3 of the Annual Report refers to the relevant legislation, namely the Regulation of Health Professions (Medical Practitioners) (Guernsey and Alderney) Ordinance 2015. This in turn followed a policy letter which at that time used to be called States' Reports, which was considered by the States in June 2014.

This told us that, and I quote:

The biggest change in the regulation of doctors for 150 years was introduced by the GMC in November 2009 when it introduced a licence to practice. To retain their licences, doctors will be required to undergo a process called revalidation. Revalidation will normally occur every five years.

2115 And then it went on to say:

One of the primary reasons why these changes are being pursued is that, if Guernsey-based doctors do not follow the UK model for revalidation, they may need to undergo an onerous assessment if they wish to go back to practice in the UK. This is likely to seriously affect the recruitment and retention of the medical workforce in Guernsey. In short, this is one of those pieces of regulation effectively forced on us by external forces. If the UK had not gone down this path, we clearly would not necessarily have chosen it for ourselves, but choose it we did.

2120 Having done so, it should not just be a tick-box exercise as the only piece of regulation of the healthcare sector, arguably our most important public service, it needs to be as effective as it can be. The only real opportunity for any scrutiny that the States of Deliberation has is via a debate of the Responsible Officer's Annual Report.

For that reason, madam, I move this motion; for that reason, I hope that it will not be opposed by the Committee for Health & Social Care; and for that reason I hope it will be supported by Members.

2125 Thank you, madam.

The Deputy Bailiff: Deputy Blin, do you formally second that motion?

Deputy Blin: Yes, ma'am.

2130

The Deputy Bailiff: Deputy Oswald.

Deputy Oswald: Thank you, madam; and thank you, Deputy St Pier.

2135 My appreciation is that there is a considerable amount of misinformation circulating as to the precise role of the Responsible Officer and the relevance thereof for the Annual Report in front of us. So, for clarity, I would like to start by distinguishing between the statutory role of the Responsible Officer and the broader responsibilities of the Medical Director, notwithstanding that both roles are undertaken by the same individual.

2140 Dr Rabey is employed as the Medical Director for Health & Social Care. This is a wide-ranging leadership role encompassing clinical oversight, the maintenance of standards of care and patient safety, and the guidance of professional practice among other responsibilities.

2145 Dr Rabey also holds a statutory office of Responsible Officer to which this Appendix Report relates for the year 2025. It is important to be clear that the duties of the Responsible Officer are specifically concerned with the professional regulation of doctors, and this report reflects the discharge of those statutory functions and not the wider remit of the Medical Director.

2150 I note the interest in the wider regulation of care, the increase in the number of doctors working on Guernsey, and the progress of HSC's review of the complaints process. However, none of these matters relate to the Responsible Officer function. Members can of course request this information through existing channels available to them, namely parliamentary questions or question time following my general update to the States in May.

While I do not oppose debate on this Appendix Report, according to the rules as I understand them, having sought advice from the States' Greffier, any debate must relate to the report in front of us today and not to any ancillary matters undertaken by the Medical Director or others within the wider organisation of HSC.

2155 Thank you, madam.

The Deputy Bailiff: Thank you.

No, Deputy Gollop, you do not get to speak on this.

2160 Right, so before you, because I hope you have all signed in, you should have the motion. I will ask the States' Greffier to open the voting on the motion to debate this report.

There was a recorded vote.

Carried – Pour 29, Contre 4, Ne vote pas 2, Did not vote 0, Absent 4

2165

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Helyar, Mark	Oswald, George	None	Falla, Steve
Burford, Yvonne	Laine, Marc	Strachan, Jennifer		Matthews, Aidan
Bury, Tina	McKenna, Liam			Ozanne, Jayne
Cameron, Andy	Vermeulen, Simon			Sloan, Andy
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Leadbeater, Marc				
Malik, Munazza				
Montague, Paul				
Niles, Andrew				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				
Van Katwyk, Lee				
Williams, Steve				

The Deputy Bailiff: There voted pour 29, contre 4, there were 2 abstentions and there were a number of absences. I therefore declare the Proposition has been passed and, in due course, we will debate that report. That will be under Item 12.

LEGISLATION LAID BEFORE THE STATES

**The Education (Governance Boards) (Commencement) Regulations, 2025;
The Parochial Elections (St Sampson's) Regulations, 2026;
The Parochial Elections (Vale) Regulations, 2026;
The Parochial Elections (St Sampson's) (Amendment) Regulations, 2026**

2170

The Deputy Bailiff: States' Greffier.

2175 **The States' Greffier:** The following legislation is laid before the States: the Education (Governance Boards) (Commencement) Regulations, 2025; the Parochial Elections (St Sampson's) Regulations, 2026; the Parochial Elections (Vale) Regulations, 2026; and the Parochial Elections (St Sampson's) (Amendment) Regulations, 2026.

The Deputy Bailiff: I have had no motions to annul, therefore that legislation is laid.

LEGISLATION FOR APPROVAL

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

1. The Family Allowances and Social Insurance (Guernsey) (Amendment) Law, 2026 – Debate commenced

Article 1.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Projet de Loi entitled "The Family Allowances and Social Insurance (Guernsey) (Amendment) Law, 2026", and to authorise the Bailiff to present a most humble petition to His Majesty praying for His Royal Sanction thereto.

2180 **The States' Greffier:** Article 1. The Committee for Employment & Social Security, the Family Allowances and Social Insurance (Guernsey) (Amendment) Law, 2026.

The Deputy Bailiff: Deputy Bury.

2185 **Deputy Bury:** Thank you, madam.

This Projet begins to bring us to a conclusion of a decision made by the previous Assembly. So, for those who were not there I think it is proper to give a brief background, and for those who were, apologies for the repetition; I will be quick.

2190 Just to be clear, Family Allowance is a weekly allowance payable to people living in Guernsey and Alderney who are bringing up children, provided their gross household annual income is below £125,000 and they meet all other eligibility criteria.

2195 Widowed Parents Allowance is a weekly allowance paid to parents whose spouse or cohabiting partner has died. To receive the allowance, a person's deceased partner must have satisfied certain contribution conditions prior to their death or died as a result of an accident at work. Recipients must also be residing with and caring for a dependent child, and the amount of Widowed Parents Allowance a person receives depends on the contribution record of their deceased spouse or partner.

2200 In August 2020, the States then approved joint proposals from the Committees for Employment & Social Security, Health & Social Care, and Education, Sport & Culture, to introduce a household cap for the purposes of entitlement to Family Allowance and to cease payments of the allowance when the child reached 18.

2205 Due to the legislative link between Family Allowance and Widowed Parents Allowance, the changes to Family Allowance also meant that Widowed Parents Allowance would be ceased when the child reached 18, and these changes came into force in January 2022 and the policy is still in place. But depending on the birth date of the child, this may mean that in some cases with those children born early in an academic year, both allowances may cease up to almost a year before the child completes their secondary education, while they are still a dependent within their parents' household.

2210 In February 2025, the former Committee reviewed the policy and concluded that Family Allowance and Widowed Parents Allowance should provide financial assistance to parents throughout the academic year in which a person's child turns 18, provided the child is receiving full-time education. The former Committee proposed this and the States agreed it in April 2025 that the criteria should be amended such that Family Allowance would be paid and Widowed Parents Allowance would be paid until the last Sunday in July during the academic year in which a claimant's

2215 child turns 18, provided the child was undertaking full-time education and all the other eligibility criteria were fulfilled.

So, if the Project is approved today, this will bring to conclusion the resolution made in April 2025, which was to provide that Family Allowance and Widowed Parents Allowance be paid until the last Sunday in July during the academic year in which a claimant's child turns 18. It is as simple as that, ma'am, it was not contentious at the time, it sailed through, and I hope the same will be today. But I am open to any questions.

The Deputy Bailiff: Does anybody wish to speak in debate on this?

Deputy Collins.

2225

Deputy Collins: Thank you, ma'am.

I am a member of ESS. I have a feeling after this I might be on the naughty step. I have a daughter who is three, so just to declare an interest, we do receive Family Allowance. I probably will not support this unless I am convinced otherwise. Just to remind Members, in the original policy letter it was stated this is going to cost £160,000 and, as Members know, through my email I circulated to everyone a little while ago about Family Allowance, I am not really supportive of it even though I receive it and some people do need it.

Family allowance is means-tested, so people that are on benefits that need it, it is taken into account. So those that we talk about that desperately do need it will get it. This is reinforced in the letter we have had from P&R to ESS, reminding us that Family Allowance is a tier 1 saving, and of the £7.7 million this costs, we could save £6 million because obviously £1.7 million will go to those people that do need it.

So, bearing that in mind, as I said, as the President has pointed out, the debate on this last time was very limited; only Deputy Gollop seemed to speak. I am sure there are going to be people on their feet, like our Chief Minister, to jump up and remind me, as he already has, about the Government Work Plan, about helping younger family members and family support. Unfortunately, Deputy Sloan is not here, he would probably get up to remind me I should not have a view of how that is spent. But I do ponder and think somebody 18, at 16 they can get married, 17 they can drive a car, again these people that have chosen to stay in education that long. We are redefining that a child is somebody now 18 and six months maybe.

So I have a feeling former Deputy Roffey is probably going to take some of these points, and hopefully I will not feature in his Roffey's Rights column but, if he does, it is going with two Rs to remind him.

So just to remind Members, not that long ago we were in this Chamber and we agreed to a 1% saving. I echo the point that today this decision will cost us £160,000, and again are we sure that this is going to go to everybody that really needs it? So, for every pound we do spend, and I echo this quite a lot these days, every pound we give away that possibly somebody does not need it, is a pound we cannot give to somebody that really does need it.

Of course we want to support families, and I am a prime example; I have spoken in this Assembly before, me and my wife had a child, we have now bought a house, it is very expensive for us. I have two choices, I decided to take a pay cut, and times are tough for us. But our problem is that £18.40 a week is not really helping us. Our problem is, if we have another child, and we have that debate quite regularly, is the fact that we almost need to reserve a place at childcare before we even conceive. Now, those of you know I am well into forward planning, but even I cannot agree with the wife forward planning of when we possibly need a child to get into childcare to make those provisions. That is costing £1,000 a month or £2,000 a month if you wanted it in full-time. So it is a serious problem that at the moment we would love to direct perhaps some of that Family Allowance to better enable other services, but at the moment we cannot.

So I just come back to my point, back to this £6 million for Family Allowance, £6 million a year, possibly going to people that do not need it, and that is £6 million, £12 million, £18 million, £24 million in the next four years. So I will not echo the point, but as I said, I am probably going to

vote against this. At Committee, we have discussed this. I did mention I was not in favour of this, but I would not put a wheel in the cog to stop this coming here today. We did debate this and finally voted by email, and I did highlight that I was not really supportive.

2270 So, thank you.

The Deputy Bailiff: Deputy Gollop.

2275 **Deputy Gollop:** Deputy Collins mentioned me in happiness, so I stand up. He said I was the only one to speak. This is not a debate on rates, it is just on a legal change, and it does reflect UK practice when increasingly the tertiary sector is seen as 16 to 19. What this does, it not only perhaps: it is incentivising people to stay in education, and I would say generally that is a good thing. Although, if they were able to work part-time perhaps so much the better.

2280 The other thing it is doing is it is redistributing wealth perhaps from the more affluent, older generation to the families. Because even families on middle Guernsey incomes struggle. If we are going to do what many European countries are now talking about of incentivising a birth rate, of family life, of keeping the cost of living down and readdressing so-called intergenerational unfairness, then this kind of policy works. If it does mean I get a less of a pound, well that is the way the cookie crumbles.

2285

The Deputy Bailiff: Thank you.

On that, we will adjourn for lunch. Thank you very much.

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

**The Family Allowances and Social Insurance (Guernsey) (Amendment) Law, 2026 –
Debate concluded –
Proposition carried**

2290 **The Deputy Bailiff:** Who would like to speak next in debate? Does anybody wish to speak in debate?

Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, ma'am.

2295 It is just a quick response to some of the interesting points raised by Deputy Collins. One of them that struck me was the concept that a child who is at full-time education does not need support or perhaps should go work and therefore their parents would not need this money when there is an artificial cut-off of them turning 18, but still being in education.

2300 From what I understand, this is just a realigning of something that does not work in the real world because the real world does not work to the cut-off of somebody suddenly turning 18. As a parent of a teenage boy who is still in full-time education, I can tell you that that extra money would have come in handy for the amount of food that a young adult, specifically teenage boys, will consume beyond what is deemed normal.

2305 But it is beside the point, this is just a minor adjustment and the bigger picture, which I believe Deputy Collins, sitting on the Committee for Employment & Social Security, is looking at the bigger picture of how to realign the money where it is needed most. Also, like myself, you have to opt in to get the Family Allowance. So there is always the option of not opting in if you do not require it, which is hence why I do not opt in to the Family Allowance, because with the previous setup that I had, I did not require it, and now my children are too old.

2310 So those points, which were raised, I think muddy what this very simple amendment seeks to do, is just to smooth out the inconsistencies and make it fairer for those who are still in full-time education to be treated the same as somebody who just happened to have a birthday after them.

The Deputy Bailiff: Deputy Montague.

2315

Deputy Montague: Thank you, madam.

Just briefly, I will be supporting this Projet. I think it is entirely just about fairness. It is clarifying something that should not have been there. Just to be clear, just because a young person has their birthday on 1st September does not mean they should be treated differently to someone whose birthday is 11 months later.

2320

However, I would like to take this opportunity to say to Deputy Collins that a lot of what he spoke about was – hello?

The Deputy Bailiff: Do you wish to give way?

2325

Deputy Montague: Sorry, yes, rather than say hello I should say ...

The Deputy Bailiff: You are giving way, are you, to Deputy Collins?

2330

Deputy Montague: I am giving way, thank you very much.

The Deputy Bailiff: Deputy Collins.

Deputy Collins: Thank you very much for giving way.

2335

The relevant point you say about treating youngsters differently, are you suggesting that youngsters at 17 and a half are able to drink alcohol now?

The Deputy Bailiff: Deputy Montague.

2340

Deputy Montague: No. So I would like to say in terms of the rest of what Deputy Collins said before lunch, madam, there are some very important messages there that we do absolutely need to look at what we are doing with our Family Allowance. We absolutely need to get on as soon as possible with looking at that super priority, and I endorse what he says there.

2345

I will just finish by saying that Deputy Collins did refer to an email he sent around to all of us earlier on, and I do take issue slightly. He was talking about the anecdotal idea of a young child whose parents do not need the Family Allowance and that money goes straight into a savings account in order for that child to get a car at the age of 17. The issue I do have is the example he used was a child called Monty and that was quite offensive. *(Laughter)*

So thank you very much. I will be supporting the Projet.

2350

The Deputy Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, ma'am.

2355

I would just like to say, I also support the proposal from ESS for the Projet. In general, I am in favour of universal benefits and it is a useful thing. The idea that savings can be achieved by greater targeting is really just reflective of the fact that we do not really have the capability to tax individuals where we think that we might be paying out benefits where we do not necessarily need to. A child benefit or Family Allowance is one where, in some cases, there may be a grey area that some parents might not need it.

2360

But it is one where, if there were any benefit where you would want to err on the side of caution, then it is this one. Because the one thing that we really ought to be doing is encouraging people to

2365 feel like they are able to afford to have a family and to bring up children. So if there were ever an area where you want to be more cautious about that then it is this. Also, as the parent of a young boy born in July, I am one of those summer babies almost that will be in school, will be old for his age in the school year. So I appreciate the difficulties that that can sometimes cause. So this is a useful change and one which I will support and I hope it is successful.

Thank you, ma'am.

The Deputy Bailiff: Thank you.

2370 Does anybody else wish to speak in debate? In that case, I will ask Deputy Bury to respond.

Deputy Bury: Thank you, ma'am.

Deputy Collins said he might be on the naughty step. He is not on the naughty step but he is off the biscuit list. *(Laughter)*

2375 I think I can speak broadly, as most people have spoken on similar tracks apart from Deputy Collins, but just to be clear, as Members have picked up, there are two separate tracks running here. So what is in front of us today is about tweaking an anomaly that does not make sense in the logic of how the system works currently. The system currently is to support families with dependent children, and if your child is 18 but is still at school, ultimately, they are still dependent. So that is the theory and that is what we have in front of us today.

2380 But, to be clear, as there is quite some interest from Members, there is a separate track running as part of the savings working group that we have formed at ESS, and from the tier 1 savings work last term that Family Allowance should be looked at in the round, and it will be. That work is being led by Deputy Collins, so that will come to fruition at some point. Hopefully there are mixed views within the Committee around what should be done and how any potential savings in that area also align with the super priority to support young people and families. So it will need to be carefully thought through.

2385 At the same time, I imagine we will look at the cap. Quite a few people have mentioned that the £125,000 cap to qualify seems quite high to some people. This will all be looked at in the round. But that is not what is in front of us today. But, to be clear, what is in front of us today is not just about Family Allowance. It is about Widowed Parents Allowance as well. So we are talking about very difficult circumstances where again someone who turns 18 but is still in school might lose that additional support that would clearly be required in such circumstances.

2390 But to reassure Members, the Family Allowance has made savings since 2021. We are considerably below that budget since the changes were made to bringing in the cap. So savings have been made previously.

2395 I would just like to say thank you to the contributions from Deputy Gollop, Deputy Hansmann Rouxel and Deputy Montague particularly. Again, we cannot work in silos. One of the things that I have picked up from the Committee for Education, Sport & Culture is a real drive to be encouraging people to stay in education beyond the age of 16. There are very well-evidenced reasons for doing so. So we have to work in the round and make sure that we are not doing one thing with the left hand and another with the right.

2400 I think that covers everything. But just an additional reassurance is that this has been accounted for in the budget because this decision was made at the end of last term. As it happens, up to March 2026, the Family Allowance budget specifically is running quite considerably below budget, around just shy of 7%. So, while there were some quite big numbers knocking around, I hope that does reassure Members and that we can support this now and then discuss wider Family Allowance reforms in the future.

2405 Thank you, ma'am.

2410 **The Deputy Bailiff:** Thank you.

Members, you should now have on your screens the Proposition. I will ask the States' Greffier to open the voting.

2415 *There was a recorded vote.*

Carried – Pour 32, Contre 2, Ne vote pas 0, Did not vote 2, Absent 3

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Collins, Garry	None	Helyar, Mark	Falla, Steve
Burford, Yvonne	Humphreys, Rhona		McKenna, Liam	Ozanne, Jayne
Bury, Tina				Sloan, Andy
Cameron, Andy				
Camp, Haley				
Curgenvén, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Hill, Edward				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

2420 **The Deputy Bailiff:** In relation to the Proposition, there voted pour 32, contre 2, and 2 Members were not in the Chamber at the time of the voting. I therefore declare that the Proposition has been carried.

POLICY & RESOURCES COMMITTEE

**2. The Lending, Credit and Finance (Equity Release Mortgages) (Guernsey)
Ordinance, 2026 –
Proposition Carried**

Article 2.

The States are asked to decide:-

Whether they are of the opinion to approve the draft Ordinance entitled "The Lending, Credit and Finance (Equity Release Mortgages) (Guernsey) Ordinance, 2026" and to direct that the same shall have effect as an Ordinance of the States.

2425 **The States' Greffier:** Article 2. Policy & Resources Committee, the Lending, Credit and Finance (Equity Release Mortgages) (Guernsey) Ordinance, 2026.

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, madam.

2430 Deputy Bury has just dealt with an item of legislation where the decision was made relatively recently. I am doing precisely the opposite because this issue was first investigated way back in 2003. So this has been some time in the coming. It more directly flows from a resolution the States made in 2019, and I know that there are some Members in the Chamber who remember that debate. It is one of three bits of the jigsaw, if you like, to bring this to fruition.

2435 So, the original resolution was, 'To direct the preparation of such legislation as may be necessary to amend customary law to enable equity release mortgages to be offered in Guernsey'. The reason that the States resolved to do that was to help mitigate against the rising cost of living for older people who might be asset rich, but cash poor homeowners. We know that there are a good many of those people in the community.

2440 I know, having listened to their representations over many years, that there is strong demand within the community from that cohort of people in particular to be able to realise some of the value of that significant asset to help improve quality of life without having to leave their home. That is what is so crucial about this. It does enable people to plan better for their future and for their current quality of life so they can get that financial planning in order without the worry, stress, uncertainty of having to sell their home and move out. So that is really what it is all about. I do have a very boring version of this up my sleeve, but I will not go there. I will try to just keep it details-light, but hopefully just put enough of the picture together.

2445 There are, as I said, three legs to this particular stool. The first is that there was an amendment to the regulations for the Lending, Credit and Finance Law, or there were regulations to amend that Law, sorry, and that was something that came into force last year. That brings regulation of equity release into the scope of the Lending, Credit and Finance Law. I will come back to that in a moment. It is very important, that regulation.

2450 There have also been amendments made, or draft amendments made, waiting for this, to the Lending, Credit and Finance Rules. Now, those are the GFSC's rules. They have got some guidance. That is all about introducing specific obligations for providers, advisers, and other ancillary service providers who operate within the equity release market. There was a really big consultation and I have to say that much of the focus is on that consumer protection. Again, I will come back to that.

2455 This is really that final leg of the stool, or piece of the puzzle, and this is the Ordinance to amend the customary law, which is something that is necessary to make it possible in reality. So, currently, equity release mortgages cannot be offered within the Bailiwick, because we have had these barriers in the way, I suppose. But there has been a huge amount of work that has been carried out, led by the GFSC, in consultation with St James Chambers. The commencement date for this is 1st May, which is very soon.

2460 I think I have covered why equity release schemes have been something that the States has been keen to look into for well over two decades. They are a very useful mechanism for people who are in that cohort of people, in particular. It arose out of the Anti-Poverty strategy back in 2003. That was when investigation into this was first officially agreed by the States.

2465 The benefits probably speak for themselves. But another reason that people tell us that they are keen to be able to access this kind of product is for home improvements. So especially for people who are keen to stay in their homes, they may want to make either just general home improvements or make adaptations to the house so that they can live in it comfortably for longer. For example, if their mobility is affected or changes in any way they might want to put in a downstairs bathroom, for example, or make other adaptations of that kind. Again, to save them from the stress and potentially heartbreak of having to leave a home that they have lived in for a very long time.

2470 So there are a number of different reasons why they were not able to be offered in the Bailiwick before that. I will not go through the detail unless anyone is super keen, in which case do ask for it

in debate and I shall provide it. But, really, I said I would come back to this issue of consumer protection, and that is such an important part of this.

2480 We know, I am sure everyone will be aware, that equity release has got a bit of a bad name, some aspects of it have, in the UK, for example. So the absolute key focus of the consultation work was about making sure that consumers are adequately protected, because many of those might be vulnerable and potentially could be taken advantage of. So it is so important that we have got adequate safeguards in place so that we do not experience any of the issues that have sadly been experienced in the UK.

2485 The kinds of things that I am talking about here are habitually higher interest rates, the treatment of surviving co-habitees or spouses, and the potential for going into negative equity. So we have got those protections in place through the rules that I mentioned. It is one of those legs of the stool.

2490 The protections include things like requiring that advisers hold an approved equity release qualification, that they are based locally, so we cannot have people coming in and selling from somewhere other than the Bailiwick, and that each customer is assessed on a case-by-case basis as to their vulnerability so that they can be given bespoke and tailored advice.

2495 The GFSC, as I mentioned, has led the work on this, but one of the key other parties has been the Association of Guernsey Banks, known as AGB. They have been very thoroughly consulted. As part of that consultation, there were no objections or issues that were raised, and AGB has noted its support for this. In addition to that, at a slightly more granular level, the two banks which are most likely to lend by way of equity release finance, as and when they are able to because of these changes, have been engaged on an individual basis, and they have noted the importance of this work in enabling equity release products to be available within the Bailiwick.

2500 So I think that is about it. This is really just about the legal bits of the puzzle fitting together to enable a product that has historically not been available for various legal reasons within the Bailiwick, to offer people who are interested in and eligible for such a product to take advantage of it as they see fit, but with appropriate safeguards in place.

Thank you.

2505 **The Deputy Bailiff:** Deputy Gollop.

Deputy Gollop: Thank you.

2510 I do not know if I will be a vulnerable person who might wish to take advantage of this at some time, but I am interested in the topic, and in a way I would have quite liked the long, boring version. I have already seen a bit of this back in the day on ESS, when I was a colleague of Deputy Bury's, and also on sitting as a valued member, I hope, of Deputy Camp's Legislation Panel, which is part of Scrutiny, and we were interested in the detail, and I support it.

2515 I was going to raise the point – Deputy de Sausmarez has already covered it in part – I had forgotten all about the Property Strategy of 2003, but I remember it was always there as part of the Supported Living and Ageing Well Strategy (SLAWS). I know one or two lawyers are not very keen on this idea, and believed it was against Guernsey policy. I would be interested if we hear from them.

2520 I would add another, Deputy de Sausmarez has outlined some of the potential benefits, including home repairs, because there are some members of the community, especially people who inherit property or older people, who you can tell that perhaps they are putting less maintenance into their house than some other younger people, and this would maybe help them in that respect, because the cost of building and skilled artisan work in Guernsey is relatively high.

2525 I am looking at Deputy Matthews, I should be looking at you, Madam President, inasmuch that if at some point in the future we do think that one realistic way of raising revenue would be to increase Tax on Real Property (TRP) on certain kinds of property, that can be extremely unfair. I vote both ways on that, because I often support what Dr de Lisle used to say when he was a Deputy, that it was hard work for those traditional Islanders who live in large farmhouses or other buildings, and rates would be unfair on them. But of course this could be used as a way in which older people can

2530 afford to pay higher charges without dipping directly into their savings or income. Although some people might not want to hear that.

I am interested in the issue of lifetime mortgages, because here it is used in the particular sense, secured against retail property, and it is, I suppose, one under which full payment of the capital is not due until a lifetime event, such as the customer's death, or the customer selling the property, or acquiring another property as their main residence, because, unlike a conventional mortgage, it is unlikely somebody will have paid it off by the time the mortgage concludes.

2535 It also makes the point, which I know people find hard to accept, that people do leave their personal properties to live elsewhere with no reasonable prospect of returning, that is to say taking up residence in a care home.

I am interested in clause 3, we puzzled about this on Legislation, or I did anyway:

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In the case of a lifetime mortgage, it is unnecessary for the borrower to acknowledge the debt or make a payment of interest in order to interrupt the running of time against the lender for the purposes of prescription.

So there are different rules that apply. Of course, in clause 5:

The lender may claim the amount of interest due, and is not subject to the statutory restriction that interest can only be claimed for the preceding 730 days. A registered bond specifies the amount, does not need to state the total amount secured.

2545 So clearly there are quite a lot of differences between that and conventional law, and it may well be that we should look under the wider questions of mortgage law. Also in clause 9:

The Royal Court may grant a vesting order if a life event has occurred such as the borrower has died or is still alive but has taken up permanent residence in a care home and full payment of the capital repayment has not been made.

2550 So the lender has that safeguard to go to the Royal Court and seek immediate paying. Although that might go against, perhaps, the interests of safeguarding the individuals, because it is very important, as Deputy de Sausmarez stressed, that every case is taken on its merits and due regard is given to vulnerability.

I think, though, a broader concern I have, and Deputy de Sausmarez has only half satisfied me with this, because for years we have been supportive of the principle, as long as it is not misused by the estate in overcharging elderly people in other ways. But a wider concern is the versatility of our financial and commercial sector. Some people still believe we have 72 banks on the Island. We do not. It is a lot smaller number.

2560 But, despite the strength and robust resilience of our finance sector, there are numerous incidents where people find it hard to get practical banking: charities, communities, people who have been in prison, or people with very small incomes. Here is an area where I do wonder what the market appetite is for this. Because, if it is restricted to people who are properly regulated in the Bailiwick by the GFSC, and is not even allowing Jersey contenders and UK contenders, let alone online people, there is a very small market. If there are only two providers, those providers might not be able to give the full range of products and there is little competition and little incentive for beneficial rates.

2570 It would be a fiasco if, after all this time, and I still do not know why it has taken nine years, maybe COVID delayed it, but then perhaps COVID should have delayed MyGov as well. That is another topic. But how can we be sure, in order to facilitate all the good things of people being able to live better retirement lives, more money, home builders, stay independent in their own homes, all those things, how can we ensure that this tool, this product, this solution, can satisfy them if we do not have a wide variety of competitive providers who will ensure that there is a strong marketplace of products.

Because one of the problems with our housing market at the moment is the fact that the number of mortgage providers has dropped, and the number of building societies has dropped, and even

2575 some banks have reduced to a certain extent their Guernsey retail presence and they have also become less risk averse. They once lent more than they do now.

So, my question is: can P&R go to the next stage, or Economic Development, and ensure that this Law brings about a good customer and client base?

2580 **The Deputy Bailiff:** Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, madam.

2585 I just have a few questions for the President as she lays out this Ordinance. I thank her for some of the information. I will try to limit the questions that I have because she answered some of them in the opening.

2590 The explanatory note in this case refers back to resolutions from 2019 and 2021, and I appreciate that goes way back to 2003. I was in the Assembly in 2019 and at the time it was first directed. So, I went back to look at the original debate to understand the direction of travel, which is part of the process that we take up when we are faced with an Ordinance. We look back, where did this direction come from? It is nearly seven years on. But I did have to search quite hard to find the relevant references, as the explanatory note itself does not include the Billet D'État numbers, just the reference to the date that the resolution was made. So, that does make our job a little bit harder. Just a note to any of the nerds out there, so it was Billet D'État XXI of 2019, resolution 28. I will not read it out again.

2595 It does strike me, the eagle-eyed of you who noticed that date in November would know that that is a Budget debate, it is a bit of an odd place for the direction to sit within a Budget debate rather than a standalone policy proposal. There also was not any meat in the Budget, which explained why this resolution was there. Nonetheless, the resolution stood. There was later work in February 2021, Billet D'État IV, which was a joint policy letter from Policy & Resources and Economic Development, and leading to the 2022 Lending, Credit and Finance Law, which was brought by Economic Development.

2600 Now, this ordinance is being brought by Policy & Resources, so there is a little bit of catch-and-throw happening with this. So my first set of questions is really a procedural one. Could the President set out more clearly the pathway for these earlier resolutions to the Ordinance before us today? I think she has covered that. But just if she could explain why this has been brought forward by Policy & Resources rather than Economic Development, or was there a particular reason for this shift?

2610 Then turning to the substance of the Ordinance. I am not an expert in this area, but I have tried to scrutinise it carefully. I do agree that it is needed. I myself was also lobbied on several occasions around this, in both directions, and I do think there are those who could benefit from access to this type of product. But there are potential pitfalls in this type of legislation, and I found it useful, going back to the beginning, to look at what was said when the direction was first given.

2615 Deputy Lester Queripel was really one of the only Deputies that picked up on the resolution at the time. I do not quite agree with everything, because obviously I voted in favour of the Proposition going forward, because he did mention that there were quite major dangers. But, looking back at what he cautioned about, it is quite useful. His concerns were that there could be a risk of misselling, the impact of compound interest leading to a debt spiral, and the loss of inheritance or erosion of asset value. Interestingly, these are the areas where I have questions. and some of those have already been answered by the President in her opening speech.

2620 My understanding is that, while this Ordinance fits within Guernsey's legal framework and the Guernsey Financial Services Commission provides a baseline level of protection, much of that protection relies on general principles of good conduct, rather than very specific rules tailored to equity release products. In her opening speech, the President did outline that there would be further rules from the GFSC. Would those be coming to the Assembly or would they be updated by the GFSC? If she could give a bit of an explanation of whether we would have another chance to scrutinise those further protections and what they look like.

2630 In other jurisdictions, there are more explicit requirements for this kind of legislation. For example, in the UK, firms must carry out a suitability assessment. That was briefly mentioned by the President. The safeguards that are in place must ensure that these products are only offered to people for whom they are genuinely suitable, and that they fully understand the long-term implications.

2635 So, in other jurisdictions, they have things like mandatory suitability assessments. Is that going to form part of what the GFSC is going to put in place? What protections are in place to guard against misselling? Are there protections against outcomes, such as the debt growing significantly over time, or even exceeding the value of the property, leaving a situation of negative equity? Would there be something like a negative equity guarantee?

2640 Given our approach appears to rely on broader principles rather than specific rules, is the President satisfied that this provides a sufficiently strong and enforceable level of protection? I will leave it to her to give a bit more detail on what the GFSC intends, because clearly there has been a lot of consultation on this. Those are just the areas that I would like some reassurance on.

The Deputy Bailiff: Deputy Matthews.

Deputy Matthews: Thank you, ma'am.

2645 I noticed I was mentioned by Deputy Gollop in respect of really potentially a different application of this, which might be if it were a charge made for something other than equity release, something like providing the cost of care, which I do not think is really the intention of this Project. This is really to look at an equity release, which would be taken out by somebody who wanted to receive the benefit in advance.

2650 The President mentioned during her introduction that these have been around for a long time in the UK and elsewhere but they have not got a great reputation. So equity release people are nervous of, partly for the reason that some of the products that were sold in the UK were not the best product. So I know that there has been some mention that we would try to avoid that, or the GFSC would try to avoid some of those issues that have come up elsewhere.

2655 This is where I would ask the President: what approach will be taken to regulation of products that are offered in Guernsey for the issues that we have seen elsewhere, such as exorbitant interest rates and early release charges, which have meant that some products have produced the horror stories that people do not really want to be involved with in Guernsey. Are we going to have an approach to regulation that looks to protect consumers and the interests of consumers from those types of charges?

2660 If we are, then of course I would be happy to support the legislation, the changes to the various other legislation that is required to bring this into effect.

Thank you.

2665 **The Deputy Bailiff:** Deputy Camp.

Deputy Camp: I was not necessarily going to speak, but I really think we have got to caution against the idea of thinking this is not about long-term care. The use of equity release is becoming more and more used to cover care costs because of ageing demographics; we are told about it every day.

2670 The view of most of the population is that equity release is a grab for your hard-earned money that has gone into buying a house in an expensive place like Guernsey. I really do not think we should be seen to be separating it from long-term care. In all the discussions I was part of outside of Government about equity release, it was very much assumed that this was a long-term care cost thing. So we ought to be careful about thinking this is about making improvements or lifestyle improvements. There is a risk this is about getting granny out of her house to cover her care costs because she does not want to move or downsize at some earlier point in her life.

Thank you.

2680 **The Deputy Bailiff:** Alderney Representative Hill.

Alderney Representative Hill: This is more of a question, Madam Bailiff.

Will this Ordinance be applicable in Alderney or is it just Guernsey? So can you answer that when you do your summing up?

2685 Thank you.

The Deputy Bailiff: Thank you.

Does anybody else wish to speak in debate? In that case, I would ask Deputy de Sausmarez to respond.

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Deputy de Sausmarez: Thank you.

I have not had quite enough time to get quite all the detail and answers to the questions, but I will do my best.

2695 It is always a joy to listen to Deputy Gollop, especially when we are dealing with an issue that goes back decades, because of course he has still got an encyclopaedic knowledge of it all. So I thank him for his contribution. I think he was the first person to mention an increase in TRP, and I am going to deal with that now because it answers one of Deputy Hansmann Rouxel's questions.

2700 Deputy Hansmann Rouxel asked some questions about the provenance essentially of this. To answer her question about why it was in the Budget, it does relate to TRP. So in that Budget, there was proposed a significant increase in TRP – I think it was 10.2%, something in that order – and one of the concerns around an increase of that magnitude was precisely on the types of people that have been described in debate today, so the people who very well might struggle to afford to pay that TRP out of a low fixed income, but nonetheless would be very reticent to move out of their homes in order to be able to afford TRP.

2705 So this was one of the Budget mitigations, although it is a quite delayed reaction, and Members will of course note that we have had significant increases in TRP since 2020. So it is about time really that there may well be – in fact, I know people who are in that position and who are very reticent to move out of their house, but who do struggle with their TRP.

2710 I am afraid I have not had a chance to look into some of the more granular details like why not Economic Development. I am assuming it is because it was a Budget response. But the previous bit of legislation, which was at the end of last term, was brought by P&R. Maybe it was just that it was easier for P&R to deal with the whole bundle.

2715 That does also bring me on to, jumping around a little bit, but Deputy Matthews's question on the regulation. I think he will find the answers to that if he is very quick at looking things up on legal resources, going through legal resources. I think he will find that in the Lending, Credit and Finance (Equity Release) Regulations, 2025. So I hope he would find the detail that he is looking for in that around the legislation. That is something that he was in the Assembly when it went through the last time, and I think he was a member of the LRP, so maybe he has seen it at some point.

2720 The question of market appetite was raised by a couple of people, Deputy Gollop and then more recently – I cannot remember who it was, but anyway it has been touched on. Obviously, this is not a Government initiative. We are not coming forward with these loans. We are looking for the market to provide them. While there are no guarantees on that, what we can say is that, through the course of our consultation, we have had assurances from industry that there is an appetite to bring forward this product.

2725 I cannot speak to quite what extent it might be and quite how competitive it would be. I think we have to face the reality that we are a small market in many different respects, including this one. But certainly the indication is that there would likely be more than one. If it helps to provide any reassurance, I do have a direct quote that I can use from the Director of the Banking and Insurance Division at the GFSC. He says that:

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The equity release framework is a crucial first step towards these products becoming available locally. We are confident that we have created a framework that is attractive to new market entrants.

So, while there are no guarantees, I am certainly hopeful that there is an appetite within the market to bring this kind of product forward, because what we all know for a fact is there is certainly consumer demand.

2735 To Deputy Hansmann Rouxel's question about the rules. Those are published already in draft form by the GFSC. Had I had a little bit more time, I would have tried to circulate some links for Deputy Matthews and Deputy Hansmann Rouxel, but it was over slightly too quickly for me to get there. But I would reassure her in response to Deputy Lester Queripel's concerns that they are not just generalities; they are specific to equity release. It does, for example, require people to have
2740 specific training or have specific qualifications in equity release. So I hope she can be reassured on that point.

2745 There was a very thorough consultation that was carried out. As I mentioned when I opened on this, the safeguarding aspect was indeed the prime focus of that because of the concerns, as Deputy Matthews highlighted, of the rightly bad reputation some of these products have had in other jurisdictions.

So then I think the only comment that I have not really addressed is Deputy Camp's, and she talked about long-term care. I would just point out that obviously, at the moment, under our long-term care, this is absolutely not engaged at all because the principal private residence is explicitly excluded from any assessment on people's ability to pay. That is absolutely clear that that is the
2750 situation. For that to change, if it were to change, that would need to be an active decision by this Assembly.

So this Ordinance and the other tools in this toolbox, in their own right, have got absolutely no bearing on that whatsoever. It would need to be a specific decision of this Assembly if Members, or a majority of Members, felt that it was appropriate to take into account the value of someone's principal private residence in terms of funding for long-term care. But, as everyone is aware from a previous debate that we have had, that is not the case at the moment. It is very specifically excluded, and it would need a specific decision of this Assembly to change that, so I hope I can provide
2755 reassurance on that front as well.

Also, even if the Assembly were to make a decision, I have got no idea whether this would be an appropriate mechanism, for all we know it would be something completely different. So I would not put two and two together and make five on that front at all. People certainly have got the assurance that they need at the moment that this in no way engages the issue of long-term care funding, because we say that very loud and clear on the tin of that particular policy.

So, with those reassurances having been given, I hope that the Assembly will support this Ordinance, which I hope will lead to a very important product that can help people manage their financial planning and better afford the cost of living at a time of life when they might perhaps be on a lower income, and not be otherwise able to realise the value of their home without moving out of it.

2770 Thank you.

The Deputy Bailiff: Thank you.

I think Deputy Parkinson owes me some money for charity.

States' Greffier, would you open the voting on this proposition please?

2775 *There was a recorded vote.*

Carried – Pour 35, Contre 0, Ne vote pas 0, Did not vote 1, Absent 3

Pour

Blin, Chris
Burford, Yvonne

Contre

None

Ne vote pas

None

Did not vote

McKenna, Liam

Absent

Falla, Steve
Ozanne, Jayne

Bury, Tina
Cameron, Andy
Camp, Haley
Collins, Garry
Curgenven, Rob
de Sausmarez, Lindsay
Dorrity, David
Gabriel, Adrian
Gollop, John
Goy, David
Hansmann Rouxel, Sarah
Helyar, Mark
Hill, Edward
Humphreys, Rhona
Inder, Neil
Kay-Mouat, Bruno
Kazantseva-Miller, Sasha
Laine, Marc
Leadbeater, Marc
Malik, Munazza
Matthews, Aidan
Montague, Paul
Niles, Andrew
Oswald, George
Parkinson, Charles
Rochester, Sally
Rylatt, Tom
Snowdon, Alexander
St Pier, Gavin
Strachan, Jennifer
Van Katwyk, Lee
Vermeulen, Simon
Williams, Steve

Sloan, Andy

2780 **The Deputy Bailiff:** There voted, in relation to this Proposition, 35 pour, and 1 Member did not vote, and there were 3 absences. I therefore declare this as being carried.

POLICY & RESOURCES COMMITTEE

3. Major Projects Portfolio – Propositions Carried

Article 3.

The States are asked to decide:

Whether, after consideration of the policy letter entitled 'Major Projects Portfolio' dated 24 March 2026, they are of the opinion:

- 1. To approve and implement the revised Major Projects Portfolio prioritisation approach, including the three Portfolio stages (Proposal Development, Pipeline and Delivery) and associated transition arrangements.*
- 2. To agree the inclusion of the 26 projects listed in Table 2 within the Major Projects Portfolio - Pipeline stage.*
- 3. To agree the Assessment Criteria (as detailed in Appendix 2 of the Major Projects Portfolio Report 2026) against which the Policy & Resources Committee will prioritise new schemes into the Pipeline stage of the Portfolio.*
- 4. To approve the inclusion in the delivery stage of the Guernsey Dairy Essential Works project with a funding envelope of up to £6.0m; and to note that the States' Trading Supervisory Board will*

bring forward a separate policy letter, requesting approval for the inclusion in the delivery stage of the QEII Marina Gates Replacement project.

The States' Greffier: Article 3. Policy & Resources Committee, Major Projects Portfolio.

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The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, madam.

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Struggling a bit here with Windows control, given the number of items I am flicking between, so Members might have to bear with me as I hop between screens.

I also will start with a word of thanks and a simultaneous apology. I would like to thank Members for the very extensive engagement on this issue, and an apology that I have bored myself from the sound of my own voice talking about this quite so much over the last, however many – six weeks, possibly more, probably quite a lot more.

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But there have been a series of roundtable discussions, Members' briefings, and then most recently, which personally I found the most useful element of all, a little series of what we called Committee Roadshows, where Committees were able to give us a bit of a deeper dive into some of their pipeline projects, which personally I found really fascinating. I thought it was a really helpful insight into some of the considerations and some of the key dependencies that other Committees are grappling with at the moment.

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I will try to be brief because I am painfully aware that certainly Members of this Assembly are probably sick of hearing about this subject, but obviously it is important to put on the record as well for members of the public who might be interested in this. This is an important policy letter because really this is about how we plan and prioritise and manage the States' biggest and most complex investments, and these are really the pointy end of Government business. This is where a lot of expenditure does occur, and as we are all too acutely aware, especially after the discussion this morning, it is very important that we are directing that funding in the right directions and managing those projects well. These are the kinds of projects which are pretty fundamental to maintaining and improving the services and the infrastructure that people across the Bailiwick rely on day to day.

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It has just got four Propositions. The first one, and really something that is at the heart of this policy letter, is a change in approach which the Assembly is asked to effectively endorse in Proposition 1, and it just proposes a more structured way of major projects, getting them ready before we ask the States to commit significant capital to them for the delivery phase. The new model puts much greater emphasis on that early planning, it avoids committing money too soon, and it allows us to be a bit more flexible and respond when circumstances and priorities change, which we all know they do from time to time.

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Why change? Because the current system does have some weaknesses. It is not a massive change, it is just a pragmatic one really. But under the existing arrangements, major projects tend to have to be agreed at the start of a political term when many of them have not been in a developed-enough state to be able to get a good grip on the scope, how it is going to be delivered, and most pertinently, quite often, the cost estimate. That is really because they have been put in for delivery at too early a stage because Committees have been worried that otherwise they might miss that window of opportunity. So this is really a change, an amendment to that system to make sure that projects can come forward and move into delivery as and when that project is at the appropriate stage to do so.

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What that also means is that this Assembly will have a better set of data, it will have a better understanding, a better evidence base for that project, and crucially more accurate cost estimates. It also means that we are not locking away funding that therefore cannot be used on other projects on a project which is still years away from delivery, and that cost estimate might not have been accurate in the first place.

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2835 So there are three key stages. We have got the development of the proposal, we have got the pipeline stage, and we have got the delivery stage. What we have really done here, the main emphasis, is strengthening that pipeline so that we can provide that greater structure and that greater detail. There is access to a limited amount of funding but the key point is that projects are not able to move into delivery, which is where they can access the more substantive funding that they require to actually get them done until they have been approved by this Assembly. The Assembly will be able to make a more informed decision as a result of that strengthened pipeline process.

2840 Delivery remains the stage that follows a decision of the States. It is this body which decides whether or not to move a project from pipeline into delivery. I do want to reiterate that actually in putting something in the pipeline, there is no commitment whatsoever to delivery. That is part of the process and part of the challenge. Actually, one of the ways we can demonstrate this as well is that quite a number – in fact, I think the majority of projects – were indeed diverted away from the pipeline, so there is challenge at every stage.

2845 I think there were originally about 60 projects that came forward for consideration as part of the pipeline, and fewer than half of them actually did go into that pipeline. So there was that challenge, and that is another important part of the process. I know Members are very keen to make sure that the States are not automatically funding things that could potentially be funded in other ways. Again, that is one of the initial assessments as well as an ongoing assessment as the proposal develops.

2850 So we have had a number of projects where actually they have not gone into the pipeline and therefore not into the delivery portfolio because they had been funded through a different route. Actually, the former E&I Committee had got quite a few of those projects – on smaller scales quite often – where it was clear it was never going to win a beauty contest against anything from Health or Education, so we had to get quite creative about finding alternative funding mechanisms. So just to reassure Members, that is a standard part of the challenge. It is standard from Treasury teams, and I think actually the operational teams themselves are getting increasingly adept at that kind of thinking now as well.

2860 So obviously I am not going to dwell on the fiscal context that we are currently operating in. I think everyone understands the fiscal pressures. That is why it is as important, or more important than ever, that we are not actually locking funding away before it is needed. So that was again one of the issues for the previous system, is that because projects went in at a very early stage, they might be years away from delivery and actually needing to get spades in the ground or whatever it was, that that funding was not available for things that might have come forward sooner as a result. So our suggested change of approach is really just to make that work more efficiently and more flexibly and be more responsive to circumstances.

2870 I hope that Members can take some assurance from the fact that the delivery portfolio, which is essentially all the things currently in flight, is actually much as it was when it was last debated in February 2025, so over a year ago now. In the grand scheme of things, given that this is an amount of money I think to the tune of about £460 million or thereabouts, that actually there is, relatively speaking, a fairly small amount of variance on that. Obviously scrutiny is ongoing in that respect and, again, as projects come to fruition, then there may be some more movement. At the moment, I think it is quite reassuring that it is pretty much in the same ballpark as where we expected it to be a year or so ago.

2875 I really just also want to touch on the delivery, incapability and oversight of the major projects. That has been an important theme of today's discussion more generally, especially this morning. This is really about the process about how we prioritise and plan projects. It does not go into granular details about the delivery because that is dealt with separately. I know that Members who attended the briefing will be aware that actually a lot more information will be coming out about that in the next few months.

2880 Members will remember that as one of the GWP commitments we are committed to publishing a report – I think that is on 1st July – around the Major Capital Portfolio. We are making some

2885 changes, as Deputy St Pier alluded to this morning, to make sure that the delivery of projects is going to be much more robust and efficient going forward. So that is not what we are asking the Assembly to decide today, but it is a relevant adjacent factor, and more information will be available in due course.

I also reiterate my invitation to any Members who are particularly interested in that side of things, please do come and tell us what you are expecting to see and we will do our best to make sure that the delivery mechanisms, the governance around that, and indeed the reporting is meeting expectations. So I reiterate that invitation.

2890 I am just quickly going to try and find another document. The Scrutiny Management Committee issued a Letter of Comment which had some very helpful and pertinent comments in. I agree, I thought their assessment of this as a positive evolution I think was a good description. They were good enough to break down the issues into some separate categories. I think it is probably worth just spending a little bit of time going through each of those categories just to clarify a few of the details on that front and respond to the feedback.

2895 So in terms of affordability and prioritisation, the separation of the early project development from the funding decisions is actually a very deliberate thing that was designed into that process. I have talked about this already. It is about delivering greater cost certainty really, but it is not a byproduct as an actual design feature of what we are suggesting in order to avoid premature financial commitment.

2900 I have already talked about the robust challenge and the fact that it is by no means a certain conveyor belt through from someone having an idea through to delivery. There is consistent and, where appropriate, very robust challenge. Quite often these projects are diverted down a different route where that is more appropriate. Affordability parameters will continue to be determined through the Medium-Term Financial Plans. They will be considered in the context of the pervading fiscal assumptions and the delivery capacity.

2905 Projects moving into the pipeline, again, there is effectively a filter there – bless whoever it was that sneezed – in order to make sure that we are not overextending that pipeline. So that is one of the responsibilities of P&R. The Treasury team I know was very hot on that as well, so there is quite a lot of challenge that goes into that part of the process. There is not an automatic expectation of delivery. It is always the decision of the Assembly that green lights are into delivery if the Assembly sees fit. The Assembly would have to be satisfied that it is affordable, etc. in order to do that.

2910 So in terms of financial transparency and comparability, I think it is important to just remind Members that at the point where projects enter into the pipeline, they are still at quite an early stage and we do not yet have that reliable information on costs or funding sources or outcomes. That is precisely the job of the pipeline to actually articulate those GV analysis and come out with some recommendations.

2915 The Committees play an active role in that of course in terms of the sponsoring Committees for each of those, so there is a lot of challenge built in. The job of the pipeline is to really develop that information and get a lot more surety on it so that we can have more confidence in the proposed option at the end of the day. There is only limited funding available for that pipeline activity. The substantive funding is only once it is in delivery stage. Projects will have to be fully costed and subject to regular reporting to the States once they are in delivery, so there is a lot of robust and comparable financial information.

2920 Again, I reiterate my invitation, please do come and tell us what you are expecting to see and we will absolutely do our best to meet those expectations. The Assembly will have a lot more information in order to base their decisions on that. They will have the status and relative maturity of other pipeline projects. They will have updated affordability and funding information as agreed through the Medium-Term Financial Plan. There will be delivery capacity and deliverability across the portfolio as well, so that information will also be available. So I think it should improve the informed strategic decision-making of the Assembly in that respect and it will reduce risk.

2925 In terms of the assessment criteria and decision framework, this is something again that is embedded in one of the Propositions. Those criteria are indeed for this Assembly to agree and it

does take into account, obviously not just economic factors, but also that strategic aspect as well and the wider good. We do recognise – certainly with my background on Environment & Infrastructure – and I am very aware that you often cannot make a purely economic case, but there are things which are nonetheless essential. The criteria certainly reflect and accommodate that.

2940 So projects entering the pipeline are based on an identified need. Whether that is a problem or a risk that needs to be addressed, they are not put in as a proposed solution at that stage. Comparative assessment is something that can be done more appropriately once it has been through that pipeline process. So I think P&R certainly agrees with the Scrutiny Management Committee that all of these factors should be monitored and assessed and used to inform the
2945 prioritisation decisions. We do feel strongly that that needs to be done at the appropriate point of that project's maturity, which is the point at which they are fit to be considered for entry into the delivery portfolio.

In terms of delivery capacity and accountability, the States' Assembly retains control, so we have not changed that. That aspect has not changed at all. I do need to clarify that the revised framework does not give P&R any greater control than it previously had, it just changes the timing essentially.

2950 Under the previous arrangements – or indeed the current arrangements until we see fit to change them – prioritisation was led by P&R at the start of each political term, with the policy letter recommending which projects that should enter the delivery portfolio. That was often done on the basis of limited, uneven, poorly-developed information, so the revised approach is exactly the same.
2955 The Assembly retains control of that but has an additional lair of more accurate information in some cases on which to base that decision.

We absolutely agree with the Letter of Comment that routine reporting will be a critical accountability mechanism. We are planning for exactly that: to be substantive and consistent. Again, please do engage with us on that. I think together these arrangements will help to strengthen
2960 delivery oversight and ensure that the Assembly remains able to hold the system to account, and indeed is better able to.

I think I have already touched on all the scope of the pipeline issues; I think I have already done those points. I think Members are reassured on that. Then the last issue which I do not think sat particularly comfortably in the Letter of Comment was around the review that the Scrutiny
2965 Management Committee is doing around the States Property Unit. I would just like to reiterate that we have provided I think it is 276 pages of information. I believe all Members are probably up to speed on why one tranche of information had not been shared, because there was not legal confidence around whether it could be shared. That is something that is now in hand, so hopefully Members also have some assurance on that particular point.

2970 So I have done it again, I have spoken for far too long, but it is a really big topic and it is really important. Because at the end of the day, this is where a huge amount of public money is being committed and spent, so it is important that we are all satisfied the process is appropriate, proportionate, effective. So I welcome debate.

Thank you.

2975

[Amendment 1:](#)

'In Proposition 2, to insert immediately after the words "Pipeline stage" the following ', subject to the following amendment: "In Table 2 of the Policy Letter, immediately after the words "Complex Residential & Education on Island" substitute the words "Committee for Health & Social Care" for the words "Committee for Home Affairs" and immediately after the words "Beau Sejour Leisure Centre Re Development/Rebuild (Beau Sejour Review)" substitute the words "Committee for Education, Sport & Culture" for the words "Committee for the Environment & Infrastructure"'.'

The Deputy Bailiff: But first, Deputy de Sausmarez, you need to deal with your amendment.

Deputy de Sausmarez: I do.

2980

The Deputy Bailiff: Do you wish the States' Greffier to read out the amendment?

Deputy de Sausmarez: No, thank you, madam.

2985 **The Deputy Bailiff:** Would you like to say anything on it?

Deputy de Sausmarez: I will just say it is a technical amendment. It was there a bit like map printers put in deliberate mistakes just to test whether anyone is actually reading, that it was not actually an oversight.

2990 It is just a technical amendment to make sure that we have accurately recorded the correct sponsoring Committees to the right projects. So it is literally just correcting the Committee names against the projects that they are responsible for, and I do not think it needs to be read out. It is there in black and white if anyone would like to.

Thank you.

2995

The Deputy Bailiff: Deputy St Pier, do you second that amendment?

Deputy St Pier: I do, madam.

3000 **The Deputy Bailiff:** Does anybody wish to speak on the amendment?

No. In that case, you will see on your screens 'Amendment 1', which is the only amendment that is before you. States' Greffier, would you open the voting on Amendment 1?

There was a recorded vote.

3005

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

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	None	None	Gabriel, Adrian	Falla, Steve
Burford, Yvonne			McKenna, Liam	Ozanne, Jayne
Bury, Tina			Van Katwyk, Lee	Sloan, Andy
Cameron, Andy				
Camp, Haley				
Collins, Garry				
Curgenven, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Kazantseva-Miller, Sasha				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				

Strachan, Jennifer
Vermeulen, Simon
Williams, Steve

3010 **The Deputy Bailiff:** There voted for Amendment 1, pour 33. I therefore declare the Proposition has been passed.
Deputy Inder, general debate.

Deputy Inder: Thank you, ma'am.

3015 Sir (*Laughter*) – ma'am. I better remember what I have written at the end as well. (*Laughter*) I want to start by saying that I support the direction of travel set out in the policy letter. Successive States have struggled with the system that commits to major capital projects too early on the basis of incomplete information, often optimistic cost stings and, if we are honest, political momentum rather than robust evidence.

3020 What it does, it introduces a more disciplined framework, strengthens early planning, ensures decisions about spending large sums of public money by taking it at the right time, and with better information. The introduction again of the structured pipeline is particularly welcome. It gives us the space to properly define problems, test options, understand risks before we commit to delivery. That is practical, it is businesslike and good governance. In a period of real fiscal pressure, that matters more than ever.

3025 What I am not clear on is where the power resides. What I mean by that, much has been made about the States being the final arbiters. I understand that P&R has delegated authority for minor capital works up to – I believe, it is about £3 million, and probably retains delegated authority for capital works up to £5 million, but would welcome a correction now or when the President of Policy & Resources responds to debate.

3030 If delegated authority remains intact the States will not get a say on every single project because a delegated authority means that P&R will be the final arbiters, not that many of them are under £3 million or £5 million. I also support the move away from the rigid four-year cycle. Allowing projects to come forward as needs arise is just more realistic. The Law does not operate in neat political terms and neither should our infrastructure planning. This is a better framework than we have had, it is more flexible, more disciplined and more reliant with the financial realities we face but – guess what? – that was coming. It is an important 'but'. A framework is only as strong as decisions we make within that.

3040 That brings me to the list of projects proposed for inclusion in the pipeline. We are being asked in one single motion, not only to approve a new system, but also to endorse a specific set of 26 projects where work will start towards a business case. It has to. When I say 'work', I mean resources, design and ultimately money.

3045 Many of us have been to the Major Projects Portfolio (MPP) presentations led by the Committees, and I will commend Policy & Resources for putting those workshops together. Many of those projects are important to the Committees, in effect, their priorities. My preference would have been almost – I am going to use the three words I hate – a traffic-light system or an indication from Policy & Resources of which projects are fundable and deliverable in the next three years of this term. That would have been quite useful. Then we get a quantum – at least you as the elected representatives – of the likely ask of capital funding.

3050 In particular, I cannot support the inclusion of the Alderney Airport-related projects in the pipeline at this stage: airport terminal, fire station, ancillary buildings. In any reading of the 1948 Agreement, the Guernsey taxpayer is under no obligation whatsoever to provide the terminal, fire station, ancillary buildings. My preference would have been for Policy & Resources to have presented that element in favour of the Guernsey taxpayer, not the Alderney resident, and it should not have been included.

3055 What we have effectively done – or rather what has happened two or three meetings ago – we voted in under 45 minutes for £24 million worth of Guernsey public money, delegate that out to the Policy & Resources. Two months' later we get the rest of the rehabilitation programme buried

within the 26 projects. Effectively, if you combine the two, we have got all the rehabilitation, with the exception of the control tower, spread over two policy letters.

3060 This is not a comment on Alderney itself, nor on its importance to the Bailiwick. This is about prioritisation, affordability, sequencing and fairness. I simply do not think the Guernsey taxpayer should be paying for the fire station, the terminal and ancillary buildings. You had your £24 million, all of those, you are now screaming probably to anything between £40 million and £50 million. That is not right.

3065 Further, I just want to make a comment on the States of Guernsey Digital Strategy, Policy & Resources, and it is the appendices that I think are written at 23. It reads:

The Digital Strategy depicts the objectives of transforming our Government services through digital innovation, outlining the principles that will guide the development of new digital services, sets out the direction principles that will guide future digital investment.

3070 I could go on, I will not bore you with this. I have seen this before. I saw this eight or nine years ago when I think Deputy Le Tocq was sitting in this seat right here telling us why we should be supporting the Agilisys contract. We have gone through this morning a question and answer over Deputy St Pier's Rule 10(3) Statement on the problems that we have had in those eight or nine years.

3075 I feel that I am back in the same room, and I simply do not have the confidence that we can give that kind of direction to – I am not even going to pick on Policy & Resources. I am worried about our system of government and our internal ability to deliver anything digital at the moment. That really scares the bejeebers out of me. I think that was the closest parliamentary word I could get.

3080 So for that reason, having been here before, having tried to be persuaded about something, probably voted for it – and I think I did at the time – gave fair warning only after the event, I am still not confident that I can give the vote for this portion, which is effectively Proposition 2, in all good conscience. We have spoken about it, I just have not been persuaded.

3085 Further, I would add that the approval of this policy letter will mean a churn of work towards these business cases, a rush to get in the first, maybe, so this is not cost neutral. Do not be persuaded this is cost neutral in any way, shape or form. Do not let anyone kid themselves that this is a benign process. P&R must already know, or at least have an indication of, which projects are likely to kick off a certain amount of spend in the next three years. I would welcome some indication because some of the words used in here are critical. Critical means start working on it today, and those are buried within this policy letter.

3090 We are operating in a context here. Our overall capital programme is already substantial and some are actually failing. We heard this morning about the problems at the hospital and on the electronic payment – patients record system. My mistake; I think I did say 'payment' this morning. I think I meant patients record system, and I still probably have not got it right. I did not vote for it anyway, so I was not paying attention.

3095 Cost pressures are evident across a number of major schemes. The wider fiscal framework, particularly around taxation and long-term funding, remains unresolved. So we are effectively screaming towards £600 million worth of work, accepting most of it will not be done this term. We still have no indication from Policy & Resources on what their solution to the fiscal pickle we are in is likely to be.

3100 If this new framework is to mean anything, it must be accompanied by a willingness to make difficult choices about what comes first and what waits. My concern is that by including too many projects, and Committees defining their version of priority, we risk undermining the very discipline this policy is trying to introduce. Everyone's projects are important.

3105 I detect a pipeline that is overfilled from the outset, where projects compete for limited planning capacity and where expectations are raised that cannot be met within this political term. So, ma'am, I would rather see a shorter, more focused list, and one that reflects a genuine set of priorities that we are confident we can progress, develop and, where appropriate, deliver; a list that aligns not only with the strategic objectives but with realistic capacity and affordability. The real test of this

3110 policy will not be how many projects we can include, but how many we can actually bring forward successfully. The strategy is not the success, it is the delivery. When it comes to delivery, successive Governments have failed and failed again.

I find myself in a position where I support the framework, I support the principles, I support the intent, but I cannot support the application as currently proposed. For that reason, ma'am, I am unable to support Proposition 2, but I expect the policy letter to sail through without any problems at all. Someone has to look like opposition in this Assembly. (*Laughter*) However, with effective 3115 28 majority, I know I am fighting nothing here. It would not be the first time.

3120 However, I would strongly encourage the Committee to bring this framework back, perhaps with a more tightly-defined initial pipeline and with a clearer demonstration of prioritisation in practice. Because if we get this right it has the potential to significantly improve how this Government and possibly future Governments plan and fund and deliver major projects to the Island and, Lord knows, we need that. It will only succeed if we pay a better process, better choices, and the real kicker in this, braver decisions. Good luck with that.

The Deputy Bailiff: Deputy Camp.

3125 **Deputy Camp:** I thought this would be a busier debate.

I want to begin by being very clear about what I am and what I am not doing today. I am not opposing reform, I am not questioning the good intentions of Policy & Resources, and I am not denying that the States' approach to major capital projects could be improved. What I am doing is sounding a warning about a serious governance shift embedded in this framework, a shift that I do 3130 not believe is being properly acknowledged, debated or safeguarded. I strongly believe every P&R-led speech would seek to deny or downplay because it is uncomfortable.

This policy letter is not just about process, although it feels as though it is being sold as such. It is about where power sits, who shapes decisions, and how much real control this Assembly retains over the public purse. Spoiler alert: the answers are P&R, P&R and much less once it is handed over 3135 to P&R today.

For many years, the Assembly itself has been the primary funnel for major capital projects, despite whatever delegated authorities might then have followed. Yes, the system was not perfect, we all know that, but when a Committee believed a project was necessary or urgent, the expectation was that it would come here openly. That mattered because it made the Assembly the first point of 3140 political choice.

This framework changes that. Under the proposed arrangements, projects enter a pipeline, progress happens incrementally, sequencing and prioritisation occurs stage by stage, and the practical gateway into that pipeline sits with Policy & Resources. The Assembly is still involved but its role is increasingly downstream. This is not a neutral procedural tweak, it is a rerouting of 3145 influence. Once projects have entered the pipeline, absorbed officer time, incurred development costs and built momentum, the Assembly's theoretical power to stop them becomes much harder to exercise in practice. I say that is not accidental.

Supporters of this framework say it will simply make capital planning more flexible. After all, that is what P&R told us at the presentation to all Deputies about a month ago. That claim does not 3150 withstand scrutiny. I have seen some this week plaster on social media that this will introduce a novel concept of projects being brought for consideration throughout the term rather than one unshiftable big bang at the beginning of it.

But – and I have asked – Committees have never been prevented from bringing new projects forward to the Assembly mid-term. I am concerned where that narrative is being picked up from 3155 because it is actually quite simple: Committees have always been able to come to the Assembly, make the case, and ask Members to decide. The difference was not flexibility, the difference was where the decision was taken.

Under this new system, Committees will, in my view, naturally be inclined not to come straight to the Assembly. The new framework will make it practically unconscionable that a Committee

3160 would not first approach Policy & Resources, seek entry to the pipeline, and allow a project to develop incrementally. It becomes more likely that they will accept the view of Policy & Resources, whether positive or negative for their ambitions, and if they do not, this framework is going to get pretty messy pretty quickly.

3165 Once we have fallen into the mindsight of allowing Policy & Resources to determine what is and is not allowed, projects begin to feel inevitable before Members have even been asked to weigh them against other priorities. That does not increase transparency, it reduces it. In a consensus system, agenda control is power. My view, this is an example of Cabinet Government by stealth. By making Policy & Resources the effective gatekeeper for major projects, we are creating something that looks, behaves and functions more and more like a Cabinet.

3170 Guernsey does not operate a Cabinet system. We operate a consensus system, and consensus only works if Members collectively shape priorities, trade-offs and sequencing. The moment we centralise that role in a single committee, consensus is no longer being practised, it is being delegated. We are doing that without the safeguards Cabinet systems rely on. We are doing more and more of that through handing control to P&R seemingly every term.

3175 In Cabinet systems elsewhere, there is formal opposition. Scrutiny is structurally empowered and concentrated executive powers openly acknowledged and checked. Guernsey has none of that. We have no opposition. Scrutiny relies on the co-operation of the Committees it is mandated to scrutinise. In our system, the Assembly itself is by design the primary counterweight, it is the primary scrutineer. If we give up that role, we weaken the constitutional fabric of the system, whether or not we choose to call it Cabinet and whether or not P&R chooses to acknowledge it.

3180 We know this is not abstract theory. As a member of Scrutiny, I have been frustrated by the review into the States Property Unit, including the fact that it has been difficult to obtain a complete audit or record explaining how options were assessed, how financial exposure was quantified, and how governance responsibilities were and are to be clearly defined in relation to the Leale's Yard acquisition and proposed development.

3185 Whoever was on P&R when the decision to purchase was made is largely irrelevant. We have not yet seen a single coherent account demonstrating where decision-making met the standards this framework now claims will be routine and yet that project sits within the Major Projects Portfolio. That should concern every Member, not because of any opposition to Leale's Yard development, but because it shows a real live example of how projects could enter and progress within the new framework without first satisfying the very disciplines the framework asserts. If that can happen now at the moment of transition, it can certainly happen again, and on a larger scale once discretion is further concentrated.

3190 We have already heard this week about Government's preference for incompetence masquerading as governance. We have all read the reassurance that reporting will provide assurance. Reporting matters, but reporting after progression is not the same as challenge before commitment. Once a project has passed internal gates, consumed time and money and been embedded in plans, pulling back becomes politically and practically difficult. Good governance prevents problems early, it does not merely explain them later. I am not yet seeing the signs of that good governance.

3200 There is another fundamental weakness in this framework, and we must confront it honestly, and that is sequencing. At present, the States suffers from a chronic inability to prioritise and, more worryingly, perhaps to all those I speak with, a more chronic habit of spending money as if the tap will never run dry. Do we urgently need an Energy and Climate Change Officer right now when we are told we have little money, vast ambition and an expanding list of projects all described as essential? That is not prioritisation, that is refusal to choose.

3205 There is no clear Assembly-owned ordering of what comes first, what comes later and what may simply have to wait or not proceed at all. Instead, the portfolio risks becoming a catalogue of aspirations with each project allowed to progress far enough to justify its own continuation. Every household in Guernsey knows you cannot budget or plan that way.

3210

All of this in the context of wider fiscal concerns. We know we are financially constrained. We know difficult choices are coming and we still have a meeting ahead of us to decide whether we ask the people of Guernsey to hand over more of their hard-earned money to fund Government activity. Yet, we are being asked today to support a framework that allows major spending commitments to advance incrementally before those choices are faced openly. That is back to front. Without firm sequencing discipline, the inevitable narrative becomes: we cannot deliver what the Island needs without new revenue.

3215

Does that sound familiar? It should because it is in every P&R-approved formal States of Guernsey communication on its ongoing and not yet concluded tax workstream programmes. Let us not pretend this story is unfamiliar. A lack of prioritisation, an ever-expanding list of essential projects, incremental commitment with a hard fiscal constraint, and then inevitably the argument that broader taxation is the only option left. That is not sound financial governance but is policy drift at best and, at worse, disingenuous.

3220

If there is one role this Assembly must retain, it is the role of forcing explicit choice, not managing momentum, not supervising pipelines, but deciding openly and honestly what we can afford, in what order, and at what cost. This framework weakens that role at precisely the point we need it most.

3225

This is not about trust and is about design. None of this requires us to doubt the integrity or competence of P&R. Good people can still operate within flawed systems. History has taught us that lesson repeatedly and expensively. The newly-issued report on the MyGov catastrophe shows us just how easy it is for failure to masquerade as governance. Governance should not rely on trust alone, it should rely on structures that constrain risk even when intentions are good. At the moment this framework concentrates discretion, while deferring safeguards. That imbalance concerns me greatly, as it erodes the very role we were put in office to perform.

3230

So I will be clear, what we are really choosing today by approving this framework is handing effective agenda control over major projects and, in reality, major spending to P&R, reducing the Assembly's role at the point where real choices are made, weakening sequencing discipline at a time of acute fiscal stress, and doing so in a consensus system without Cabinet-style safeguards. That is a conscious choice, not an inevitability.

3235

If Members are comfortable moving towards Cabinet-style Government, then that conversation should be had openly and involving the public. It should not be made incrementally or by stealth without the protection such a system requires. We must not drift into it quietly through process reform, while telling ourselves that nothing fundamental has changed.

3240

In closing, reform of how taxpayer funds are spent is overdue, but reform that quietly shifts power away from this Assembly, weakens prioritisation and allows ambition to run ahead of affordability does not solve our problems. It merely kicks the can down the road for some future Government to solve, most likely.

3245

If we, as the elected representatives of the people of Guernsey, surrender the project funnel to only five of them, we surrender more than process. We surrender our role in shaping the consensus itself. If we later find ourselves telling the public that higher taxation is inevitable, we should be clear whether that inevitability comes from necessity or from choices we chose not to make when we still had the chance.

3250

I urge colleagues to think long and hard about whether this illustrates the collegiate and collaborative Government being bandied about still by the media or whether it is in fact merely concentration of control dressed up as collegiality. I will not be supporting today's Propositions.

3255

Thank you.

The Deputy Bailiff: Thank you.

Who else wishes to speak in debate?

3260

Deputy Helyar.

Deputy Helyar: Thank you, ma'am.

3265 I shall give it a go since nobody else was going to stand up at that point. I thought the delegation of powers to P&R was quite modest actually in comparison to what we managed to achieve in the last term. **(A Member: Exactly.)** I remember Deputy St Pier's face. He was completely aghast when we managed without any debate whatsoever, I think, to transfer the entire process and portfolio and of spending all the money to P&R in about five minutes. **(Deputy St Pier: Yes.)** It was done literally without any debate. To be fair, it was done in the first five minutes of the term before anybody really understood how the process worked and the consequences of it.

3270 I really do understand what Deputy Camp is trying to get at here in terms of oversight and scrutiny. The problem is, the reality of the way in which the Assembly works is not reflected in those comments, in my view. On the one hand she was talking about chronic inability to prioritise, but the worst possible way of prioritising is bringing everything back in here to discuss it.

3275 What happens in practical terms, they give you lots of policy examples and project examples, whether it be incinerators, or the education debate, or something else like that, there are half a dozen people who lose that debate, because there will always be people who disagree, then invest vast amounts of time in pulling the cocktail sticks out of the Kerplunk and waiting for all the marbles to fall down to the bottom again and restarting the game.

3280 What then happens is it takes four, five, six terms to make any decision. You end up then with a list like we have here which we cannot afford, and that is the problem that we have. This is not the right environment in which to prioritise big projects. It does need a coattail and a smaller group of people to make those decisions. I do support that prioritisation and I support more of it, as you can see from last term.

3285 I wanted to provide some reassurance on several of the projects which are STSB related. We spent a lot of time – how would I put it? – kicking tyres on some of those things. One or two of them have got away from us because they are already in delivery and there is not much we can do about changing them, but we would have done so if we had come into position earlier.

3290 Several of them – some of them, in fact, Deputy Inder mentioned in terms of Alderney, for example – we would like to see different ways of those being delivered. We would like to see a different way of the airport roof being delivered. In fact, we were hoping – as I said this morning in response to a question from Deputy St Pier, and I cannot give any assurances that that will happen – that we take a Big Bang approach to fixing the roof at the airport away and out of this list altogether and fix it over a period of years from revenue which is developed by the ports, which means it comes out of the programme altogether, which would be a big win.

3295 We would like to see more of that approach in terms of maintenance of our properties. Also, in terms of the Alderney buildings, as I mentioned this morning, we would like to see as part of the Commission, consideration of whether Alderney could take that over. I came back through Alderney Airport on Friday, I can see no reason why we need to replace the building. It is the same age as me, I am not doing too bad. *(Laughter)* Well I might need a lick of paint here and there but I am not going to go into that. *(Laughter)*

3300 We are in a position at the moment where we need to make do and mend. We are severely constrained from a capital perspective, so we have to focus on what we absolutely need to do, and that is one of the concerns. I suppose it goes back to the update that we heard this morning from Deputy St Pier. One of the things I find very difficult about the service is it does not seem to be possible from a leadership perspective for the leader, the Chief Executive, to cascade a message down to everybody in the business, as it were, to say, 'Please stop thinking of new things to do and spend money on'.

3310 One of the things that Deputy Burford and I found when we first looked at the Alderney Runway Project was that several decisions had already been made which were slightly strange. I am not going to go into detail about them, but the thing that was missing from the risk analysis, the biggest risk that we have got in all of these projects is that they do not have political support, which is what Deputy Camp is really getting at, I suppose. That means that they will not happen.

We just simply cannot countenance the fact that Alderney's runway cannot be built for £24 million. That is the biggest risk – and it needs to be at the top of the list – is that we run out of

3315 money to do these things. Everybody that works in this organisation needs to start having that in
mind as their first and clearest and most important thing, is we cannot continue to afford to do a
lot of the things that we are planning to do. They have to be done in a different way or, in some
cases, I am afraid, not at all. That is the approach that we are taking to the projects. If we can do
them in a cheaper way or if we can do them in bite sizes out of revenue and income in a more
3320 modest way, then we will do that. We will get things looking better at a more reasonable cost, and
we will do our best wherever possible not to make shortcuts; safety is an absolute priority.

Our infrastructure is vitally important to the Island, but we need everybody to be working
together to try and get the costs of these projects down. We will be doing that hand in hand with
P&R. I know they feel exactly the same way about these things. I am very happy to delegate that
3325 responsibility to them because it speeds up decision making. Part of the cost of Government at the
moment, and one of the reasons why we are spending so much on these sorts of projects, is because
they are just taking too long to get going, and we need to be able to make decisions more quickly.

So I hope that provides some reassurance that we are kicking the tyres on things that were in
that list. Unfortunately, some of them are just in the list because they have to be, that is the process.
3330 We have found that, and I know Deputy Kay-Mouat found that, very frustrating in some of the
meetings that we have had, that the answer that comes back, 'It is in there because it has to be'.

The classic one is the Alderney control tower. That is in as a replacement in this list. We believe
there are opportunities for that to be a remote operation that is controlled by camera from
somewhere else (*Interjection*) as, for example, London City Airport. There are no controllers there, it
3335 is a camera-operated operation. We think there is an opportunity to do that in Alderney as well and
save money. So what you read in the list and what the headings are is not necessarily what we might
end up with.

Thank you.

3340 **The Deputy Bailiff:** Thank you.
Deputy Burford.

Deputy Burford: Thank you, madam.

I am really just rising to just pick up a few of the points – I am sure Deputy de Sausmarez will as
well – that Deputy Camp made because my jaw was on the floor a bit at the suggestion that this is
3345 some kind of move towards Cabinet Government, and this is far more restrictive – more power to
P&R – than in the previous term.

Because, quite frankly, as Deputy Helyar has said – and God knows how he got away with it and
the rest of them; I certainly did not vote for it – but £538 million, which was the cost of the much
3350 more ambitious list of capital projects in the last term, was delegated to P&R to just go away, get
on with it, and nothing else would ever come back to the Assembly. So I think we have pulled that
right back.

In fact, I was the person who finally, after a couple of attempts, managed to get an amendment
through the Assembly towards the end of last term to reduce that £538 million back down to
3355 £5 million. It did take me about three years to persuade the Assembly that it perhaps had not been
such a good idea in the first place.

The closest thing we perhaps had to Cabinet Government in style was more when we had the
Policy Council, because you had representatives of the President or Minister of each Committee on
Policy Council, although it was a bit of a fudged-together thing, it had to be said. It is ludicrous to
3360 assume that this is any form of Cabinet Government, quite frankly.

I will go to the pipeline projects. A policy letter is going to come to this Assembly from
Committees – not from P&R – on some of these capital projects. I think Deputy Helyar has explained
quite clearly why it may well not be all of them because we may decide that they do not come up
to scratch. Therefore, the Committee concerned will say, 'We do not need to do this project, we are
3365 doing it a different way'. Alderney control tower could be one of those things.

When those policy letters come, they have got to have some information in them in order for this Assembly to make some degree of informed decision on them. That is the information that comes out of the Strategic Outline Case, which is the part that is done in the pipeline before they can move to delivery. So from that point of view, I struggle to see what is wrong with this as an approach or what would provide a better outcome.

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Tax is the next thing that was raised. This is my third term in the Assembly, and in every single term we have had the cart-and-horse discussion. Should we find out how much money we have got and then bring a list of projects or shall we find out what we think we need to do and then look at how we are going to raise the money? There are arguments on both sides and it is one of those things which is never, ever resolved. If I was in a debating society and told to argue one side, I could get good arguments and the same on the other side, so in the end it has to be a choice.

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The thing that needs to be made clear is if in July when the tax review comes to this Assembly and this Assembly decides not to support that, then these projects will fall by the wayside, at least some of them will, because if we do not have the money to deliver them, we will not be delivering them. By that time, we will not have done vast swathes of work on these things that is going to be wasted because it is just in a matter of a couple of months' time.

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So I think those were all the points I really wanted to make. The only final one was on IT. Yes, we all feel exactly the same about what happened with the MyGov project as part of the wider IT theme. The fact that that did not deliver, okay, we are not necessarily going to pick up all of the strands of that work. It was so ill-defined, it would have been hard to do that. We still need to fund IT within the States; that does not go away. We cannot just say, 'Well it did not work, so we are not going to have any IT provision'. So that is necessarily in there as well.

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I hope Deputy Inder can be a little bit reassured on the Alderney aspects from what Deputy Helyar has said, but we will see when it comes to the vote.

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Thank you.

The Deputy Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Thank you, ma'am.

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I must admit, after the MyGov debacle, I have very little trust and appetite for capital expenditure. I am quite concerned that many items we do are just not up to it, really. I can give an example. In my previous life we built a substantial building, staff accommodation, 24 units. It was done quite quickly, it came in way under budget. We had it all costed out by a quantity surveyor what it should cost. We got three quotations from builders and that was done in a very quick time.

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By States' standards it would have taken three years, and construction costs, in particular, would have risen substantially. So I am conscious of how efficient our procurement is, and I do have my concerns. Having said that, I can see there are things on the list specifically in Guernsey that I would be prioritising and going ahead with.

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I am surprised to see The Haven now – and I know that has been corrected to come under Home – but a large chunk of that is paid for by a charity. I think the balance of that is paid for by the Seized Assets. So that is a priority I would be getting on with very quickly, not going through the mincer and slowing it all down which (*Interjection*) we have seen before.

I am aware the Bailiwick Commission is looking into the agreement with Alderney and personally – I will give way to the doctor. (*Laughter*)

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The Deputy Bailiff: Deputy Oswald.

Deputy Oswald: A point of correction about The Haven. The Haven is a secure unit for housing young people. It comes under Health & Social Care remit and is funded out of taxpayer money.

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A Member: It is Mill House.

The Deputy Bailiff: Deputy Vermeulen.

3420 **Deputy Vermeulen:** Was that not just changed by amendment? No?

Deputy Oswald: No.

Deputy Vermeulen: No. Okay, then I am talking about The Haven now.

3425 When we look at Alderney, it is ironic, is it not? It really is ironic. I stood up a couple of meetings ago and I said, 'Look, what on earth are you doing? What are you thinking about? £24 million? You are making the runway wider, which we do not really need, and you are making it far longer ...' and I gave two examples of runways in the city. One of them was grass and one far shorter and far narrower than what we were doing. Since then the Skybus pilots have turned round and said, 'Do
3430 you know what we would really like? Is the grass runway at 90 degrees reinstated so we can land in crosswinds, but that is not included in your £24 million'. That really is ironic.

One of the Alderney Representatives mused that he would like to give me a lawn mower and I could come across and cut the grass for the runway. I would do that and I would not charge. I would do that free of charge if it would help you out, but that is about it. So I would not be
3435 spending anything in Alderney until I found out what the Bailiwick Commission were going to be recommending. Yes, it is a tricky time to get projects through like this; it really is. I would be investing it mostly in Guernsey, the expenditure. As I said, I would be going very careful on the rest of it, especially in Alderney.

Is there an option, ma'am, for me to vote separately on the Alderney? Is there any way you can –
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The Deputy Bailiff: No. The Propositions you can only vote in the sense of the Propositions that they put forward and it does not separate out Alderney. You would have to not vote for the Proposition that entirely refers to Alderney, which I think is 2.

3445 **Deputy Vermeulen:** That puts me in a difficult situation. Anyway, that is my take on it and I am very concerned at how the States goes about major contracts at the moment, so there you go.
Thank you, ma'am.

The Deputy Bailiff: Deputy Oswald.

3450 **Deputy Oswald:** Thank you, madam.

The Committee in which I am President currently has five projects in pipeline, in addition to four which currently are in delivery stage. Of the five projects in pipeline, three have major strategic connotations, are long-term projects which will probably extend over certainly this period in the States well into the next term of the States, probably into 10 years, and are potentially high-cost items.
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Two of these, however, have short-term ameliorations which require urgent attention. I think the pipeline doctrine as advocated by Policy & Resources allows to address these issues in a much more formal way where we can, at the same time as making our long-term plans in planning for this, actually address by policy letter the short-term implications of the urgent attentions which are needed.
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In short, this process allows us to move away from the current States' approach which is reactive and essentially firefighting to a much more strategic planning process for these major policies, which are major Propositions being developed. I think this is a very positive move and I will certainly be supporting it.
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Thank you.

The Deputy Bailiff: Thank you.
Deputy Gollop.

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Deputy Gollop: First of all, I am a little bit detached from the Major Project Programme in some areas because three of the Committees I work on are irrelevant to the process: Transport Licensing, SACC and the Scrutiny Legislative Panel. Although SMART Court is there, which is significant. I am on Home Department, as well as been working with the senior Member, Deputy Vermeulen and Deputy Malik, and of course our President.

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Our President explained to the States' Members online and in the meeting yesterday the importance of the estates programme. That goes without saying, really, that some of it is long term looking ahead to the future, the best package for the Police Service, the police station; others of it are more pressing which means safeguarding, I am afraid, ex-offenders and ensuring that they are housed on their release from prison in areas that are suitable for them and also the wider community.

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I led, although it did not really come to that, on the Anti-Financial Crime Technology – by the way, I think Deputy Vermeulen is also interested in Mill House which could be funded by all crimes proceeds. Anti-Financial Crime technology, being very unglamorous – and I think I know even less about IT than probably many of the people in the 20 subgroups that were being held – is important to us because Deputy de Sausmarez and P&R are continuing, rightly, with the Strategic Co-ordination Forum. We have a lot to be grateful for the previous States, the work of people like then Deputies Ferbrache, Trott and Rob Prow who delivered a lot.

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We cannot go slow on the MONEYVAL issue, and we have to deliver technology requirements despite all the setbacks we have heard about to deliver a programme that modernises and enhances our digital infrastructure. When we are looking at forensic intelligence, it does suck in very, not expensive, but highly-trained people and we do need a lot of resource into that to satisfy, not just ourselves for the international .

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I am afraid that is a counterpoint to perhaps one or two of Deputy Camp's points, even though they were well made, about the fact that we cannot slim down everything because we have this big, growing state, and some of it is all about regulation and management. The Anti-Financial Crime Technology Programme will modernise and enhance our public infrastructure, and it has a scope with integrating the Economic and Financial Crime Bureau, the Financial Intelligence Unit and the work of the Economic Crime Unit of Law Officers.

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So I think it is important, and it is one of those continuous programme that does not stop at any point, it evolves. Deputy de Sausmarez was kind to me earlier and said she sometimes enjoyed my reminiscences of past States. It gave me a bit of nostalgia looking at this policy letter because if you look at 1(1), for example, it says:

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Decisions on major projects are made alongside the Medium-Term Financial Plan, formerly referred to as the Funding and Investment Plan.

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Like so many things, it has changed its name. The Government Work Plan has changed its name many times. You could argue My Government has because there is a programme within this that is suspiciously like My Government in some ways, bringing digital resilience. Not the one I have just outlined, but a broader one. And it goes around in a circle.

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In a way this is a very odd report, because although I think we have really engaged in it as a States with our free behind-the-scenes presentations and the other workshops we have had, it is something and nothing.

What an odd debate it has been so far in that the dominant subject has been Alderney. That has cropped up in nearly every oratory and yet it is comparatively minor in the scheme of things. Deputy Collins's point was well made earlier that if we had had a different arrangement on defence we could have had a very different outlook.

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But the point is the Alderney items are there, and I think it is often forgotten in this Chamber that Alderney is not just for Alderney people, it is not a restrictive community. There are Guernsey

3520 people who have moved there, there are Guernsey people with properties there, and there are Guernsey officers and business people who visit there. But that is again going down a rabbit hole.

3525 What is also odd though about this report, is that it puts a lot of projects there, including two that are essential to implement now. I think the dairy recovery comes into that and the marina gates issue. Now there is a story behind that, because we heard on P&R at very short notice the marina gates issue. I will not say I leaked it but – the marina gates did not leak, but immediately it was a shock to the community because nobody had put it in the system. It was an example of something that came in late, but now it is there. Actually, in view of the fact we knew about it 15 months ago, arguably things should have happened quicker than this. But I take on board.

3530 We have got here a proposal development pipeline and delivery as different stages, and the delivery projects are going ahead. The delivery projects, for example, include the hospital, but that has not been delivered yet in terms of the extension.

3535 I do find it an odd bundle because, first of all, we are going to approve this today without any, as Deputy Camp said, certainty about our taxation framework and, to a degree, our fiscal framework. Secondly, we are saying yes to projects that have not been fully intellectually scoped yet and may change direction, or as Deputy Helyar said, may not happen at all or might happen in a smarter, more commercialised way. We are agreeing to projects that we neither have the money for, as Deputy Inder indicated, nor do we have the political lifetime for. Because some of them may not even start in this term.

3540 I was a little bit frustrated this morning. I know I push my luck a bit because I asked questions to the Health & Social Care Board that were close to the mandates of Policy & Resources and Housing in some respects, but it is frustrating to me that an obvious good idea of having central community hubs for workers in several hundred, and providing places that are widely considered to be very good sites for the housing we so urgently need for key workers, young professionals, local people and everything else, that nothing has happened on that. In one instance, it has not even been prioritised, so it is not one of these pipelines.

3545 We have got some projects here that we do not know when they will come. I hope the pharmacy development will come. The new bus depot; I perhaps will take offline some issues with the buses. We need a long-term future dairy solution, not just an interim one. A very worthy project, a complex residential and educational Island strategy, is certainly desirable and arguably of statutory importance to service users, but it raises other issues.

3550 One issue, and this is important to people, even the candidates in the by-election, let alone Members of us, is people talk about housing and population issues. If we bring more and more specialist cases on Island, there are possible financial benefits to that and personal and health benefits. But there is certainly the key issue of where the key worker is coming from, how will we afford them, will that expand what amounts to public service, how will they find affordable accommodation and the whole recruitment?

3560 We actually need to look at these matters holistically and, to a certain extent, I agree with Deputy Camp that we are going through a Cabinet system through the back door, not just in this area but in numerous other areas; from large projects to the Strategic Property Unit, to a degree external affairs. As a consequence, we are not really equipped. I do not think even P&R politically is fully equipped to deal with those challenges. Because if we were going down that route completely, maybe we should have a Minister for Estates and a Minister for Projects, and people who are directly involved.

3565 I will support the report today, but I think in parts it is something and nothing, and I think we should take every one of these projects on its merits and encourage them to come back to the States, even though it risks the issues Deputy Helyar talks about of complete catastrophe or delay, but maybe when we did not do the incinerator that was, on balance, a good thing. But we need to bring them back to the States and we also need to have a much firmer grip of commercial partnerships and what we can afford to do in terms of the Tax Strategy.

3570 As regards Deputy Burford's fascinating question as to which comes first, the needs or the money, I would say it is almost a left-right thing. I think, if like me you look at what is needed, you

then say, 'Well, I want to tax people more to make them pay'. If you are a bit on the blue Conservative side of it you say, 'We should only spend on essentials', which really means what those Members and their electorate consider essential, which is not necessarily objective. But I will leave it at.

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The Deputy Bailiff: Deputy Malik, and this is Deputy Malik's maiden speech.

Deputy Malik: I would like to begin by thanking the community for placing their trust in me, in electing me to this Assembly. As one of the last ones to give a maiden speech, I have been very patiently observing everyone. I have had the unique advantage of learning what to do and, more importantly, what not to do.

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Although I appreciate the remarks made by Deputy Camp about the Assembly making decisions on major projects, I believe that we do need to move forward with this new approach. I would like to begin by thanking all those who have worked hard to prepare this policy letter and the wider portfolio work. It is clear that a great deal of time and care has gone into this, and I want to acknowledge that at the outset.

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As a member of both Home Affairs Committee and HSC, I am particularly conscious of the projects in this portfolio that sit under these two Committees. They are not just lines in a table, they are the future infrastructure for services that touch the Islanders at some of the most important and vulnerable moments in their lives. On the Health & Social Care side, we have substantial schemes in the delivery stage, including OHM phase 1 and 2, the EPR programme, and the children's services hub. These projects are about making sure that the PEH and wider services are safe, modern, and resilient.

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The hospital phases will provide better theatres and wards, more suitable clinical space, and a layout that allows the staff to work more efficiently and safely. If we want to keep as much treatment as possible on Island and maintain the clinical standards, these are fundamental.

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The EPR Project is a digital spine of the modern care. It helps the clinicians see the full picture for each patient, reduces the risk of errors, and supports better, quicker decisions. It ties in closely with the medicine safety, which is why the Pharmacy Development Project in the pipeline is so important. A modern hospital pharmacy is a clinical safety service. It underpins how we manage high-risk medications and how we store and prepare them and how we support safer practice on boards.

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Alongside that sits the autoclave project at the PEH and the laboratory development, including the mortuary. These may be less high profile, but without reliable sterilisation and robust diagnostic and mortuary facilities, safe surgery and accurate diagnosis becomes much harder to guarantee.

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Then there are projects like The Haven and the children's services hub. These directly affect some of the most vulnerable people on the Island; those in mental health crisis or distress, and children who need protection or intensive support. Investment here is about having appropriate safe environments in which very sensitive situations can be managed with dignity and care.

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Taken together, the HSC projects in this portfolio are about the whole chain of care from operating theatre to the pharmacy and the lab to the specialist mental health and children's services.

If you look at the Home Affairs side, the character of the projects is different but their importance is just as clear. In delivery we have work such as the online passport and workflow system, which improves the efficiency and security of a core public service. In the pipeline there are programmes like Home Affairs Estate Programme and complex residential and education on Island. These speak clearly to the public safety and to our responsibilities towards some of the most vulnerable people in our care.

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The Home Affairs Estate Programme is about the buildings that we use for policing, custody, and other frontline functions. Those facilities need to be safe and decent for the staff, for the detainees and for the wider public. If we do not invest appropriately, we run increasing operational risk and, in time, questions about whether we are meeting the standards that the community expects of us.

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3625 The complex residential and education on the Island project is focused on individuals with very complex needs who might otherwise need to be placed off Island. Providing appropriate provision here where it is safe and feasible can offer the better outcomes for them and their families over the longer term. It can be a more sustainable way of meeting those needs.

3630 If we stand back and look at HSC and Home Affairs elements of this portfolio together, a clear pattern emerges. On one side, we are talking about whether our hospital, pharmacy, laboratories, and specialist health and care services can safely meet our current and future demand, and on the other side we are talking about whether our secure estate and key home affairs services are fit to keep people safe, uphold the law, and treat those in our care with basic decency. These are foundational services. They sit at the heart of what Islanders expect from their Government.

3635 The portfolio approach we are being asked to endorse help us see all of this in one place, and that is a real strength. But it also means that these essential projects are now sitting alongside many other competing demands. This is inevitable when finances are tight but it does place a particular responsibility on us as an Assembly to be very clear about our priorities and about the consequences when we delay or defer work on our core health and home affairs infrastructure.

3640 For my part, I am supportive of the broad direction of this policy letter. The move towards clearer stages, better early planning, and more consistent reporting is welcome. At the same time, given the scale and importance of the projects I have mentioned, I would like to see strong safeguards around how decisions are taken within this framework and clear lines of accountability for how the portfolio as a whole is managed over time.

3645 If we can combine this new structure with firm safeguards and visible accountability, I believe we will be in a much better position to deliver the Health and the Home Affairs projects that the Islanders need and expect.

Thank you, ma'am. *(Applause)*

The Deputy Bailiff: Deputy Goy.

3650 **Deputy Goy:** Thank you very much, ma'am.

Ma'am, please correct me if I am wrong, this Proposition is divided into four Sub-Propositions; is that right? So you have got one, two, three and four. Now, I would like to say this: there are some Propositions, or I call Sub-Propositions, that I have absolutely no trouble with. Four Propositions: the ones that I do not have trouble with is the dairy essential works. This is an urgent work. It is apart from the framework, it is a standalone project, and it is absolutely necessary. I have no problem with that. So I would like to say that for Proposition 4, I fully support it because it is a necessary work and it is separate from the rest of the framework.

3655 Propositions 1, 2 and 3; now let me explain by analogy. Propositions 1 and 2, I think of it as the design of a cannon. Proposition 3, which is the 26 pipeline projects, I think of it as the cannonballs, the different type of ammos that you fire.

3660 Let me start with the ones that I do not have trouble with. I do not have any trouble with – or I do not have strong opinion when it comes to Proposition 3, which is the cannonballs, the type of projects. There are 26 projects in there. I am sure we all can argue about which ones are more important, which ones should be in there. To me, I do not have a strong position on that, so I would likely vote yes for Proposition 3.

3665 Propositions 1 and 2 is what I am concerned about. That is the design of the cannon. You see, when you design your cannon wrongly, it can blow up in your face. It has blown up in our face multiple times in the past. MyGov is just one example. The failed Agilisys outsourcing is another example. That is a £135 million debacle. And of course you have the other failed one; was it the 3670 EPR? So we have plenty of failed projects.

Cannons – sorry, I give way to you.

The Deputy Bailiff: You are giving way.
Yes, Deputy Matthews.

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Deputy Matthews: Thank you, ma'am.

I do not think the EPR is really a failed project. I think you might be thinking of the Revenue Service.

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Deputy Goy: Sorry, my bad, yes. Thank you very much for the correction. I have got my wires crossed. Revenue Service, sorry, so that is basically part of the £42 million. So you have got the Revenue Service and then you have got the MyGov. Thank you very much, Deputy Matthews, for correcting me.

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We have got cannons blowing up in our faces multiple times in the past. Back in January when I proposed the KPIs, having strong metrics, having strong targets, strong leading indicators so that we can see problems from far before they occur, milestones, and above all, having all of that right in front of the public's view so we can keep ourselves accountable, I expected that kind of language, that kind of specificity to be in the Major Project's Portfolio, but I cannot see any of that here.

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My concern is we do not have all of that. If it is not written down, it might as well not happen. Because you know what, when something is written down there is power in it. Because then you can say, 'Hey, here, right here, you put it down on paper that you are going to have clear targets, metrics, milestones, leading indicators, and you say you are going to publish all of these detailed features for each and every one of the projects come 1st July. Where are they? They are not there'.

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I understand that Deputy de Sausmarez said that you can come and sit down with us and tell us what you want to see. I really appreciate that gesture; thank you very much.

But understand this, there are so many projects, each and every project has different KPIs. How would a person like me or any of you here, unless you are intimately involved in those projects, to be able to say, 'I want these KPIs, these targets'. You do not know. All of that is the knowledge of the project managers. So the project managers themselves need to be able to put these up.

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Back to the cannon design. This is where the cannon design, i.e. Propositions 1 and 2, is faulty because, like the Government Work Plan, it is a wish list, there is no strong guarantee of transparency. It is a very vague, fluffy promise.

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What I do not want is years from now, another Chief Executive come up and say, 'I am very sorry for the £200 million loss. We have made a big mistake. I will hold the people accountable, but it has happened. Water under the bridge, we will not repeat the same problem'. You know what, this has happened so many times. This is like Groundhog Day. If you have been in Guernsey long enough – I have been here just 10 years, I have seen it multiple times already in these 10 years. I am sure some of you have seen it more.

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So what I am saying is there are things that are really important in here, like the Proposition 4, which is the dairy work; fully support. Proposition 3, the 26 projects in the pipeline, we can argue which ones are important, which ones are not priority, or whatever. I do not have strong opinions on that, so I will support it.

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But Propositions 1 and 2, I have not seen any improvements from the Government Work Plan. If you read our Chief Executive's report, you can see that almost everything that he said was wrong with MyGov is due to the lack of KPIs. I challenge you to find anything that is not KPI related in there. The majority of the flaws would have been resolved if there is strong KPI and strong public accountability. If you have to do something in front of the public, openly in front, with numbers right in their faces, the chances of you doing something sneakily and malfeasance and all that kind of thing is a lot less.

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The problem is we did not have that. It is like, 'Oh well, at least we come clean'. You know what, £21 million is lost, £42 million is lost. Yes, we come clean, we say, 'I am sorry', nobody is held accountable; none of the highly paid senior officers were named or accountable. They could have taken the money, we do not know. There might be malfeasance, there might not be, I do not know. It is hard for me.

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Deputy Inder: Point of correction, sir – madam.

The Deputy Bailiff: What is your point of correction, apart from the fact that I am madam, not sir. *(Laughter)*

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Deputy Inder: It is a very modern world.

The Head of Public Services was asked that question about malfeasance yesterday at the presentation, and he said he found no evidence of malfeasance.

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Deputy Goy: Thank you very much.

Okay, you know what, if there is no malfeasance –

Deputy de Sausmarez: May I have a point of order?

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The Deputy Bailiff: Deputy Goy, Deputy de Sausmarez has raised a point of order.

Deputy de Sausmarez: It is really to say, I totally appreciate the interest and the genuine knowledge and enthusiasm Deputy Goy has around this, but, with respect, what the policy letter is dealing with is the process and the delivery aspects. The retrospective review are very valid and legitimate issues but they are separate issues to what we are discussing and agreeing through the Propositions of this policy letter.

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The Deputy Bailiff: Deputy de Sausmarez, what is your point of order?

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Deputy de Sausmarez: I cannot remember the exact point of order.

Deputy Goy: Actually there is no point there because –

The Deputy Bailiff: Are you saying Rule 17?

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Deputy de Sausmarez: Rule 17(6) apparently.

Deputy Goy: No, I disagree with that because I went through every page of that.

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The Deputy Bailiff: Deputy Goy, to be fair, it is not for you to agree or disagree, it is for me to agree or disagree. You do need to keep to the policy letter –

Deputy Goy: Sorry, apologies.

3765

The Deputy Bailiff: – but what I do say is that I do not consider you have gone too far beyond the tramlines yet, given the underlying issue with MyGov in the light of this major project. But I am listening carefully to see whether you do go beyond what we are debating now. Please carry on.

Deputy Goy: Thank you very much.

3770

I have lost my track of it. Yes, if it is not malfeasance, then it is something worse. It is called utter incompetence. That is as bad as malfeasance. Basically, what we need to do is ensure – and I really hope that Members will vote against Propositions 1 and 2, because P&R needs to go back and change the cannon design so that it does not blow up in our faces and in the faces of the public 10 years from now.

3775

Remember the MyGov project started in 2019; this is 2026, seven years. I know some of you might think that is part of the political term, but if you really care about this Island, seven years, 10 years, it does not matter. If you do not get the cannon designed properly, it will blow up in our

faces, there is no doubt about that. It is just a matter of time and how much damage the public is going to get.

3780 Thank you very much.

The Deputy Bailiff: Thank you.
Deputy Strachan.

3785 **Deputy Strachan:** Thank you, ma'am.

I wanted to talk about finances. Scrutiny presented a Letter of Comment to this policy letter, and I think they have rightly highlighted how limited the information that we have been provided for assessment that these projects is. If I can read out their letter, the key part is the section on assessment criteria and decision framework. The letter notes:

3790 In particular, there is limited explicit reference to comparative assessment of projects on the basis of value for money, whole life cost, and where appropriate, economic or social return.

I have made repeated references during the Assembly to the limitations placed on the Assembly by not having medium-term budgets placed before us. Rather, we rely on a flawed one-year budget process that assumes zero investment returns. However, if we had a proper medium-term budget process, such as one that looked five years into the future, we would then have a mechanism to understand not only the whole life cost of these projects, the economic, and one could also include social return, but we would also see the expected timing of these inflows and outflows and how they impact our finances next year and into the medium-term future.

3795 It would, in effect, bridge the capital project spending and the business-as-usual income and spending so that we would get a complete picture of our finances rather than these large headline figures which, in reality, will not all be spent at once or even in the next several years. Furthermore, a medium-term budget would then allow us to consider scenario analysis. What would happen if we did not accept a project or what if we considered a halfway house that may have more annual maintenance projects but lower capital costs?

3800 Many of the projects in the Major Projects Portfolio are there because we are told the cost of doing nothing is prohibitive. We are told that they have been through rigorous analysis to prioritise them, leading to this accept or reject decision. However, scenario analysis would allow us to truly understand the financial implications of doing nothing in these individual projects.

3805 So I agree with the comments in the Scrutiny Committee Letter of Comment that we should improve this process by having an improved criteria and decision framework, but this will only be helpful if we have better information on timing of cash flows, which would only be achieved through medium-term budgeting.

3810 I will support the Proposition, but I would urge Policy & Resources Committee to include more forward-looking financial data and consider introducing medium-term budgeting as a way to do this.

3815 Thank you.

The Deputy Bailiff: Thank you.
Deputy Collins.

3820 **Deputy Collins:** Thank you, ma'am.

I will be very brief. I really just wanted to get up and praise Deputy Camp for her comments and for joining me on the naughty step today. Unfortunately I do not necessarily agree with all of them but I think there is a point there about new projects coming along that you really have got to get along to P&R and really get some funding in order to put a business case together to come. But I get that, but you could in theory bring your own Committee policy letter. I see the Chief Minister scribbling away so I will sit back down on the naughty step.

3825

3830 As far as I am concerned, from a Housing perspective, fully behind all this, and as I can consider P&R to be my bank manager, I am only too happy to approve what they have in front of us today. I look forward to the conversations because I definitely – or we from Housing definitely – need to make a big withdrawal to make an impact to affect social housing in this Island.

Thank you.

3835 **The Deputy Bailiff:** Does anybody else wish to speak in general debate? In that case I will ask Deputy de Sausmarez to reply.

Deputy de Sausmarez: Thank you, madam; and I would like to thank Members also for what has been, I think, a useful and interesting debate.

3840 I am going to try to group my reply to debate around the themes that have emerged. I am going to ask for Members' patience, so bear with me. My writing is really illegible at the best of times and I have been scribbling down a lot of notes. I am going to try to cover everything, but please do feel free to interject if there was a question that I appear to have missed before I sit down.

3845 The first thing I really need to clarify, I think, is the set of issues or the concern flagged firstly by Deputy Camp and latterly by Deputy Collins, and possibly with one or two people in between, which is the assumption that P&R have got more control or more autonomy or more influence than previously. I think Deputy Helyar did a really good job of explaining how actually quite the opposite is the case. I was with Deputy Burford in voting against that, but we were not quick enough or numerous enough to stop that. I might have even seconded the amendment that brought it down, but I was certainly very supportive of it.

3850 I have always been very uncomfortable with this idea of delegating quite so much authority to a single committee, be it P&R or anyone else. I do find my tummy tickled by the idea that anyone is accusing me, who has always been so vocally against that kind of centralisation and certainly Cabinet-style government of that.

3855 But to the nuts and bolts. I can say that, that is fine, that is my personal opinion, etc. I think what I need to clarify is the actual process and what has changed between the old process and the new process, and actually the new process gives this Assembly more autonomy and more influence than it used to.

3860 So under the previous system – well, the current system if we choose not to change it – P&R would lead the prioritisation exercise based on limited information. Those Members that have attended the roadshows at the moment will know that there is some information there, but it is not exactly the kind of detailed business case I think that we would all feel confident to allocate £50 million, or whatever it might be, or £10 million or whatever. That level of detail that is available at the stage at which some of these projects have been developed – a very low level of detail – is not sufficiently strong to be allocating substantive funding to those projects.

3865 The key issue here is that under the old process P&R would have to do exactly that. So some projects would be quite well worked up and have more accurate costings and have a better idea of how they could be delivered, and that is great. But some would be at a much more immature stage and P&R would have the incredibly unenviable task, I think, of having to allocate funding basically by putting a finger in the air.

3870 Deputy Helyar is nodding, and that is clearly what they had to do. I think that is a very difficult position to put P&R in. I do not think it is a good position for this Assembly to be in, and I do not think it is a good position for the Island to be in, because as Deputy Malik so rightly pointed out in her lovely maiden speech – and I would like to congratulate her on that. (**A Member:** Hear, hear.) – these are the kinds of projects that really underpin people's quality of life. These matter. These projects matter.

3875 So I do not think it is good enough to be allocating significant amounts of money. What I mean by allocating is that that money would then be ring-fenced. So P&R would lead the prioritisation process. They would put it all together into a policy letter of those projects, based on a finger in the air and very scant detail – not P&R's fault, just the stage those projects were at at that particular

3880 time – and then they would take that information to the Assembly and the Assembly would be asked to vote on moving those into the delivery phase, including all the ones that are not very worked up.

What that would mean is that finger-in-the-air cost estimate, let us give it a hypothetical price tag of £50 million, that would have to be – that would be a big project but that was one of them – ring-fenced. So that £50 million allocation would be ring-fenced, basically attached to that quite immature project without any sound cost estimates, and it could not be available for any other projects that would be brought forward at a later date.

3885 Deputy Camp, among others, said, 'Well, there was nothing stopping Committees from bringing capital projects forward at any point in the term'. That is technically correct, but it was much harder for Committees to come forward mid-term with a sizable request for capital funding when actually so much capital had already been locked up in this capital prioritisation process. So actually Committees were at a real disadvantage if they did not get it into that initial tranche.

3890 Members who pointed out that technically there was nothing to stop them – correct, technically – but in reality there was. This just allows that process to be driven by more accurate data.

3895 I said earlier that this Assembly has, under the proposed new process, more influence because another thing that this Assembly agrees, which did not used to be the case, is the criteria against which those projects are assessed. A lot of people have rightly said we need to be able to put things in perspective and to compare apples with apples. I agree that is important.

3900 One of the things that this P&R did feel strongly about was making sure – based on feedback, I would say, from the engagement ahead of publishing this policy letter, it was a suggestion made to us and we completely agreed with it, that it should be the Assembly's decision about what criteria should be used in order to assess those projects. Really the difference is one of timing and one of detail of information. Rather than bringing forward a whole suite of projects near the start of the term and ring-fencing a massive lump of capital and, as Deputy Helyar explained, even initially that was all delegated all in one go, this means that projects will be able to come forward, they will be able to access limited funding that will enable them to be developed to a point where the Assembly will be able to make better decisions. That is a bit of a mouthful.

3905 Basically, the Assembly at the end of the day is still making the same decisions. They still have exactly the same authority. In fact, they have got a bit more because they are also deciding the criteria. But they are able to make those at a point when they have better information available to them. So I do strongly disagree with this suggestion that this P&R has got any more power or authority or influence than the previous one.

3910 I would argue to Deputy Camp's point once it has been through the pipeline it is very difficult to say no. Once it has been put in delivery, let me tell you, it is very difficult to say no. That is what was happening under the old system. Yet, and I am responsible for some of this as well, back in the mists of time, this Assembly has, on multiple occasions, decided against progressing with projects even after there have been spades in the ground. We have got plenty of examples of that.

3915 So I would have faith in this Assembly for its ability to back making those difficult decisions, even when that means changing tack on a project even once it has been started. Hopefully I can provide assurance to Members who are concerned about that, that is absolutely not the case. This new system does actually provide the greater authority to this Assembly in the form of agreeing the criteria.

3920 Today we are asking Members to also agree the projects that are going into the pipeline and then, going forward, the Assembly will have better information on which to make a decision about whether or not to put it into delivery.

3925 I am sorry to spend some time on that point but because it was something that came up a lot in debate, and clearly had not been as well understood as we have been trying to explain it, I think it was worth taking a few minutes to really set that out as clearly as possible.

3930 I will just quickly whip through the speakers so I try not to miss anyone. Deputy Inder I thought made a very constructive contribution to debate. He actually said that – he is laughing at that. But

he came up with a suggestion that I think is quite a good one. He talked about the traffic lights, can we provide a traffic light system because of prioritisation: I would say that there is prioritisation that happens all the way through the process, but I know he will not be satisfied with that so I will not stop there.

3935

A couple of things, and this does touch on another really important point. Before any of these pipeline projects get to the delivery stage, this Assembly – and again, I repeat, this Assembly – will decide the parameters around the Medium-Term Financial Plan. So that is a policy letter that this Committee will bring forward. We are aiming for the end of this year in terms of publishing it, hopefully be able to debate that early next year, but it will be before any of these pipeline projects get anywhere near delivery. That will be for this Assembly to decide those parameters.

3940

Just while I am on the subject of that, and because it is quite fresh in my mind, Deputy Strachan is always very articulate on all of the points that she raises and she makes a very good point in respect of medium-term financial planning more generally. I think what she is arguing for is an annual medium-term process. Obviously, we do have the Medium-Term Financial Plan but that is once every medium term. What Deputy Strachan, I think, rightly is arguing for or making the case for is an annual process.

3945

I believe the Committee is very supportive of that in principle, but it is a much more resource-intensive process. That is a discussion that we have actually had around the Committee table but I think maybe that will come up again in the Medium-Term Financial Plan. But I am very happy to discuss that with Deputy Strachan and any other Members further.

3950

But to Deputy Inder's point, I think the information that Members would want in order to make a decent comparison and really be able to provide that perspective in terms of prioritisation, it is probably at the end of the pipeline stage because that is where you have got a bit more detail and you can do that. Certainly we can look into whether we could do a bit of traffic lighting at that stage when we bring projects forward to the Assembly to decide on whether to put them into delivery. I think it is a good suggestion and certainly one that I am happy to pick up with the Committee and see if we can progress.

3955

I think Deputy Helyar has really addressed some of the Alderney projects in more detail than I could.

3960

Deputy Inder was not the only one to articulate, very understandably, his lack of confidence that the States of Guernsey can deliver IT projects, in particular. But as Deputy Burford has pointed out, we need to be able to deliver them. As I have mentioned before, we are going to be providing more detail and hopefully more assurance on that point. So the actual project delivery and management of those projects is a really important aspect. It has not been addressed in this particular policy letter because that is not this policy letter's job, but it absolutely is a very important subject in its own right, and we will be bringing more detail forward for Members. Of course we will be publishing, as per our GWP commitment, detailed reporting on the Capital Portfolio Project more generally.

3965

I think I have addressed Deputy Camp's points. Just to reiterate, the Medium-Term Financial Plan will be agreed before these projects go into delivery. Also, Deputy Camp suggested that this allows projects to just progress incrementally, but that is not the case. There is a very definite stop point at which the pipeline can no longer be progressed, and that is the Strategic Outline Case, and they are only allocated very limited funding. That is actually a greater financial control than under the previous system where they got all of that lump sum available to them, basically, in one big whack. I oversimplify slightly, but that was the broad gist.

3975

Sorry, my numbering has gone a little bit wrong. Deputy Vermeulen talked about not having any appetite at all, really, for capital spending. I would say to him, fantastic. He is on a Principal Committee. He is perfectly placed to be able to provide that challenge. I do think this is an important Member. It is a conversation – I am sure he will not mind me saying – that Deputy Kay-Mouat and I have also had, is that actually Committees have got a really important role in this.

3980

Absolutely we expect officers to come forward and say, 'We have identified a need, we think there might be a case for this capital project'. It is very much the role of the sponsoring Committee to provide robust challenge at that earliest point and all the way through. So Committees have got

3985 a really important role in that, and I am pleased to see Deputy Vermeulen is primed and ready to go. So that is great.

Also just a small detail, you talked about the grass runway. My understanding is that actually that is exactly the kind of detail that the project board is currently considering as part of that. So I hope he can be reassured that that is the kind of challenge that does carry on. I think Deputy Helyar spoke very well to that. I too am very reassured by the membership of that project board and the challenge that is being provided.

3990 Deputy Oswald touched on an important point, which actually relates to something that Deputy Inder raised as well. He talked about the difference between shorter-term interim solutions, for want of a better way of putting it, and longer-term projects, which was certainly not going to be delivered in the course of this political term. That, I think, speaks to one of Deputy Inder's concerns as well. I think it would be a mistake to look at our current pipeline project and assume that all of them are going to be delivered this political term. There is no way; no way. I think we can bear that trajectory in mind a little bit.

4000 I have touched on Deputy Malik's speech. I thought she spoke very eloquently and I commend her for a great maiden speech. What sent shivers down my spine actually was that she talked about what it means to people in real life, and she talked about the people that I know this Assembly really care about. Obviously in that particular context it was often about that chain of care. So in terms of the HSC projects, but also in terms of Home Affairs, and she is a member of both of those Committees, and talked about the clear golden thread that runs through those.

4005 But I think she used the phrase 'foundational needs', these are touching on foundational needs, and I do think it was a very nice perspective on the importance of many of the projects that we are talking about within this portfolio. Also the clarity that we can actually get that overview as well. She wants to see firm safeguards and visible accountability, and I can assure her that so does P&R. Yes, more on that to follow.

4010 Deputy Goy, I thank him for his contribution. I know he has raised concerns with Propositions 1 and 2. I will give way, yes.

The Deputy Bailiff: Yes Deputy Goy.

4015 **Deputy Goy:** Thank you very much, Deputy de Sausmarez. Sorry I just want to make a small correction here. Ma'am, are we going to vote in the order of the paper here which is to approve and implement the agreement of inclusion 26, or is it something –

4020 **The Deputy Bailiff:** Deputy Goy, I do not think it was entirely appropriate for you to interrupt Deputy de Sausmarez's speech in that way, but what I can say is that I have asked the Deputy Greffier to divide each of the Propositions up, so you will vote on each of the Propositions. I will turn back to Deputy de Sausmarez because this is not really a give way, Deputy Goy.

Deputy Goy: I was just going to correct myself, if that is all right.

4025 **The Deputy Bailiff:** Thank you.

Deputy Goy: If it is according to this paper, then it will be actually 1 and 3, which is the cannon design. The 2 is the 26 projects. So that is all I want to say.

Thank you very much.

4030

The Deputy Bailiff: Thank you, Deputy Goy.

Deputy de Sausmarez: I will leave the numbering out of it, so I do not confuse the picture, because I think Deputy Goy has made his point and his concerns quite clear.

4035 What I would say is that in terms of the design, my understanding of his concern really relate again to the project management and delivery. What I would say is he wants to see more specificity, and that is exactly what the strengthened pipeline process will provide. So it will provide that greater specificity compared with the current process.

4040 I respect his right to vote in whatever way he chooses, but I would just suggest that actually if he wants to see that greater specificity, then these Propositions are a better vehicle for that than voting down those Propositions, because voting down the relevant Proposition means that we retain the existing system, the old system, which is the one I described earlier, where everything is just voted into delivery in one big sum, so even less detail.

4045 So I would urge Deputy Goy to maybe consider that point before deciding on how he votes. There will actually be greater specificity with the new proposed approach and, as I mentioned earlier, there is an adjacent piece of work which deals with more of the specifics about project management and delivery itself, which goes hand in hand with the better strengthened reporting. I hope I can provide him some assurances on those points, and I again reiterate that we would be very open to having any conversations. I give away.

4050 **The Deputy Bailiff:** Yes, Deputy Goy.

Deputy Goy: Can Deputy de Sausmarez please clarify why not put all the specificities in the Proposition itself rather than leaving it as verbal agreements. Why not have it in black and white?
4055 Thank you.

The Deputy Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you.

4060 I am sorry, my screen has now gone blank so I cannot check the specific wording, but from memory the specific wording says that we are being asked to agree the approach as set out in the relevant section of the policy letter. The relevant section of the policy letter describes the new process, which is the vehicle for greater specificity. So in terms of greater specificity over all the projects, that is what will be delivered through the new approach. So I hope that helps to clarify a little bit.
4065

It would not be appropriate to put every single detail of every single project into individual propositions, we would be here for weeks and weeks and weeks. But it does mean that as and when the policy letter comes forward for the Assembly to vote on whether or not to move that project into delivery, that will have many more specifics than this Assembly previously had in order to make that decision about whether to allocate its substantive capital funding.
4070

So I do believe that these Propositions are the better vehicle for providing that specificity than voting against the relevant Proposition, which would mean that we would retain the old system, which is less specific.

4075 I would also add that, obviously, the examples that he cited were examples of projects that went through the old system. We would have just gone, 'Oh, we need a digital, we need a MyGov programme, let us allocate a big block of funding to it' before we have really worked out what it needs to do. So I think actually the examples that he used are really good examples of the lack of specificity under the old system, which is what we are suggesting changes.

4080 I think I have addressed Deputy Strachan's main point. Deputy Collins; I think I would just say to Deputy Collins there is no requirement to request pipeline development funding from P&R whatsoever, and actually some projects at that pipeline stage would not need any funding. It would be entirely delivered through in-house resource without the need for any particular funding. I would not say that there is any link in terms of obligation between a pipeline project and spending having to happen. Many do not.

4085 Actually, as I described much earlier in the debate, even before it gets to pipeline, other options are explored. Even once it is in pipeline, other options are explored. So we have got that alternative

funding, alternative ways of delivering. All of those options are more thoroughly explored in a more structured way under the new approach.

4090 Hopefully I have covered the points raised in debate and Members' questions. I just urge Members to support the Propositions.

Thank you very much.

4095 **The Deputy Bailiff:** States' Greffier, will you first divide up the Propositions please so that we can vote to them separately? Members, you will see before you on your screen Proposition 1. States' Greffier, would you open the voting on Proposition 1?

There was a recorded vote.

Carried – Pour 32, Contre 2, Ne vote pas 0, Did not vote 2, Absent 3

4100

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Camp, Haley		Kazantseva-Miller, Sasha	Falla, Steve
Burford, Yvonne	Goy, David		McKenna, Liam	Ozanne, Jayne
Bury, Tina				Sloan, Andy
Cameron, Andy				
Collins, Garry				
Curgenvin, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Gabriel, Adrian				
Gollop, John				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

The Deputy Bailiff: In relation to Proposition 1, there voted pour 32, contre 2, 2 Members were not in the Chamber at the time of voting. I therefore declare that the Proposition was carried.

4105 Proposition 2 please, as amended. Would you kindly open the voting, please, States' Greffier?

There was a recorded vote.

Carried – Pour 32, Contre 2, Ne vote pas 0, Did not vote 2, Absent 3

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Camp, Haley		Kazantseva-Miller, Sasha	Falla, Steve
Burford, Yvonne	Inder, Neil		McKenna, Liam	Ozanne, Jayne

Bury, Tina
 Cameron, Andy
 Collins, Garry
 Curgenvan, Rob
 de Sausmarez, Lindsay
 Dorrity, David
 Gabriel, Adrian
 Gollop, John
 Goy, David
 Hansmann Rouxel, Sarah
 Helyar, Mark
 Hill, Edward
 Humphreys, Rhona
 Kay-Mouat, Bruno
 Laine, Marc
 Leadbeater, Marc
 Malik, Munazza
 Matthews, Aidan
 Montague, Paul
 Niles, Andrew
 Oswald, George
 Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Snowden, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

Sloan, Andy

4110

The Deputy Bailiff: There voted in relation to Proposition 2: pour 32, contre 2, 2 Members were not in the Chamber at the time of voting. I declare that that Proposition was also carried. Proposition 3, would you kindly open the voting, please?

4115

There was a recorded vote.

Carried – Pour 32, Contre 2, Ne vote pas 0, Did not vote 2, Absent 3

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Camp, Haley		Kazantseva-Miller, Sasha	Falla, Steve
Burford, Yvonne	Goy, David		McKenna, Liam	Ozanne, Jayne
Bury, Tina				Sloan, Andy
Cameron, Andy				
Collins, Garry				
Curgenvan, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Gabriel, Adrian				
Gollop, John				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
Montague, Paul				
Niles, Andrew				
Oswald, George				

Parkinson, Charles
 Rochester, Sally
 Rylatt, Tom
 Snowdon, Alexander
 St Pier, Gavin
 Strachan, Jennifer
 Van Katwyk, Lee
 Vermeulen, Simon
 Williams, Steve

4120 **The Deputy Bailiff:** In relation to Proposition 3, there voted pour 32, contre 2, 2 Members were not in the Chamber at the time of voting. I therefore declare that Proposition was also carried.
 Finally, proposition 4, would you open the voting, please?

There was a recorded vote.

4125 *Carried – Pour 33, Contre 1, Ne vote pas 0, Did not vote 2, Absent 3*

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Camp, Haley		Kazantseva-Miller, Sasha	Falla, Steve
Burford, Yvonne			McKenna, Liam	Ozanne, Jayne
Bury, Tina				Sloan, Andy
Cameron, Andy				
Collins, Garry				
Curgenvin, Rob				
de Sausmarez, Lindsay				
Dorrity, David				
Gabriel, Adrian				
Gollop, John				
Goy, David				
Hansmann Rouxel, Sarah				
Helyar, Mark				
Hill, Edward				
Humphreys, Rhona				
Inder, Neil				
Kay-Mouat, Bruno				
Laine, Marc				
Leadbeater, Marc				
Malik, Munazza				
Matthews, Aidan				
Montague, Paul				
Niles, Andrew				
Oswald, George				
Parkinson, Charles				
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Van Katwyk, Lee				
Vermeulen, Simon				
Williams, Steve				

4130 **The Deputy Bailiff:** In relation to Proposition 4, there voted pour 33, contre 1, and 2 Members were not in the Chamber at the time of voting. I therefore declare that that Proposition was also carried.

**Procedural –
Motion to finish**

4135 **The Deputy Bailiff:** Members, earlier on, this morning I think it was, you voted to debate the report of the Responsible Officer for the Bailiwick of Guernsey. It is now 5.21, and I am aware that some of the Members who do wish to be involved in the debate do have to leave promptly. So we have got two options: we either carry on and then we are likely to finish today or we adjourn until tomorrow. So I am going to suggest that we adjourn until tomorrow.

I am going to put that motion *aux voix*. So those people who support adjourning now please say *pour*. Those against? I think we better have an electronic vote, please. Those loud *contres*.

4140 Members, there is now the motion on your screens, so to cease now and start again tomorrow morning rather than carrying on, would you kindly open the voting?

4145 **A Member:** Excuse me, ma'am, can we just get an idea of numbers of people that actually want to speak in this debate, just so we can get a better idea?

4150 **The Deputy Bailiff:** I will out Deputy St Pier. He wishes to speak, and he wishes to speak for at least 15 minutes. He can only speak for 15 minutes. He will speak for 15 minutes, but he has to leave promptly. So that is part of the issue. On States' business, he is not going for a jolly. That is the main reason why I am suggesting that this is the route, but ultimately it is a matter for the Members. Having indicated that you are prepared to debate this report, it is a question of whether you want to have that debate with Deputy St Pier involved in it, otherwise it looks like he is not going to get his chance to speak.

4155 **A Member:** He can speak early.

The Deputy Bailiff: We still will not be done in time, I am afraid. I am still going to put the motion to the Chamber. We cease now and return again tomorrow morning. Can you open the voting, please?

4160 *There was a recorded vote.*

Carried – Pour 19, Contre 12, Ne vote pas 3, Did not vote 2, Absent 3

Pour	Contre	Ne vote pas	Did not vote	Absent
Blin, Chris	Bury, Tina	de Sausmarez, Lindsay	Kazantseva-Miller, Sasha	Falla, Steve
Burford, Yvonne	Cameron, Andy	Humphreys, Rhona	McKenna, Liam	Ozanne, Jayne
Curgenvén, Rob	Camp, Haley	Leadbeater, Marc		Sloan, Andy
Gollop, John	Collins, Garry			
Hansmann Rouxel, Sarah	Dorrity, David			
Hill, Edward	Gabriel, Adrian			
Laine, Marc	Goy, David			
Malik, Munazza	Helyar, Mark			
Matthews, Aidan	Inder, Neil			
Montague, Paul	Kay-Mouat, Bruno			
Oswald, George	Niles, Andrew			
Parkinson, Charles	Van Katwyk, Lee			
Rochester, Sally				
Rylatt, Tom				
Snowdon, Alexander				
St Pier, Gavin				
Strachan, Jennifer				
Vermeulen, Simon				
Williams, Steve				

4165 **The Deputy Bailiff:** There voted 19 pour, contre 12, there were 3 abstentions, and there were still 2 Members not in the Chamber, so we will end now and return again tomorrow morning.

The Assembly adjourned at 5.24 p.m.