



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Wednesday, 17th February 2016**

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**Present:**

**Sir Richard J. Collas, Kt, Bailiff and Presiding Officer**

**Law Officers**

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**St Peter Port South**

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R. Domaille, A. H. Langlois, R. A. Jones

**St Peter Port North**

Deputies M. K. Le Clerc, J. A. B. Gollop, P. A. Sherbourne,  
R. Conder, C. N. K. Parkinson, E. G. Bebb, L. C. Queripel

**St Sampson**

Deputies G. A. St Pier, K. A. Stewart, P. L. Gillson,  
P. R. Le Pelley, S. J. Ogier, L. S. Trott

**The Vale**

Deputies M. J. Fallaize, L. B. Queripel, M. M. Lowe,  
A. R. Le Lièvre, A. Spruce, G. M. Collins

**The Castel**

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,  
B. J. E. Paint, J. P. Le Tocq, S. A. James, M. B. E., A. H. Adam

**The West**

Deputies R. A. Perrot, A. H. Brouard, A. M. Wilkie,  
D. de G. De Lisle, D. A. Inglis

**The South-East**

Deputies H. J. R. Soulsby, R. W. Sillars, P. A. Luxon,  
M. G. O'Hara, F. W. Quin, M. P. J. Hadley

**Representatives of the Island of Alderney**

Alderney Representatives L. E. Jean and S. D. G. McKinley, O. B. E.

**The Clerk to the States of Deliberation**

S. M. D. Ross, Esq. (H.M. Senior Deputy Greffier)

**Absent at the Evocation**

M. M. E. Pullum, Q.C., H. M. Comptroller;  
Deputy E. G. Bebb (*absent de l'île*); Deputy D. B. Jones (*indisposé*); Deputy Y. Burford (*indisposée*):

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# States of Deliberation

*The States met at 9.30 a.m.*

[THE BAILIFF *in the Chair*]

## PRAYERS

*The Senior Deputy Greffier*

## EVOCATION

# Billet d'État III

## POLICY COUNCIL

### XIV. The Supported Living and Ageing Well Strategy – Debate continued – Propositions carried as amended

**The Greffier:** Billet d'État III, Article XIV – the continuation of the debate.

**The Bailiff:** Members, when we rose yesterday evening, we were waiting to see whether an amendment was going to be laid. I believe an amendment has been circulated which will be laid  
5 by Deputy Langlois. Is that right, Deputy Perrot, are you going to –? I have seen a draft amendment from you as well, but is that to be laid?

**Deputy Perrot:** No, sir, I am entirely happy with this amendment –

10 **The Bailiff:** Entirely happy with that.

**Deputy Perrot:** – which mirrors exactly another one which I had drafted overnight, but no one had told me about this one. *(Laughter)*

15 **The Bailiff:** I am sure H.M. Procureur would have been delighted to have just relied upon yours and not have to draft one himself, had he known, but anyway –

**The Procureur:** Sir, I have apologised to Deputy Perrot that he was not kept in the loop of the late night email exchanges.

20 **The Bailiff:** Deputy Langlois will propose this amendment.

*Amendment:*

*To delete Proposition 1 and substitute:*

*'1. To endorse all of the recommendations to progress the Supported Living and Ageing Well Strategy, as set out in the Working Party's research report and reproduced in Appendix III of that*

*Policy Letter, with the exception of those reproduced under "7. Address strategic funding issues (Section 7 of the research report)"; and:*

*a) To direct the Committee for Employment and Social Security to increase contribution rates to the Long-term Care Insurance Fund for employed, self-employed and non-employed persons by no less than 0.5% from 1st January 2017;*

*b) To agree, in principle, that wherever care and support is received, for accounting and charging purposes, the costs associated with the provision of long-term care services should be separated into three distinct areas: accommodation; day- to-day living expenses; and care and support;*

*c) To agree, in principle, that the Long-term Care Insurance Fund should be used to meet the costs of care and support only, with payments for accommodation costs and living expenses being the responsibility of the individual receiving care and support.*

*d) To agree, in principle, that where an individual receiving long-term care was unable to meet their accommodation and living costs in full, they would be eligible for means-tested assistance via Supplementary Benefit.*

*e) To direct the Committee for Employment and Social Security, in conjunction with the Policy and Resources Committee, to investigate in detail the implications for contributors, individuals and for the States of the application of the principle that the Long-term Care Insurance Fund should cover care and support costs only, and to report to the States with its findings and recommendations no later than October 2017.*

*f) To agree that investigation of this principle shall be limited, in the first stage, to the implications related to care and support provided to individuals in public and private sector residential and nursing homes.*

*g) To note that any costs associated with the investigation of this principle will be met from the Long-term Care Insurance Fund.*

*h) To agree, in principle, that the Long-term Care Insurance Scheme should be extended to cover care and support costs for people living in their own homes (including those accommodated in their own homes in sheltered and extra care housing).*

*i) To direct the Committee for Employment and Social Security, in conjunction with the Policy and Resources Committee, to investigate in detail the implications for contributors, individuals and for the States of the application of the principle that the Long-term Care Insurance Scheme should be extended to cover the cost of care and support at home, and to report to the States with its findings and recommendations no later than October 2018.*

*j) To agree that the investigation of this principle should include:*

*a review of the role of related benefits such as Severe Disability Benefit and Carer's Allowance; and*

*detailed investigation into the possibility of introducing personal budgets, including, if appropriate, the establishment of a pilot project to inform the research.*

*k) To note that any costs associated with the investigation of this principle will be met from the Long-term Care Insurance Fund.*

*l) To direct the Committee for Employment and Social Security to keep under review whether there is a strategic, long-term financial need to introduce: (i) the inclusion of capital assets in any means-testing of benefits associated with the provision of long-term care; and (ii) the capping of care costs to set out the respective funding liabilities for individuals and for the States.'*

**Deputy Langlois:** Sir, you will be pleased to know I was kept in that loop and so the amendment is in front of you. If I were in a mischievous mood, I would ask the Deputy Greffier to read it out, but I think we need to progress.

25 There is nothing complicated about this amendment. It simply, as it were, deconstructs Proposition 1 and will provide the ability for Members to select particular bits of it and vote against if they so wished. Or, will still keep the door open that, if you intended to vote in favour of all of the source proposals, you would simply vote through all of these separate Propositions.

So I would ask everybody please to support this amendment and let us get on with it.

30 **The Bailiff:** Deputy Harwood, do you formally second this amendment?

**Deputy Harwood:** I formally support and reserve my right, sir.

35 **The Bailiff:** I see no one is rising. Can we go straight to the vote on that amendment? Those in favour; those against.

*Members voted Pour.*

40 **The Bailiff:** I declare it carried.  
Then Deputy Harwood will close the debate.

**Deputy Harwood:** Thank you very much, sir.

45 Can I first of all say it was a pleasure to be able to chair this Working Group. Actually, this Working Group is very much a co-operative and I am particularly grateful for the political support we had from Deputies Michelle Le Clerc, Sandra James, Paul Le Pelley and Hunter Adam.

50 It has been very co-operative. It was wonderful actually to have a group of people spanning a number of different departments as it was essential to bring together the key departments that would be most impacted by this particular project – HSSD, SSD, Housing and Treasury & Resources. But to have Members of each of those departments prepared to set aside their own political agenda, their own political ego and actually to work together to try and achieve something which I think everyone recognised needed to be addressed.

55 The whole of the issue of SLAWS has had a long history, as the Chief Minister and others have alluded to. There have been attempts in the past to address some of the issues, but for the first time, hopefully, we have now firmly established on the agenda of this Assembly the whole project and the issues that need to be addressed.

60 As the Chief Minister says, we cannot sit back and do nothing. If we do nothing, costs are going to inexorably increase. We have already made reference to the fact that, over the next 20 years, costs are likely to double from £50 million to £102 million and that is across both the Long-term Care Insurance Fund and also from States' revenue.

65 So, whether we can stem that tide, at least we can try and mitigate that tide, by going back to a fundamental review of the entire way that services are provided, who they are provided by, how actually we can make services more relevant to individuals. One of the key findings from this Report, sir, is that we need to move towards a person-centred, community-based care service.

70 We recognise there is insufficient support for carers and I agree with Deputy Lester Queripel and others, who have identified the importance of the support that carers on a voluntary basis provide. If it was not for that support, the cost to the States of Guernsey ... the value of the voluntary care sector is probably about £28 million to this Island. We therefore owe it to those carers to actually look and see exactly how we can provide the support they need, because they are providing support to those who actually are the principal clients of the strategy.

75 We need to address social attitudes to care, disability and ageing. That has already been referred to. We recognised Alderney needs special consideration and there will be a work stream to identify the particular model that will work for Alderney. We recognise that whatever strategy that may be appropriate for Guernsey may not necessarily be the same model to be used in Alderney.

80 One of the other key findings was the States has focussed on being a provider of services in the past. People have assumed that the States will be the provider. Going forward, I think it is important that actually we do recognise that the role of the States should be principally that of co-ordinating the provision of services, not necessarily providing them themselves, but possibly commissioning services and in that way engaging particularly with the third sector.

85 Lastly, but not least, and it has been the subject of many comments in this Assembly, that funding is not sustainable at present.

In relation to funding, just to rehearse, we have identified an extra £50 million over the next 20 years. The Long-term Care Insurance Fund, even with an increased contribution of 0.5%, which is one of the suggestions, would only create an additional buffer of approximately another 10 years.  
85 The key message that people need to recognise is that even the additional contribution is not the end of the story.

I agree with Treasury & Resources that, actually, merely suggesting this increase in contribution from 2017 is not the solution, it merely delays, possibly, the exhaustion of the Long-term Care Insurance Fund. It cannot be seen, in itself, as a solution. There has to be a more  
90 fundamental review of the entire funding programme.

Whilst we recognise – and Deputy Langlois has already identified – during the course of the debate, people have some concerns over certain aspects of the funding, or the recommendations for future funding consideration, would have caused them to have difficulty in supporting Proposition 1.

95 We hope that by separating out the individual components of the funding model that actually Members now can identify if there is any particular problem, and I know Deputy Lowe, Deputy Perrot and Deputy Spruce, in particular, have spoken strongly about certain aspects that they were uncomfortable with. They can acknowledge that in the way they vote. It will not go to the root and branch of the structure of the SLAWS programme.

100 I apologise also that in the past we have indicated and Deputy Lester Queripel, in particular, said we had too many strategies. 'We want action.' The word 'strategy' is unfortunate, it is a programme. Actually we have identified, out of 33 or so recommendations, a specific number of action points and work streams that need to be followed. We have identified the individual work streams, we have identified dates and therefore we have, if you like, handed to the next States'  
105 Assembly and it will be for them to come back at a very early stage to report and action the funding even for those work streams, because that funding is not currently available.

But actually to identify this as a programme and I would urge all those of you who hopefully will be re-elected and will be in this Assembly next term, to make sure this programme is carried through, because it would be very easy for the next States to say, 'Well, no. All well and good, but  
110 we have other priorities.'

I would urge everybody to recognise that this is a key priority. Without it, expenses of the States are going to inexorably increase. An increase of £15 million probably is equivalent to an extra tax take of about two pence, so instead of 20 pence per pound it will be 22 pence per pound if we do nothing at all.

115 The issue as to what extent those expenses and the costs should be covered out of revenue, or by way of contribution, is a matter of debate.

Sir, I thank all those who have spoken in support of the strategy. I acknowledge the frustrations that we have not been able to progress as fast or as quickly as we would have liked to have done. I would ask Members to recognise there was actually no budget for this strategy. We had to beg,  
120 steal and borrow from budgets that were otherwise possibly available.

I pay particular tribute to those members of the Civil Service who have supported us in the preparation of this programme. Without them it would not have been possible.

125 Dealing with specific issues, I thank Deputy Luxon for his kind words. He is absolutely right, this is a very complex issue and the danger is, unless we address it, the large part of the burden will fall upon HSSD, and HSSD is already heavily burdened. We cannot expect HSSD just to pick up the slack.

But I acknowledge and we acknowledge in the Report that HSSD has already taken a grip of some of the issues that we have identified. Re-ablement, in particular, is one that I know is a matter very key to the heart of Dr Carol Tozer. That is the process of enabling people to move  
130 away from occupying a bed in the Hospital to going back to their home, to make sure they have got the proper care package. It is a problem a lot of jurisdictions, the UK in particular, are struggling with. I congratulate HSSD for having taken this particular issue. It is one of the work



streams, as identified here, where already work is under way to try to address that. As, also, is work relating to respite and short-term relief – how that can best be dealt with.

135 To Deputy Hunter Adam, I thank him for his historical analysis of how he got here and, again, I acknowledge the very important contribution that he made, because he has lived with a lot of the earlier iterations of this particular programme. He is absolutely right, because one of the issues that was identified right at the outset is that the previous programmes had looked at one aspect, which was probably just the ageing side. This strategy, this programme, if we follow it through, 140 addresses the whole spectrum of age. It goes from 18 through to end of life. It covers that important transition from people who have disabilities, whether it is physical or learning disabilities, as they transition from the excellent support they get during the educational cycle, into their adulthood.

So it is not just about the aged, it is not just about my generation. I should declare an interest, 145 I am in my *troisième âge* and, as Deputy Luxon suggested, I perhaps have a vested interest in making sure we have a sustainable system of care and support going forward. But is not just about my generation, it is actually about everybody from the age of 18 onwards who needs support. Deputy Adam was right in identifying that, in itself, does raise certain key issues. But I would ask everybody to keep the faith. This programme, if it is followed through, will address all those different age groups. 150

To Deputy Soulsby, I thank her for her contribution. Clearly, it was important when we were looking at the sustainability of the whole programme and the cost of care and support, we actually needed the input from the BDO survey that was done, because that actually identified specific cost issues and specific cost items that are going to be used more and more where the demand will increase as we do go through the Baby Boom generation issue. 155

Dementia is something we have clearly identified. Dementia, of course, is no respecter of people's age. We assume that dementia comes with age, but actually there are a lot of people in their forties, fifties, who suffer from dementia. So we need to recognise, again it is this continuum of age that is important.

160 She also correctly identified that we are the one member of the British-Irish Council that does not have a carers' strategy. Again, from this work that we have done, hopefully we will be able to deliver a carers' strategy.

To Deputy Domaille, yes there is a danger of misleading the public on deliverables. This programme will require an assessment of financial resources. There are economic pressures but, again, I come back to the point, doing nothing is not going to be the answer. Costs, inexorably, are increasing, even if we sit back and say, 'Right, we will not support this programme', the States is still going to be faced with having to find an extra £50 million over the next 20 years. 165

So it is not an excuse for not doing anything. We have to begin to address it. But there has to be a sense of a reality and we again come back to the issue of funding further in this speech.

170 I understand Deputy Spruce's issue. When we had the presentation to States' Members, he and Deputy Lowe rightly reminded us of the implicit promise – and I think Deputy Trott has also referred the time in 2001 when the Long-term Care Insurance Fund was established.

As Deputy Le Clerc has already said, it was always recognised there would have to be a review after about 50 years. It was also recognised at the time of the 2001 debate and the presentations that there had to be a sustainable model. And I would suggest at that stage that whilst ... and it is interesting actually, 2001 was, again, almost a shadow of SWBIC, because you had three different schemes that were providing support, and three different assessments. Some had means-testing, some did not have means-testing. One had means-testing which included people's property, others did not. You had, between Housing, HSSD or its predecessor, and SSD, three different sets. 175

180 So the 2001 debate –

**Deputy Perrot:** Point of correction, sir.

**The Bailiff:** Deputy Perrot.

185 **Deputy Perrot:** I would not wish my colleague to mislead the House as to what was said in 2001. The undertaking which was given in 2001 did not have, either expressly or implicit within it, a caveat to the effect that the promise might be broken in future years.

So the distinction to be made is between that generation who received a promise in 2001 and future generations after any review under Proposition 1(l). That is why I am going to vote in favour of Proposition 1(l), because I do not think it is within the capacity of the States to break that promise.

I hope that my colleague will acknowledge that I am correct in that.

195 **Deputy Harwood:** I acknowledge the implicit promise, but I do also acknowledge that there was reference to whether or not it will be a manageable scheme and it is in that context ... but I accept. I mean one of the issues that is going to have to be addressed if there is to be any change is can it be made retrospective to those who have already contributed?

I do acknowledge the point, certainly.

200 **Deputy Lowe:** Point of correction, sir.

**The Bailiff:** Deputy Lowe has a point of correction.

205 **Deputy Lowe:** There may have been a promise or otherwise, but the States actually made a decision and a Resolution, and the Resolution was that the Long-term Care Insurance Scheme, contributory scheme, compulsory scheme, would be for that use only and there would be a review as to whether the rates needed to go up. There was never any mention of whether that was going to be dismissed or not.

210 But I think we need to come away from the thought that this is just a promise and nice-to-have. As I explained yesterday and there seemed to be confusion amongst Social Security Members, and indeed yourself, at that States presentation. That fund is –

**The Bailiff:** Not myself, Deputy Lowe. Through the chair, please.

215 **Deputy Lowe:** I just want to say that fund is dedicated for that use only and no other use.

**Deputy Harwood:** I thank Deputy Lowe for her intervention. *(Laughter)* I accept that the States will have to consider very carefully, and we do not have the answer in this strategy Report now. It is a matter for the future Assembly to consider these issues.

220 At least, I hope that by separating out the component parts of the funding Proposition – the new revised Proposition 1 – that Deputy Spruce, Deputy Lowe, Deputy Perrot will be able to identify which particular part they may disagree with but, hopefully, they will still be able to support the bulk of Proposition 1.

225 I accept that it may be at the end of the day that a view has to be taken that any change can only be in respect of the future and not apply to people who have already made contributions to the scheme.

I think it would be disingenuous to accept that the scheme in its present form can necessarily continue to apply to all future generations without some tweaking. I accept that there will be a debate as to whether or not the scheme can be changed, whether it can apply retrospectively.

230 But to those who say ... and, please, there is also a slight misunderstanding, because even the current scheme does not cover the cost of everyone who is in nursing or residential care. The scheme provides what is called the States' rate, which is currently just over £400 for residential care, and close to £700 for nursing care; but many nursing homes, residential homes, as we know – it has been well featured in the local *Press* – charge considerably more than that. The scheme

235 cannot guarantee the actual cost that an individual may be required to bear. Nor can it guarantee availability of a bed at that particular rate.

So I think one has to recognise that the scheme has its limitations and that people do have to pay top-up fees over and above what is available through the scheme.

240 Sir, I thank Deputy Le Clerc for her contribution and for her support. Again, she understands the sustainability argument that we do need to look at the scheme for it going forward.

To Deputy Green, I acknowledge the comments from Ageing Well in the Bailiwick. I share the disappointment that we have not been able to progress things as fast as we could. I have explained the reason why, perhaps, because of the fact we did not have the funding. Of course, this is a chicken and egg situation. We need the support of the States for this particular strategy, then to put the business case to engage the Transformation Fund, which is a key that will unlock a lot of the work streams that we need to follow through.

245 Are there quick wins? Well, I have already mentioned HSSD has already taken it upon itself to look at issues like re-ablement, to look at issues like respite. So, already work is under way. In the draft Island Development Plan, for example, there is a proposal for sheltered accommodation, the definition of sheltered accommodation. We perhaps should remove the age restriction, which is currently age 55, to recognise actually people younger than 55 may need some sort of sheltered housing accommodation.

Work is already being done by individual States' Departments. Individual Departments need not wait for the final outcome of this Report. They can take initiative themselves.

255 The same comment also about carers. We do recognise the hugely significant contribution made by carers and that has to be recognised. We have to provide mechanisms of support, both financial but physical as well, for the carers.

260 To Deputy Brehaut, again, the emphasis is upon carers. He is right. Society has changed. I can remember my father having to support his parents financially in the 1950's and 1960's. He and his brother were there. They provided the support. Because you now have a community that is far widely spread. I mean families are widely spread. My children live in London. They are not here to give me the sort of support that my parents provided to my grandparents.

265 So the whole of society, the whole of community, is evolving and we have to recognise that. Whereas in the past it was possible for a granny wing to be built onto a house and, therefore, you could accommodate granny and provide the support. Society has changed.

Unfortunately, rightly or wrongly, I think society is suggesting it needs to rely more and more – the younger generation are saying we rely more and more – upon the States to provide for everything.

270 The States cannot provide everything. It is not sustainable. We have to identify the extent at which the States can provide, the extent to which the States may be able to commission the support that the carers need.

To Deputy Langlois, he and I share a generational issue. I think we are both of the same generation, but wearing his hat as the Minister for SSD, I welcome his support and again the support of members of his team in helping us to produce this Report.

275 We have to look at different models going forward – he is absolutely right. The current model and the balance between what is provided out of revenue, what is provided by the Long-term Care Insurance Fund, we have to look at that issue going forward.

280 To Alderney Representative Louis Jean, yes we have identified the particular problems in Alderney. The scale is different. Whether or not we can rely upon the third sector in the way we may better rely in Guernsey to fill the gaps in Alderney, I do not know. It was interesting actually that there seems to be a model in Alderney, which is one that may be appropriate for Guernsey, where some of the nursing care that is available in the Hospital is also then able to be provided outside the Hospital. That, I know, is one area that is part of the re-ablement programme for Guernsey. You may be able to look at taking some of the services that currently can only be provided in the Hospital, being able to provide those outside the Hospital at people's homes.

Income streams in Alderney – coming back to funding, the funding model may well be different in Alderney, because even if there were to be some form of means-testing, even if property prices were to be taken into consideration, we recognise that the property market in Alderney is such that, actually, that may not be possible.

290 A suggestion, possibly, of people being able to rent houses – that, again, may not be achievable in Alderney under the current economic situation.

So we clearly recognise the particular problems in Alderney may require a tweak. What I am saying is we recognise that the model that is adopted for Guernsey cannot necessarily be exported wholesale to Alderney.

295 To Deputy Sandra James, I thank her for her contribution because, as she said, during the course of the journey we have been on in producing this Report, her personal experiences have changed and, again, she has full knowledge of what it is like to be a carer and to provide care. The example that she gave where somebody who is eligible for care at States' rate, has chosen to live at home, but cannot access – and this comes back to Long-term Care Insurance – that funding  
300 that is available to others who do go into a home. That, I suggest, going forward, is something that does need to be looked at.

I believe that we are going to increasingly have to rely upon providing care in the home. There will not be the physical availability within the care industry, necessary to provide sufficient residential or nursing beds to meet the demand. The demand is going to have to be met by  
305 providing care at home. That has to be recognised.

To Deputy Hadley, yes, the danger is that we do create a wish list, but we have to start from somewhere. We have to recognise that we have to look at this in an holistic process. We have to identify which services are currently being provided, which services are being efficiently provided, which services actually the States should be providing, which services perhaps the third sector  
310 could be providing.

Are the current services those that actually people need in order to live full lives outside nursing and residential homes? We need to be realistic. The whole essence of this, the funding issue is the key to being ... we have to be realistic.

Deputy Gollop, I thank you for your support. There is a paradox here. The paradox is  
315 accessibility to the Long-term Care Insurance Fund. It can only be accessed by those who are in a residential or nursing home. People who want to be able to have care and support at home, they cannot access it. Again, I question whether that is necessarily the true meaning of an insurance fund.

To Deputy Perrot, I fully agree. Even if – *even if* – future States decide that there needs to be  
320 some form of means-testing, that does not mean and will not necessarily lead ... and there is no suggestion in our Report it would cause people to suggest they are going to have to sell their home in order to meet care costs. Even if – and it is a big 'if' – there was to be any means-testing introduced in the future, there are different models of means-testing that can be used.

Deputy Perrot is absolutely right: Jersey has already looked at this and some form of loan  
325 against the value of property is one example that could be used, with a cap on the amount of the care charge that would be met by the individual.

There are a number of different models that need to be looked at. Deputy Perrot is absolutely right. Again, in this whole care issue and the funding in particular, we have to look at the balance. The promise we have given to those who have already contributed and have contributed to the  
330 Long-term Care Insurance Fund, those who will be expected to contribute in the future.

Is it right to impose upon our younger generations, through contributions or through tax, the full cost of maintaining those of us in our *troisième âge* because that actually is an issue of balance.

When we were doing public presentations, yes there was a huge volume of people, particularly  
335 of the older generation, who would not agree that there should be means-testing. But there were a lot of young people there saying, 'Hold on. I am having to make contributions. I cannot afford a

mortgage. I cannot afford to buy a house. Yet I am contributing to people who are asset-rich, who have the luxury of having their own property.' (**A Member:** Hear, hear.)

340 So I just say there is a balance and that has to be considered very, very carefully. I agree with Deputy Perrot; it has to be looked at very carefully. There is a tension.

To Deputy Trott, I find it hard to think of you being a young and fresh-faced politician, (*Laughter*) but I am sure others will recall it! Of course, his memory does go back to 2001 and, like Deputy Spruce and Deputy Lowe, he recognises that a promise was given and he accepts that we cannot break that promise.

345 But, again, I think he does recognise the funding issues. I hope his time as a former Minister of Treasury & Resources, and former Chief Minister of course, he does recognise the need to ensure sustainability of the fund going forward.

Deputy Kuttelwascher also has identified the issue about protection of home ownership –

350 **The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Thank you for giving way.

You mentioned about 2001 and I think one of the important differences from 2001 is the number of beds that were financed by general revenue then.

355 If you go back to the 2001 report, there were 168 residential beds and 158 nursing beds which were not charged to the Long-term Care Fund. Now we only have 24 at the Duchess of Kent House and 53 in the Lighthouse wards. That has made a massive difference to the draw on the Long-term Care Fund, which is part of the reason why you need to increase the contribution rate.

360 **Deputy Harwood:** I thank Deputy Dorey for that contribution –

**Deputy Fallaize:** I thank Deputy Harwood for giving way during these interventions.

I am interested in his view about this promise and I am wondering to whom he believes this promise was made. In 2001, I was already a contributor to the fund. Now, I am only –  
365 (*Interjections*) Well, from the time it was set up I was a contributor to the fund. I am only 34. If this promise is going to apply to anybody who has contributed to this fund at any time, then it is going to apply for decades. So I wonder whether there is going to be a view taken that the promise somehow has a cut-off point and, if so, what sort of promise is it?

370 **Deputy Harwood:** Deputy Fallaize has, as always, gone to the nub of the problem. I do not know. All I can do is acknowledge and, as others have said, yes I was not in the Assembly in 2001; I cannot give an assurance as to the extent of that promise. Others have already given their own views on that point. But it has to be looked at and the next Assembly, I believe, does need to consider that the promise was given.

375 There is a view, possibly, that there is a promise clearly to meet their care costs. Is it just limited to care costs and, therefore, does the promise extend to living in residential? I know Deputy Spruce and Deputy Lowe, I think, will say yes it did extend to all that.

380 That is the sort of issue that the next Assembly is going to have wrestle with. It is not going to be easy, but I cannot give you, other than a purely personal view without the full research, without the full knowledge, as to what the extent of that promise is. Others who were here at the time – Deputy Perrot, Deputy Lowe, Deputy Spruce – will be clear in their own views –

**Deputy Perrot:** Point of correction, sir. When I spoke earlier, it was not as a former Member of this Assembly in 2001. I was not a Member in 2001, but I very much do remember the  
385 introduction of the existing scheme, because I was the one who proposed it in the first instance.

**Deputy Harwood:** Whilst I am on my feet, are there any other interventions anybody else –? (*Laughter*) I will give way.

390 **Deputy Gollop:** One question that perhaps concerned me after the debate yesterday, about  
the right to retain home ownership in the family, was the paradox whereby if SLAWS is successful  
in perhaps in the future looking at charging persons not for their care but for their board and  
lodging, hotel costs of the side of residential nursing care, how much would that be before people  
were reluctantly forced to consider whether the family home might have to be sold in that  
scenario?

395 **Deputy Harwood:** That is a very valid point. I mean the issue has also been, again, since this  
scheme was set up, Jersey have also tackled that and they have come up with a model which,  
again, I think perhaps those who are charged with taking the work streams forward in the next  
couple of years will need to look at.

400 Again, coming back to Deputy Kuttelwascher, the issue is, he is absolutely right, the protection  
of the home is key. Undoubtedly, if there is to be any change, there will no doubt be lots of  
schemes that may be introduced that actually mean that people will go back to the bad old days  
of pre-2001 where people actually were taking steps in order to protect and preserve the value of  
the property.

405 Sir, can I come back to the matter of contribution? Deputy Lowe and others have said the onus  
should be on contributions to deal with this particular conundrum. Of course, contributions do  
not only hit the working population. Actually, under the current scheme, contributions also  
continue post-retirement. So those of us who actually are no longer working are going to be hit  
by that increased contribution.

410 It is a slight fallacy to assume it is just the working population because it actually does impact  
... and the impact upon those who are post-65, post-67, may actually be far greater than the  
impact upon the working population. So I think, again, there is a tension there which needs to be  
recognised as this matter goes forward.

415 To Deputy Wilkie, I thought we were going to have a Max Bygraves moment as he said 'I am  
going to tell you a story'. Some of us can remember Max Bygraves! Sorry. (*Laughter*) I keep  
forgetting there will be a generation out there for whom Max Bygraves does not mean anything  
at all.

420 He is absolutely right. I mean society has changed. The compassion, the care system, the  
process of giving care needs to be addressed and we need to recognise it. The whole essence of  
this particular strategy is that we recognise that actually people now want to be able to have care  
and support in their own home. They want to be in a home, rather than at a home. They want to  
be in home, rather than having to go to a home.

425 Particularly, again, for early stages of dementia, familiarity is very important. So we need to be  
smart, we need to identify how we can deliver the services to people in their own home. In the  
presentations that we were giving, some of the services that actually people need can be provided  
by people not necessarily skilled in nursing services. There are simple things like gardening, like  
driving, like doing shopping, doing odd jobs around the house. That actually is as key to the  
success of providing care and support in the home as the medical services, as the social care  
services.

430 Sir, I thank all those who have supported the strategy. I hope that by separating out the  
component part of Section 7 of the appendix, it will assist people to be able to express their views  
if there are particular aspects of the funding suggestions they are unhappy with.

435 But I would emphasis these are only suggestions. There are no firm funding proposals except  
for the suggestion of the increased contribution of one half of 1%. There are no other firm  
funding proposals in this strategy.

That is a matter for our successor States during the first two years of its term, to come back  
and begin to address and come back with reports as to the different funding models that may be  
looked at and that may be considered.

I commend this Report to the Assembly.

440 Thank you.

**Deputy Lowe:** Sir, before we go to the vote, could I just ask H.M. Procureur to explain to me a clarification? I did have two draft amendments, sir, as you know, which are now included in here. Whereas I would have been placing them today, they are now incorporated. I had one against (c) and one against (l); but, for me, and I would like clarification on this, on (c) it states here:

To agree, in principle, that the Long-term Care Insurance Fund should be used to meet the costs of care and support only, with payments for accommodation costs and living expenses being the responsibility of the individual receiving care and support.

445 So, by voting for that, does that mean in future that those that are in the current scheme, where accommodation and care are all inclusive, will only be covered for care and support, which would probably sit with (l), at the end, where if you cannot afford your accommodation, your property would come into consideration and there would be the means-testing?

450 **The Procureur:** I think the important point is that it is an agreement in principle, so it is in effect giving a direction to the States' bodies which will be responsible for progressing this programme, to note that that is the direction that the States have resolved they should proceed in.

455 Certainly, there is no firm Proposition there which would alter anybody's entitlement under the current arrangements and it must be a matter to be reported back to the States on.

That is my understanding, although I would have thought that the proponents of the Report would, with respect, be better placed than me to answer definitively.

460 **Deputy Lowe:** I think H.M. Procureur explained it exactly as I understood it to be. That, in future, that could be the possibility.

**The Bailiff:** Well, Members, you need to have in front of you both the amendment proposed by Deputy Langlois, seconded by Deputy Harwood, and page 805 of the Billet that sets out Propositions 2 through to 7.

465 What I think would be helpful would be to have an indication of which of the sub-paragraphs in Proposition 1 people wish to vote on separately; 1(a), I think, requires a separate vote, 1(c) requires a separate vote, and 1(l) there is a request for a separate vote.

Does anybody wish to vote separately on anything else?

470 **A Member:** 1(e), sir.

**The Bailiff:** 1(e).

**A Member:** 1(h), please.

475

**The Bailiff:** 1(h). And there is a request for a recorded vote on every vote. Every vote to be a recorded vote, Deputy Lowe?

480 **Deputy Lowe:** No, not on every vote. But I would like a recorded vote on (c) and (l) please. It is up to the others if they want a recorded vote on the others.

**The Bailiff:** (c) and (l).

**Deputy Lowe:** Yes, please.

485

**The Bailiff:** Alright.

**A Member:** Sir, could we have a recorded vote on (a) please?

490 **The Bailiff:** And a recorded vote on (a).

**A Member:** And (h), sir, please?

**The Bailiff:** And sorry, which one? (h)?

495 **A Member:** (h) and (c) are connected.

**The Bailiff:** And (h).

Right, there will be separate votes on 1(a), 1(c), 1(e), 1(h) and 1(1), and we will begin in alphabetical with 1(a), which is, for the benefit of anyone listening:

To direct the Committee for Employment and Social Security to increase contribution rates to the Long-term Care Insurance Fund for employed, self-employed and non-employed persons by no less than 0.5% from 1st January, 2017.

500 *There was a recorded vote.*

*Carried – Pour 37, Contre 7, Ne Vote Pas 0, Absent 3.*

**POUR**

Deputy Soulsby  
Deputy Sillars  
Deputy Luxon  
Deputy O'Hara  
Deputy Quin  
Deputy Hadley  
Alderney Rep. Jean  
Alderney Rep. McKinley  
Deputy Harwood  
Deputy Brehaut  
Deputy Domaille  
Deputy Langlois  
Deputy Robert Jones  
Deputy Le Clerc  
Deputy Gollop  
Deputy Sherbourne  
Deputy Conder  
Deputy Parkinson  
Deputy Stewart  
Deputy Gillson  
Deputy Le Pelley  
Deputy Ogier  
Deputy Trott  
Deputy Fallaize  
Deputy Laurie Queripel  
Deputy Lowe  
Deputy Le Lièvre  
Deputy Collins  
Deputy Duquemin  
Deputy Green  
Deputy Dorey  
Deputy Paint  
Deputy Le Tocq  
Deputy James  
Deputy Brouard  
Deputy Wilkie  
Deputy Inglis

**CONTRE**

Deputy Kuttelwascher  
Deputy Lester Queripel  
Deputy St Pier  
Deputy Spruce  
Deputy Adam  
Deputy Perrot  
Deputy De Lisle

**NE VOTE PAS**

None

**ABSENT**

Deputy Bebb  
Deputy David Jones  
Deputy Burford

**The Bailiff:** Hon. Members, the result of voting on Proposition 1(a) was 37 votes in favour, with 7 against, I declare the Proposition carried.

Next, Proposition 1(b), we go *aux voix*. Those in favour; those against.



*Members voted Pour.*

505 **The Bailiff:** I declare it carried.

Now a recorded vote on Proposition 1(c), which reads:

To agree, in principle, that the Long-term Care Insurance Fund should be used to meet the costs of care and support only, with payments for accommodation costs and living expenses being the responsibility of the individual receiving care and support.

*There was a recorded vote.*

*Carried – Pour 28, Contre 16, Ne Vote Pas 0, Absent 3*

<b>POUR</b>	<b>CONTRE</b>	<b>NE VOTE PAS</b>	<b>ABSENT</b>
Deputy Soulsby	Deputy O'Hara	None	Deputy Bebb
Deputy Sillars	Alderney Rep. Jean		Deputy David Jones
Deputy Luxon	Deputy Gollop		Deputy Burford
Deputy Quin	Deputy Sherbourne		
Deputy Hadley	Deputy Lester Queripel		
Alderney Rep. McKinley	Deputy Ogier		
Deputy Harwood	Deputy Trott		
Deputy Kuttelwascher	Deputy Laurie Queripel		
Deputy Brehaut	Deputy Lowe		
Deputy Domaille	Deputy Spruce		
Deputy Langlois	Deputy Collins		
Deputy Robert Jones	Deputy Dorey		
Deputy Le Clerc	Deputy Paint		
Deputy Conder	Deputy Perrot		
Deputy Parkinson	Deputy Brouard		
Deputy St Pier	Deputy De Lisle		
Deputy Stewart			
Deputy Gillson			
Deputy Le Pelley			
Deputy Fallaize			
Deputy Le Lièvre			
Deputy Duquemin			
Deputy Green			
Deputy Le Tocq			
Deputy James			
Deputy Adam			
Deputy Wilkie			
Deputy Inglis			

510 **The Bailiff:** The voting on Proposition 1(c) was 28 in favour with 16 against. I declare Proposition 1(c) carried.

We then go *aux voix* with 1(d). Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare that carried.

Proposition 1 (e). Those in favour; those against.

*Members voted Pour.*

515 **The Bailiff:** I declare that carried.

And 1(f) and 1(g), I think we can take together. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried.

Now, a recorded vote on Proposition 1(h), which reads:

'To agree, in principle, that the Long-term Care Insurance Scheme should be extended to cover care and support costs for people living in their own homes (including those accommodated in their own homes in sheltered and extra care housing).'

*There was a recorded vote.*

520 *Carried – Pour 43, Contre 1, Ne Vote Pas 0, Absent 3*

**POUR**

Deputy Soulsby  
Deputy Sillars  
Deputy Luxon  
Deputy O'Hara  
Deputy Quin  
Deputy Hadley  
Alderney Rep. Jean  
Alderney Rep. McKinley  
Deputy Harwood  
Deputy Kuttelwascher  
Deputy Brehaut  
Deputy Domaille  
Deputy Langlois  
Deputy Le Clerc  
Deputy Gollop  
Deputy Sherbourne  
Deputy Conder  
Deputy Parkinson  
Deputy Lester Queripel  
Deputy St Pier  
Deputy Stewart  
Deputy Gillson  
Deputy Le Pelley  
Deputy Ogier  
Deputy Trott  
Deputy Fallaize  
Deputy Laurie Queripel  
Deputy Lowe  
Deputy Le Lièvre  
Deputy Spruce  
Deputy Collins  
Deputy Duquemin  
Deputy Green  
Deputy Dorey  
Deputy Paint  
Deputy Le Tocq  
Deputy James  
Deputy Adam  
Deputy Perrot  
Deputy Brouard  
Deputy Wilkie  
Deputy De Lisle  
Deputy Inglis

**CONTRE**

Deputy Robert Jones

**NE VOTE PAS**

None

**ABSENT**

Deputy Bebb  
Deputy David Jones  
Deputy Burford

**The Bailiff:** Members, the voting on Proposition 1(h) was 43 votes in favour with 1 against. I declare Proposition 1(h) carried.

We can take 1(i), 1(j) and 1(k) together. Those in favour; those against.

*Members voted Pour.*

525

**The Bailiff:** I declare them carried.

Proposition 1(l) is a recorded vote. It reads:

'To direct the Committee for Employment and Social Security to keep under review whether there is a strategic, long-term financial need to introduce: (i) the inclusion of capital assets in any means-testing of benefits associated with the provision of long-term care; and (ii) the capping of care costs to set out the respective funding liabilities for individuals and for the States.'

*There was a recorded vote.*

*Carried – Pour 27, Contre 17, Ne Vote Pas 0, Absent 3.*

**POUR**

Deputy Hadley  
Deputy Harwood  
Deputy Brehaut  
Deputy Langlois  
Deputy Robert Jones  
Deputy Le Clerc  
Deputy Gollop  
Deputy Sherbourne  
Deputy Conder  
Deputy Parkinson  
Deputy St Pier  
Deputy Stewart  
Deputy Gillson  
Deputy Le Pelley  
Deputy Ogier  
Deputy Fallaize  
Deputy Le Lièvre  
Deputy Duquemin  
Deputy Green  
Deputy Le Tocq  
Deputy James  
Deputy Adam  
Deputy Perrot  
Deputy Brouard  
Deputy Wilkie  
Deputy De Lisle  
Deputy Inglis

**CONTRE**

Deputy Soulsby  
Deputy Sillars  
Deputy Luxon  
Deputy O'Hara  
Deputy Quin  
Alderney Rep. Jean  
Alderney Rep. McKinley  
Deputy Kuttelwascher  
Deputy Domaille  
Deputy Lester Queripel  
Deputy Trott  
Deputy Laurie Queripel  
Deputy Lowe  
Deputy Spruce  
Deputy Collins  
Deputy Dorey  
Deputy Paint

**NE VOTE PAS**

None

**ABSENT**

Deputy Bebb  
Deputy David Jones  
Deputy Burford

530

**The Bailiff:** Members, the result of voting on Proposition 1(l) was 27 in favour with 17 against. I declare it carried.

Now I need to take you back to the wording at the beginning of Proposition 1:

'To endorse all of the recommendations to progress the Supported Living and Ageing Well Strategy, as set out in the Working Party's research report and reproduced in Appendix III of that Policy Letter, with the exception of those reproduced under ... section 7'

So you need to vote on all the other parts of Appendix III. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried.

535

Finally, Propositions 2-7, which are found on page 805 of the last page of Volume 2 of the Billet. Unless anybody requests otherwise, I put all of 2 through to 7 to you together. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried.

**HEALTH & SOCIAL SERVICES DEPARTMENT**

**XIII. Children and Young People's Plan –  
Debate commenced**

*Article XIII:*

*The States are asked to decide:*

*Whether, after consideration of the Policy Letter dated 18th November, 2015, of the Health and Social Services Department, they are of the opinion:*

- 1. To approve the Children and Young People's Plan 2016-2022, as set out in Appendix 1 of that Policy Letter.*
- 2. To note that, to deliver the Children and Young People's Plan's Priority Outcomes, where actions cannot be taken forward using existing resources, the resource requirements of the Plan will need to be considered as part of the development of the programmes of transformational change referred to in Section 10 of that Policy Letter.*
- 3. To direct the Policy and Resources Committee, working with the Committee for Health and Social Care and other relevant committees, to oversee and coordinate an investigation into the use of pooled budgets and alternative sources of social finance and to report back to the States of Deliberation as soon as possible with its findings.*
- 4. To direct the Committee for Health and Social Care, working with the Policy and Resources Committee, to have regard to the suggested governance arrangements in Section 7 of that Policy Letter when determining how the Children and Young People's Plan should be implemented and funded.*
- 5. To direct all relevant committees, as part of the Children and Young People's Plan, to identify the need for early intervention and early years' services for children under the age of three, the consequential resource implications and the links between any such new services with those provided by the Committee for Education, Sport and Culture, including States-funded Pre-School Education.*
- 6. To direct the Committee for Health and Social Care to report back to the States of Deliberation on the results of those investigations in due course.*

**The Greffier:** Article XIII, Health and Social Services Department – Children and Young People's Plan.

540

**The Bailiff:** Deputy Le Clerc, I understand, will be opening the debate.  
Deputy Le Clerc.

**Deputy Le Clerc:** Thank you, sir.

545

When I stood for election four years ago, one of my key aims was to improve outcomes for young people in our community. This was as a direct result of my experience of what our looked-after children go through in our care service. I now find myself on the HSSD board, which has overall responsibility for the Plan, and I was proud to chair the CYPP Partnership board.

550

I am pleased to stand before you today to present the Children and Young People's Plan for 2016-2022. This Plan is the collaboration with other departments, Education and Home, as well as many third sector providers. It sets out how all agencies working together will work to support and meet the needs of children, young people, their parents and their carers.

555

It is worth giving you some headline figures regarding our younger community. As at March 2015, we had 12,445 children under-18 living in Guernsey and 245 in Alderney – approximately 20% of our community – and noting that around 20% of these children will, at some time in their life, require some additional help from professionals. This Plan builds on the previous plan and will cover the next six years.

It is a requirement of the Children's Law that a plan is presented to you for approval. This Plan has been developed with the direct input of our young people. We have listened to their concerns, as well as those of their parents and those that provide services in our community.

560

Some of the comments from our young people are: 'We want a voice', 'You need to be more joined up', 'You need to help earlier to prevent difficulties getting worse', 'You need to be fairer'.

I have spent time over the past few months meeting with young people, with the Youth Commission, Sports Commission, The Hub and schools. There are already many people working hard to make a real difference here and now for our young people.

565

Many of the actions we are proposing have already started. There will be a Youth Forum to be held here in this building on 29th February, organised by the Election 2016 team, Education and the Youth Commission. The forum will enable young people to debate issues important to them. The suggestion of the Youth Forum came from feedback from our CYPP consultation.

570

The Assembly has already approved pre-school education. The Youth Commission has worked with the Prince's Trust to set up a work development programme to assist those young people not in employment, education or training, to develop their skills, prepare them for work and build self-esteem over a 12-week period.

The MASH, the Multi-Agency Support Hub, is already up and running and perhaps becoming a victim of its own success as it is under strain with current resources.

575

Recruiting specialist foster families will enable us to bring back from the UK some of our children with complex needs.

I am pleased to report that, following a recent campaign, we have already attracted a few families who are interested in becoming specialist foster carers.

580

This Plan also brings together many other strategies that have and will come before this Assembly. For example, the Plan covers the needs of children and young people who have complex educational and social care needs up to the age of 25, to ensure smooth transition into adulthood. This links directly with the Supported Living and Ageing Well Strategy, which we have just debated.

We know that we have high rates of teenage pregnancy on the Island and we hope that when the Sexual Health Strategy is brought to the new Assembly later in the year, there will be an opportunity to support early interventions and provide free contraceptives for young people under the age of 21.

585

This was a point raised by students at the Grammar School only this week, during the sixth-year forum I attended.

590

The funding was approved last month for our Domestic Abuse Strategy, which will help those young people who are and have been exposed to domestic abuse. The Signpost website has been developed as a result of the Disability and Inclusion Strategy, as well as feedback from the CYPP consultation. The website has now gone live and is providing information and advice and support available to parents and carers for children with disabilities. This will be further developed over the next few months.

595

I am not going to go through every aspect of the Report, but I think it is important that I go through some of the key highlights.

Feedback received was that people liked our Plan on a page, as it was easy to understand. Our proposed six key commitments in the Plan on a page are: 1. The voice of children is the heart of everything we do. We are already achieving better communication with our young people. The consultation with young people to develop this Plan has been key. We still need to do more, but I believe we are making progress on this.

600

'2. 'We will focus resources on early help and preventing problems getting worse ...' This is our work on our 1001 Days and Strengthening Families Programme. The 1001 Days will ensure that all mothers and their new-born babies will receive the appropriate level of care and best possible support they need to give their child the best start in life. It will also ensure that those who require additional support are identified earlier and given that assistance.

605

610 The Strengthening Families programme, being an invest-to-save programme, which if successful will transform some of those families with inter-generational problems by giving them a dedicated support worker who will work across all agencies to help them turn their lives around.

'3. We will tackle inequality of access to help and support, including the impact of low income that disadvantages some of our children and young people ...'

615 I hope the work on SWBIC and proposed increases in child supplementary benefit rates that will be presented to you in March will address some of these issues.

'4. We will [and must] get better at sharing information and working more closely in partnership with each other with children and with families.'

620 The setting up of the MASH, Multi-Agency Support Hub, is already proving that this model of working is successful. We need to continue to build on this so we can help not just those in priority need but young people with lower level needs and direct them to the appropriate services. That might be a third sector provider or a States-provided service. This will better utilise our resources and give better, timely interventions to all in our community.

We will allocate a lead professional to every child who needs the services of two professionals or more, in order to prevent duplication of effort.

625 '5. We will improve our data collection ...' so we have an evidence base about the nature of need. This is also vitally important if we are looking to attract alternative methods of financing such as social finance. We need to be able to measure our outcomes and ensure that our actions are effective and working.

630 '6. We will improve communication to make the Plan more relevant ...' That is why this is a living document that is continually reviewed with regular updates on progress brought back to this Assembly.

We are proposing four priority outcomes. Be safe and nurtured; be healthy and active; achieve individual and economic potential; and be included and respected.

635 The resources and funding – I know a matter close to our hearts – I have already said we are starting to deliver the Plan currently within existing resources. However, we are aware that this Plan does not come with a bid for funding. Key to the success of this Plan is being able to work across departments; the pooling of resources, which include not only staff working together, but also pooling of budgets; working with the voluntary sector and community-based organisations in understanding that transformation is the only way we can make real sustainable changes in an affordable way.

640 We are also asking you to support us looking at how we can utilise social finance to assist us with transformation of specific areas, such as the 1001 Days and Strengthening Families Programme.

645 It was great to see last week that the Community Foundation are supportive of investigating further social finance as a way of supporting spend-to-save initiatives such as our proposals for strengthening families and where positive outcomes can be measured.

650 We are proposing a Children's Executive. As I have said previously, although HSSD or the new Committee for Health and Social Care will be the lead department, the key to success will be the ongoing collaboration and working across all departments and agencies involved in providing children's services.

We cannot see this being achieved without leadership and that is why we ask you to support our recommendation to investigate the establishment of a Children's Executive. This would provide the overview to push this plan forward and ensure that it fulfils both its living document claim and its principle of joined-up service provision.

655 Consultation has identified that families are concerned about things that go beyond the ability and remit of this Plan and that need broader political change, such as dealing with poverty and the inequality of health care. We need to ensure that we continue to engage and communicate with our families to address their concerns.

660 In summing up, I must stress that this is a Plan for *all* children in our community. Yes, there are some priority actions for certain groups, but this is the Plan for every child in our community to ensure they lead safe, active and fulfilled lives.

I ask you to give your support to all our proposals outlined in this report. (**A Member:** Hear, hear.)

Thank you, sir.

665

**The Bailiff:** Deputy Sillars.

**Deputy Sillars:** Thank you, sir.

670 I would like to commend HSSD for bringing this policy letter to the States. I know that it represents the fruits of many people's efforts and is a truly multi-agency piece of work, developed in partnership with the third sector.

The six key commitments highlighted in the policy letter are welcome and resonate with Education's core values. The recognition of the importance of early intervention and the interests of the child at the centre are both welcome.

675 The four priority outcomes – being safe and nurtured; being healthy and active; achieving individual and economic potential; and being included and respected – align with the Education Department's business plan objectives.

The Education Department is ready to work with all parties to deliver these outcomes for all our children and young people.

680 In terms of the 2016 priorities, I welcome the recognition of the need to adequately staff and support the Multi-Agency Support Hub. For too long we have not given resources to front line staff to deliver critical public services. We seem to imagine that, if we pretend we have the resources, then things will get better. Then we wonder why it does not.

685 I welcome the Strengthening Families and the 1001 Days initiatives. The need for early intervention and preventative spend is critical to support these work streams and the mental health and wellbeing agenda of our young people.

I cannot stress the importance of the mental health and wellbeing co-ordinators as a preventative measure which will have financial savings longer term for the States. We will be working on a business case for this proposal.

690 More generally, we need to continue to build upon the development of integrated services through strengthening the working relationships between partners. We all need to continue to work together and in partnership with children, young people and families; not simply to represent the interests of the service providers, but to ensure outcomes for all children and young people.

695 We need also to make sure our staff have the capability and tools to share information effectively, which will enable families to tell the story once, rather than repeating themselves to each agency that they come into contact with. This, I have been passionate about for several years, so I am glad this is coming to fruition at last.

700 Also, I am pleased to support the investigation of social finance as a means of assisting with the implementation of certain aspects of the Plan.

We need to be brave and give this very serious consideration.

Thank you.

**The Bailiff:** Deputy Laurie Queripel.

705

**Deputy Laurie Queripel:** Thank you, sir.

I just wanted to say a few words on this item, this report, and I just want to take a moment to explain why.

710 When I was first elected to the States – and I think Deputy Lester Queripel will give his own remarks, but I think I can speak for him as well – there were particular issues that I wanted to see addressed and certain objectives and aims that I wanted to see progressed.

I never expected or imagined that one of those objectives would be a review of children's services and, in effect, at least play a part in a proposed remodelling of those services. Little did I know that that would be ahead of me and ahead of Deputy Lester Queripel, sir.

715 But a few months into this term I began to receive the occasional call from parents, grandparents, younger people – families generally. After a while, these calls became quite a regular occurrence.

720 People were distressed, they were upset. They felt they had not been listened to, they had been unfairly treated and had been dealt with disproportionately, and were generally traumatised by their experience and their dealings with children's services. I mean that in the wider sense, sir – social workers, safe-guarders, court proceedings etc.

Of course, I have to balance that out by saying that, number one, some people would say that and, number two, many service-users will be satisfied with their experience and accept it.

725 But the volume of these calls and concerns was such that I became convinced that there were some genuine shortcomings, issues and problems with the service that needed to be addressed. Nothing in my life up until that time had prepared me for this type of situation. At times it has been difficult and challenging, but I think actually when we look at this Plan today before us, it was a journey worth taking.

730 But what followed, sir, was research, questions, meetings with service-users and service-providers and, at times, trying to mediate between the two.

So I am enormously grateful for what has eventually followed. Concerns were listened to. The excellent Parry Report diagnostic was produced; the equally excellent Marshall Report that was commissioned by Scrutiny was released and built upon the Parry Report. Now we have this new Children and Young People's Plan, so there is much to be positive about.

735 Sir, there is a common theme that has run through these documents and that is there are good things about the service, but shortcomings, issues and problems have clearly been identified and need to be addressed and resolved.

740 The actioning, and I must stress that that is key ... this is clearly a very good Plan, but a plan without action will take us nowhere. The actioning of the recommendations and the findings of the Children and Young People's Plan will very much take us in the right direction.

So the common theme throughout the plan is the ability or the capability to identify needs, to meet needs, to listen to and work with families and with children and, wherever possible, to deal with families fairly and proportionately.

745 Of course there will always be occasions when it is best to take children into care, but research has shown that if families can be worked with, and needs and problems identified and addressed, it is best if the child can stay within the family circle.

That is the key, sir: services, or those who provide services, service-users working in partnership, building relationships rather than families feeling put upon and having things done to them.

750 As Deputy Le Clerc has mentioned, sir, initiatives and programmes such as Strengthening Families, 1001 Days and generally better communication and access to information, all these things should lead to better outcomes for the service, service-users, children and families and, of course, make sure resources are used more efficiently and more effectively.

755 I just wanted to refer, sir, to page 393 of the report and this page is headed, 'Common themes from the feedback to the consultation'. These are comments that are being put forward by families and family members. One of them says:

Services for the disabled child seriously need to become joined up, everything is so long winded and it is difficult if not often impossible to get answers to questions asked. Especially with regard therapy and rights of the disabled child.

Further down, it says:



I think we must find better, more effective methods, of engaging with hard to reach families. It is a sad reflection that on a small Island a significant group in our community feel that they have no stake in the community.

Another comment, sir:

We were disappointed that there isn't any emphasis in the Children and Young People's Plan ...

– that is the old plan, sir –

... on the importance of providing general information and guidance about support and services to parents and young people.

760 Another comment, sir:

Development of a team around the family and a key worker is crucial to the success of this.

Another one, sir – and these are some of the comments that Deputy Lester Queripel and myself were on the receiving end of:

I was made to feel like a trouble-maker, the best way to get a service was to smile and be polite to the professionals. I never felt able to say how I felt as it was just ignored.

One more comment, sir:

We don't need industrial scale catch-all solutions here. We need very focussed, targeted interventions for those who need it.

765 Now, sir, Deputy Le Clerc has already referred to the very excellent, on page 398, six commitments, how we will add value to children's lives. I think those comments on page 398 and the ones I have just read from 393, I think they back up the points that I have been making: the need to identify and address issues and shortcomings. I think that the six commitments on page 398 indicate there is a willingness to learn lessons and to apply those lessons.

770 This new Children and Young People's Plan clearly indicates – there has been a common theme running through it that was first raised by the Parry diagnostic and the Marshall Report – there have been and still are problems; but clearly there is a willingness to learn those lessons and to action those lessons. I think that can only be good for the service, for service users, for children and for our community, generally.

Thank you, sir.

775

**The Bailiff:** Deputy Hadley is standing.  
Deputy Hadley.

**Deputy Hadley:** Thank you, sir.

780 First of all, I would like to thank Deputy Le Clerc and all the other people that have spent so much time in preparing the Children's Plan and I am pleased with most of the things that it comes up with.

It is worth saying, though, that yesterday I said that the Supported Living and Ageing Well Strategy was little more than a wish list because the funding was not being provided.

785 I said that it was making promises that would never be kept and this is serious, because I would like to see the best care for people who suffer physical or mental health issues. However, you could argue that it is not that important if I do not have excellent end-of-life care as I have had a generally good life and poor health in old age is perhaps something I should just learn to accept.

790 You cannot make *that* argument for the Children's Plan. As we delay and do not provide the services required now, some children on this Island will come to be harmed and others will never achieve their full potential. On page 352 of the report it says:

The provision of entitlement to free pre-school education is a priority action ... in the Plan. High quality early education sits alongside health as an important determinant of children's life chances.

Really? The Education Department has had a real fight to get this Assembly to agree to fund free pre-school education and, now that it has come late in the game, it has had to agree to a further delay and means-testing the provision of pre-school education.

When the new Children's Law came into force in 2010, it changed the definition of a child so that HSSD now has to provide children's services for 16-year-olds and 17-year-olds. In the past, the department would only deal with children who were at immediate risk of serious harm.

The new Law required the department to help children in need – a very different definition. Despite the widening of responsibilities, it did not provide HSSD with additional funds, nor did the States adequately fund the Office of the Children's Convenor.

On page 384, the Plan does refer to the obligation of the States to obey the Law. It says:

The States has 'a duty to provide services to any child in need'.

It does not do that and it cannot. Social workers in the Children's Service have twice the case load that they should have. If I am arguing for doubling the number of social workers, people will say, 'Oh, well, he just wants to throw money at it'. But page 356 of the report makes it very clear that if you stop one child being taken into care you save £150,000 a year.

It makes the point that one child placed off-Island can cost £285,000 a year. So here is a case where providing the resources now to increase the number of social workers has a real payback.

Many Deputies, certainly on the boards of Education and HSSD, saw an excellent presentation on what needed to be done for the children's services. The presentation, by somebody brought on-Island to look at our children's services and currently working for the department, made it quite clear how much money was needed. That money has not been provided. In fact, I do not even think it has been asked for.

On the question of funding, page 366 talks about the reallocation of resources and I think Deputy Le Clerc mentioned this in her speech. We have also heard a Social Impact Bond, supported by Deputy Sillars in his speech.

I have made it very clear that in general terms I am opposed to Social Impact Bonds. Having said that, I supported the first Social Impact Bond that is being brought on-Island but for the reason that the person proposing this has got money from the banks and it is leveraging that money, so we are getting more resources into the department at no cost to the taxpayer. However, as a general principle, I am worried about a States that wants to use Social Impact Bonds to fund some of the services that the States should be providing.

Now, the States of Guernsey produces some wonderful strategies and they are crafted by very competent civil servants. We do have an excellent graduate recruitment scheme. Recruits start at a salary £7,000 a year higher than we pay a graduate nurse. These recruits to the Civil Service are encouraged to take on higher education, we pay for them to obtain higher degrees, Master of Business Administration degrees and even doctorates, all at the expense of the taxpayer.

What this tells us is that the States of Guernsey is far more enthusiastic about producing excellent strategies than actually putting them into effect.

If departments see a need for a service development it has to wait for a strategy. In her speech, Deputy Le Clerc mentioned the issue of free contraceptives. Why aren't we doing it now? What is the cost to the States of an unwanted pregnancy? The case for providing free contraception now is overwhelming, but we are not going to do it, we are going to wait for the strategy.

The strategies can take years to be developed and approved, and the funding has to wait for the approval of the next Assembly a year or two down the line.

It all seems to me a bit like Baldrick, who you may remember had a cunning plan. Baldrick's plan was to raise his social status, a scheme designed to fail. Our plans will also fail because too many candidates are keen to tell the electorate they will not increase public spending but will fund public service through efficiency savings.

Now, when deputies place an amendment before this Assembly, they have to identify the cost and where the money will come from.

I think there is an excellent case for putting this obligation on a States' department. I think that when we vote for these plans we should also vote for the funding at the same time. **(Two Members:** Hear, hear.) Having said all of this, Mr Bailiff, I do of course ask the Assembly to approve the Plan. It is my hope that a future Assembly will approve the funds available to make it work so that it is not just pie in the sky.

**Deputy Sillars:** Sir, I did stand before Deputy Hadley sat. It is a point of clarification and a point of correction.

**The Bailiff:** A point of correction.

**Deputy Sillars:** A point of correction.

I actually said I am pleased to support the investigation of social finance and the clarification I would also like to say is on the pre-school, we hope we will not have to go for means-testing. I agree we did have a fight to get it through. We hope we do not have to, but if we had to, there were about 30 families who may, at the very top end, be means-tested; but we are hoping to avoid that.

Thank you.

**The Bailiff:** Next, Deputy Luxon.

**Deputy Luxon:** Thank you, Mr Bailiff.

Sir, on HSSD board we are very lucky, we have got a power woman board; 60% of our board members are three powerful women. Deputy Hadley behaves incredibly well, as I do, because in the face of such power we have no choice.

I was not going to make any comments because Deputy Hadley and I are in complete agreement about everything these days. *(Laughter)* But it was odd: Social Impact Bonds – do not like them, do not believe in them, they will not work, but I am going to support this one, but I do not like them and I do not want to support them.

We sometimes have just got to get on with things. We are not talking about Social Impact Bonds; we are talking about social finance. We are talking about a means by which we engage with the third sector, which is part of the Social Compact that the Chief Minister signed with the Association of Guernsey Charities, which we would have signed with the Guernsey Community Foundation but we were not able to; but nevertheless the implicit plan we have to work genuinely with the third sector. This is part of working with the third sector, where the third sector can offer us expertise, or indeed access to funding and financing that is not available to us.

So I agree with Deputy Hadley. It would be great if we could get on with a lot of these prevention and early intervention initiatives, but if we have not got the funding available and we are not able to ask the taxpayer for more, then we have to use innovation. Innovation – if it means social finance not Social Impact Bonds which have negativity, why shouldn't we do that?

We have people out in the community who, guess what, have got better ideas than us lot in here. **(Several Members:** Hear, hear.) Let us tap into that, in partnership, not just offsetting our responsibilities to these organisations because we cannot deliver ourselves; genuine partnership, meaningful partnership where we make progress. So let's get in the saddle, let's stay in the saddle and let's see it through.

Sir, we are accused of being the States of inaction, along with lots of other wonderful adjectives. We are not a States of inaction. Deputy Harwood and the team on the SLAWS policy letter this morning, we have made progress. The Children and Young People's Plan – I am proud that we are bringing this to the States today and I am proud that the degree of inter-departmental work ... I thank Deputy Sillars, Deputy Gillson and others who have worked with my

department, both politically and officers, to genuinely forget about the mandates and the silos, to demonstrate inter-departmental working, but not just within the States.

895 I want to thank the people at The Hub, the Youth Commission, and if you look at the policy letter and through the consultation, you will see the many other agencies who have contributed really meaningfully to developing this, yes, strategy, this policy, but actually it has got six key commitments. You will see them on page 346. I will not read them out. There are four priority outcomes, they are on page 341. I will not read them out. Sir, there are 33 actions over the six  
900 years of this Plan. These are all real, hard, tangible action points, plans, deliverables.

Yes, of course the funding is an issue. It would be easy to say, 'Let's just apply money'. We will reprioritise within HSSD, there is productivity and delivery and efficiency within HSSD. We have got 2,200 people who do remarkable things every day, sir. We have got a department that consumes around about £119 million of budget which this Assembly kindly, through the budget  
905 for health that was debated in October last year ... you supported an increased budget into HSSD. We take that with responsibility, with great seriousness.

It means we have to – we have to – and the next Committee for Health and Social Care *has to* take its responsibility to look for efficiencies, to reallocate the funding that we have within, so that we do not have to keep coming back to this States and future States demanding more and more  
910 money.

It will be £200 million-plus before long, if we continue to deliver services in HSSD as we have done in the past. That is not fair to you and it is not fair to the other departments and I hope that HSSD is now on course to not continue with that risk.

We do have a 10-year transformation plan. You know about that plan; we talked in October  
915 about the 2016 plan, the five-year plan to 2020, the 10-year plan to 2025. It is a real plan, it is real things, real actions that have been thought through and will make a difference.

Sir, the States' Strategic Plan, the Disability Inclusion Strategy, SLAWS, Mental Health and Wellbeing Strategy, which is almost there, drug and alcohol, domestic abuse, sexual health, healthy weight, child's health, pre-school education, educational health and wellbeing, child  
920 health intelligence – all referred to in this Children and Young People's Plan, all absolutely tied into this Children and Young People's Plan and vice versa.

The department is committed to this. I think I speak on behalf of all of my board members, even the ones that are not in the Assembly at the moment, including our non-voting members, who I thank for their wise counsel. We support this fully. We are pleased to be laying it before you  
925 and I hope ...

Sorry, sir, finally, I can remember attending a Saturday morning at Les Ozouets campus with the Chief Minister. He was speaking – I am not sure if he had been paid to speak or not, but he was speaking that morning – and we were privileged to watch the Youth Commission give their annual report.

930 We had half a dozen young people, boys and girls, young men, young women, who stood in front of a mixed audience of adults, grown-ups, from a variety of backgrounds and they shared their stories – their difficult stories most of them, their difficult life stories.

What was humbling was that they also shared how they had come through, even though it had been difficult and how sometimes we, the Island, the community and Government had let them  
935 down, they thought, but they had come through; and now they wanted to stand in front of this audience on a Saturday morning, racked with nerves, to tell their stories, to be open, because they wanted to help their community to be better, to be different and for future kids in their positions to not have the same problems they had.

Two of those children, young men, young women, then attended the States' Members' briefing that Deputy Le Clerc and Deputies Sherbourne and Wilkie arranged at Beau Séjour. Again, I  
940 recognised one young lady in particular, a teenager, and she amazed me. Her story she shared openly. A very difficult and awful story, but nevertheless she has come through and she said she wants to work in some kind of child or youth care area as she leaves school because she wants to make a difference.

945 I was proud to have a chance to hear her share that story and I was proud about the fact that we can make a difference. The CYPP, sir, will make a difference. I hope Members will support it fully and I applaud Deputy Le Clerc.  
Thank you.

950 **The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Thank you, sir.

I welcome this updated plan and I applaud the authors of it.

955 I am sure my colleagues will recall I expressed real concerns in my speech when we were asked to agree to extending the Plan for three years, during our December 2013 debate; because at that time I felt there had been a lack of focus and a lack of urgency to update the Plan, as directed by the States' Resolution.

960 I have been looking forward to this Plan as, of course, have many of our fellow Islanders. I take great comfort from almost everything that is in this updated Plan. I am particularly impressed with the six key commitments on page 398, which Deputy Le Clerc has already read out. I would like to repeat number six, which reads as follows:

We will improve communication to make the Plan more relevant and resource it properly.

965 I resonate completely with all the commitments, but number six in particular is music to my ears because it does display a real commitment to improve the levels of communication both within and from the States to our fellow Islanders. Because the current Scrutiny Committee review into the implementation of the Children Law has revealed that some families are not at all clear about the services available to them, that they are in crisis. So a commitment to improving the levels of communication is most welcome indeed, because when a family is in crisis they need all the support they can get.

On that note, I also take great comfort from paragraph 6.19, which reads as follows:

The project also targets young parents and those who have had children removed, to seek to prevent future family breakdown and to reduce the number of children who come into care as a result of abuse and neglect.

970 And the paragraph below, paragraph 6.20, tells us of the costs associated. In that paragraph we are told that one child not taken into care represents a minimum saving of approximately £120,000 in court and professional costs. Deputy Hadley has already focused on the other costs, which are between £50,000 and £150,000 per year in care costs. For a child placed in care off-Island, that can cost as much as £285,000 per year.

975 There are considerable amounts of money to be saved. Of course, it is not only money that is the issue here, because we also have to bear in mind the stress and trauma for the children and families involved. Mediation, of course, plays a major part in saving money and saving unnecessary stress and trauma for children and their families.

980 So, sir, all in all, an extremely positive report! I would just like to read out what I consider to be one of the most positive statements in the whole report, which is on page 359. It reads as follows:

Ownership and accountability: There has to be clearly delegated authority that empowers the right decisions to be made by the right people at the right time. There has to be ownership at all levels – it is never somebody else's problem or responsibility.

I am sure we all resonate with that, sir.

985 In closing, I do have one question for Deputy Le Clerc, regarding the United Nations Convention on the Rights of the Child. As we all know, Guernsey and Alderney are not actually signed up to that Convention. We are told in Paragraph 9.4 that work is nearing completion to submit an application to sign up to the convention. So I would just like to ask Deputy Le Clerc is she able to tell us when that might actually happen, please, because I am hoping she is going to

say that things have moved on since the report has been published and that the application has been submitted?

Thank you, sir.

990

**The Bailiff:** Deputy Sherbourne.

**Deputy Sherbourne:** Thank you, sir.

995

Members, it has been a real privilege for me to be a member of the partnership board that has overseen the development of this report.

1000

There are defining moments, I think, in all our lives and, for me, this is actually one of them. We had a Children and Young People's Plan in existence, but then HSSD employed a very special person, Mrs Ruby Parry, who produced, as has been already mentioned, a diagnostic which actually highlighted the shortcomings of our community and its provision for a lot of people, especially our young people.

Eyes were opened. A lot of people, in professions like my own, have been aware of these issues for many, many years, but Mrs Parry actually analysed evidence, data and shocked us – *shocked us* – with the reality of our shortcomings.

1005

This is indeed an excellent Plan. It is a result of joint working of three States' departments, not just the political Members who have supported this all along, but the civil servants and the professional workers who have shared expertise and philosophical approaches towards the care and consideration that are due people that have great difficulties living their lives in Guernsey.

1010

So I repeat again, it has been a privilege to be part of that group. This has been a bit of a special, joined-up workload shared by States' departments. There has been no silo mentality at all. It has been people being honest, recognising the issues and, luckily, being led by true professionals with a vision to what could be in the future.

I think that, contrary to public belief that this is one of the worst States ever, if you look at the reports that have been produced over the last three years, history will show us to be one of the best States ever. (**A Member:** Hear, hear.) (*Laughter and interjections*)

1015

There have been mistakes along the way. There have been shortcomings, but in fact I believe this States has put down some true positive foundations for future work. I accept Deputy Hadley's comments about the lack of financial support, and that has been a big, big issue. But, actually, this particular Plan, yes it requires funding, but it actually embraces the whole concept of a culture change, of real joined-up thinking where professionals are now sharing data and information like never before.

1020

In the past, as a head teacher in this Island, one of the biggest problems for me was having that joined-up thinking from the support agencies that were helping troubled families and the children that were in my charge. That is changing; it is a remarkable change and I really welcome that.

1025

There has been a focus, I believe, in this States of addressing some of the inequality issues that are faced by this society. You will be debating Education's proposals very soon and the focus again is a constant message of equity of provision for everyone and that really is, for me, embedded in the Children and Young People's Plan.

1030

I commend it to you. Please support it and please ensure that funding does not hold back the implementation of some really wonderful initiatives. So thank you, out there all the professionals that are doing wonderful work day by day. You are valued and your opinions have been taken very seriously in the formation of this policy. It is really a joined up bit of thinking and planning.

1035

**The Bailiff:** Next, Alderney Representative Jean, then Deputy Soulsby. Both who have been waiting a while.

**Alderney Representative Jean:** Thank you, sir.

1040 It is clear that more work to include Alderney in the Children and Young People's Plan ... This was discussed in Alderney a week or so ago at the public meeting, where some 60 people turned out to hear about SLAWS and the Children and Young People's Plan.

Believe me, I would not complain, but there are gaps and holes where the Plan has not yet been adapted to fit in Alderney.

1045 The short time frame between the public meeting in Alderney, not much more than a week ago, gives very little time to get our views together; and as the States comes to the end of its tenure, Alderney seems, I feel, to be rushed into a last-minute dash to get to the finish line.

1050 Deputy Le Clerc did admit more needed to be done to include Alderney. Points were made regarding the lack of a social worker in Alderney, along with other observations. I am sure that Alderney will not be forgotten and I know that this is a good Plan. I ask for some indication that the work will continue to help Alderney to catch up and receive proper provision in the Children and Young People's Plan, lest we are forgotten in the rush, or included at the last minute.

1055 Although I have asked questions as regards Alderney – I may be out of order with this but it is on domestic abuse, as all of this seems to come together in a package and was discussed at the Island Hall – about whether in Alderney there is a safe house for victims of domestic abuse. These details, not including the address as I would not wish to know it, would be given on a basis of requirement to those who needed it.

I am very supportive of the Children and Young People's Plan – of course I am – but I would have desired more time for Alderney to get its views across. I just ask that you do not forget us and that we are included. We very much admire what is being done and we are very supportive. If you could include us more and perhaps give us more time to respond.

1060 Thank you.

**The Bailiff:** Deputy Soulsby.

1065 **Deputy Soulsby:** Sir, here we have it, yet another strategy, but one that has an integral part to play in the transformation of HSSD; because the Plan makes it clear it is just a part, although an incredibly important part, of a wider whole.

Key to this is providing a joined-up service to users – in this case, children and young people – rather than the current, labyrinthine structure of different services that they have to find their way through.

1070 Early intervention is another theme that runs through this Plan – again a key strand to the overall transformation of our health and social care services. We all know it makes sense. Deal with an issue before it blows up into something that will require more expensive and more complicated intervention.

1075 Of course, this is always a difficult approach to take and results can take years, rather than weeks or months. But that is where a difference will be made. We have seen how short-termism through annual targets in the FTP led to tactical savings, whereas what was really needed was a more strategic transformation. This is the nub of the problem.

1080 Will the next States, and the one after that, hold its nerve as the service goes through its change? It is not going to be a short journey, after all, and it will not be achievable without the support of other departments, because that is the point.

Transformation of health and social care services is part – a huge part – of the overall public service reform. This Plan makes that very clear. It will not be achievable without partnership and engagement, both within and outside the States. For instance, the Committee for Education, Sport and Culture will have a part to play.

1085 It was clear from the report that children wanted more support available in school. That makes perfect sense. We also have to remember that issues that children face can occur irrespective of their backgrounds. Loneliness, abuse, neglect, concerns over sexual and gender identity happen irrespective of where a child or young person lives, or what their parents or carers do. In fact, it can sometimes be harder for children in a very loving family to discuss their issues, for fear of

1090 causing upset, which in turn affects their mental wellbeing. That is why schools have a major part to play.

But we do know that, for some children, their life story can be written before they are born. They may be few in number but the amount of time and resources expended upon them and their families is disproportionate to the wider population, social workers, health workers, police and education services, to name just a few. That is what makes the Strengthening Families initiative so important. But we also need to stop the cycle and that is where the 1001 Days programme comes in.

1100 I attended the presentation on 1001 Days in January last year. It was absolutely fascinating. What made it compelling for me was the science behind it. How a child's brain development can be directly affected by various influences on it from conception to two-years-old.

1105 The groundwork for good citizenship occurs in the first 1001 days. A society which delivers this for its children creates a strong foundation for almost every aspect of its future. A society which fails to deliver it generates enormous problems for the future, in terms of social disruption, inequality, mental and physical health problems and cost. The programme seeks to break that cycle.

It all sounds great, but the States cannot do it itself and it cannot do it without funding. How do we do it without cutting services elsewhere or raising taxes, neither of which hold much appeal after five years of FTP.

1110 The use of social finance or ethical investing could really make a big difference here. Ethical investing actually does already exist here. Some Members, like me, may put money towards micro-finance initiatives like Kiva, that help entrepreneurs in the developing world, enabling them to set up business to support their families and others. Social finance is very similar but on a larger scale and directly benefiting the Guernsey community. Investors only get a return if the desired outcomes are met.

1115 Of course it means detailed planning to get parameters right, setting out responsibilities and putting reporting structures in place, but we are not reinventing the wheel here. Based on experiences elsewhere, this could be the right solution for what we are trying to achieve.

1120 So where are we now? As with SLAWS, HSSD has not been putting everything on hold to wait for strategy. As a member of the board of HSSD, Deputy Hadley, who is sadly not here to hear this, really should know that.

It was clear from the children's diagnostic in November 2014 that we could not afford to wait for this strategy to come here today. We really could not. It made stark reading and it made it clear we were failing our most vulnerable children.

1125 Work has already begun with a prototype MASH, Multi-Agency Support Hub. It is already making a difference, but we now need to take it to the next level. We need to bring in the Strengthening Families scheme and the 1001 Days programme as soon as we can. If we do not, the inter-generational transmission of disadvantage, inequality, dysfunction and child maltreatment will continue.

1130 Through partnership and engagement, this is an area we can make a difference. So, here we have it, the Children and Young People's Plan reflects a wide transformation through integrated services, early intervention, thinking differently in terms of funding and partnership and engagement. It all looks great on paper and we are seeing it look great in action, but we now need to raise our game and do so now.

1135 **The Bailiff:** Deputy De Lisle.

**Deputy De Lisle:** Yes, sir, I agree with Deputy Soulsby, in that both the Supported Living and Ageing Well Strategy and the Children and Young People's Plan are ongoing. Elements of these programmes are underway at the current time.

1140 I feel that it is just a pity though, given that fact that these programmes are under way, that a business case was not put forward with an idea of the budget requirements for the Children and



Young People's Plan, because that would have helped, so that we can see what in fact the community is in for in the future in terms of financing a programme of this nature.

1145 I support the Children and Young People's Plan as I supported the SLAWS strategy. Both, in fact, consider how the Islands must transform health and social care provision in response to really increasingly complex needs and rising public expenditure on long-term care and support services.

1150 But just as the Children and Young People's Plan sets the agenda for service transformation for children and young people, so the Supported Living and Ageing Well Strategy sets the direction for transformation of adult health and social care services. In fact, both are under-pinned by a focus on the reform of the current models of health and social care so they become more responsive to service user needs and deliver better outcomes for service users and are financially sustainable.

1155 I feel that both, in my book, are best funded through the Transformation Fund and I was somewhat concerned, as were others in this Assembly, with the 0.5% hike in Social Security monies in order to fund the SLAWS programme.

The problem was taking another £7 million out of the economy, essentially. That was £7 million less, really, for individuals to spend in the economy. Not only that, it makes us less competitive in terms of attracting industry to our shores.

1160 So, this being transformation, the other programme being transformation, I think we should seriously look at utilising the Transformation Fund to support these initiatives.

Thank you, sir.

**The Bailiff:** Deputy Brouard.

1165

**Deputy Brouard:** Thank you, sir.

I am really pleased with one aspect of this report. I just want to also touch on social finance.

1170 The Strengthening Families, I am really pleased with that. That was actually born from my days on SSD with Deputy Le Lièvre, where we could see the Troubled Families programme in the UK coming forward and we really thought there was an opportunity here for Guernsey to see where we could change families' lives, because there are some inter-generational issues that we have here. So I am really pleased that has been taken forward. I know it is only for 10 families, but what a lift for those 10 families and let's hope it is successful and we can look at helping some of the other families.

1175 One thing we have really got to break is that perception that reception class teachers and reception class teaching assistants can predict what is going to happen to little Johnny or little so-and-so as they come into the system. Isn't that a shame that we have got that now? We want to be able to get those children that the reception teacher does not know ... that the outcome will only be good from there. We have had children coming into reception who just are not the same as their peers and we need to stop that, and I very much welcome these aspects of the young persons' Plan.

1180 Also, from the point of view of Social Security – I go back to that from my days on there – we were picking up children, I called them, at the age of 16, who had been 11 years through education and it had not been a good time for them. We were then picking them up to try and motivate them then, quite late in life. We need to start much, much earlier. We need to give the support to families so we can bring these children through and let them all have the advantages that most of us in this Assembly have had.

1185 I just want to touch on social finance. I read the paper last night. I was looking for the meat in the bottom of it and what I came up with was it is a good idea, yes, but I am not wholly convinced. It is not philanthropy, it is not a gift, it is not a grant; it is hard-nosed borrowing, but with social outcomes. That money still has to be repaid. It is still on the books; it is still a cheque that general revenue will have to write out to pay for.

1190

**Deputy Luxon:** May I make a point of correction, sir?

1195 Deputy Brouard is right, partially. It can be that, but it can be many other things as well. This Assembly has not defined yet, because of course any social finance project will almost certainly come back to the States, I would imagine, and the details will be laid out then.

There is a multitude of social finance vehicles. They do not have to be as Deputy Brouard has just explained, but it *could* be that.

1200 Thank you, sir.

**Deputy Brouard:** I am just very nervous. I take Deputy Luxon's point, we have not defined what we are doing, but social finance, when you look at what social finance is and is used elsewhere, is something that is repaid back. If we borrow £1 million, usually that is paid back; because otherwise I call it things like 'gift'. It is a gift to the Government or a gift to the community or it is philanthropy.

**Deputy Luxon:** Sir, a point of correction. I apologise to Deputy Brouard, I am not doing this to break his rhythm, but this is on *Hansard* and people are listening.

1210 It does *not* have to be that. That is one aspect of it. It could be completely based on philanthropy, where there is no repayment at all. I am not suggested that is what we would wish or agree to, but it absolutely is not *just* as Deputy Brouard is describing.

It is really important we understand that, sir.

**Deputy Brouard:** I will say again, if it is a gift, then I call it a gift. If it is a garden spade, call it a garden spade. If it is a gift, that is fine. If it is philanthropy, it is fine. Social finance, from my research, tends to be that it is repaid. Although there is a social outcome, it is usually based on some sort of borrowing system, otherwise it is called a gift or it is some other ... So I am not going to keep going on any further, but that is the point I want to make.

1220 I like the idea and I can see that it can be good for our community. I am just a little bit nervous that we take on some extra borrowing in a different way, that it still needs to be paid, just as some of the PPIs in the UK have started off with great intentions but the cost to some communities of paying back some of these finance initiatives have been quite horrendous.

1225 Just a note of caution, but I am very pleased with the general thrust of the young persons' Plan. Thank you, sir.

**The Bailiff:** The Chief Minister.

**The Chief Minister:** Thank you, sir.

1230 First of all, I obviously *strongly* support this. It ticks so many boxes from my point of view, as I am sure many people understand from the previous speeches I have made with regard to the way in which we deliver our services, particularly to young people, but also more generally.

1235 I rise first of all, sir, though just to underline and underscore again that, whilst I accept that Deputy Brouard may have done some research on this, I would suggest that his research has been quite limited because the term 'social financing' is a very broad term and it can include far more than what he has just alluded to.

Say, for example, I first came across the concept of social return investment with a project at Peterborough Prison a number of years ago, which has demonstrated that it does not need to be that way and, even though I think Deputy Brouard is right in saying that in some instances you might have called what went on there a gift, the way in which it was structured and the contract with which it emerged was not as simple as just saying it was a gift.

1240 There is a sense in which social return investment can involve social responsibility, either in terms of financial giving, in the case of other examples I have seen: insurance companies who see a particular project as being a valid way of investment in order to reduce the need for them to have to pay out; for individuals with an ethical conscience, as has been mentioned already, who

1245 want to invest, want not just to give it but to have the KPI as an inducement to deliver with Government, working as a partner in that.

These are absolutely important things, because it helps the third sector to focus in a more professional way on how they might work together and partner with Government to produce the sorts of outcomes, and that is the focus: outcomes.

1250 I think that is what is the real change in this Children and Young People's Plan. The old plan was revolutionary and it started a number of wheels moving and changing the perspective for young people, particularly those most in need. That was good.

1255 But those of us in the Social Policy Group know that when we were first faced with the review of the Children and Young People's Plan, we were not at all happy to just tweak an old plan. We wanted to go back to basics and say, 'How can we build now in an effective way so that the outcomes for our young people are different, are better, are more secure than they have ever been before?'

1260 Now, there obviously are costs involved in this and there are some unknown costs involved in this and there is a lot of work still to be done on that, but I am confident that many of those can be found by innovative ways in which we can commission and partner with a number of different third sector and business groups and individuals in Guernsey, to produce the sorts of outcomes for the next generation that we want to see.

1265 I think with anything new, as Deputy Brouard and perhaps others have alluded to, there is a certain degree of nervousness about entering into different types of funding arrangements. We have not done it before and so there are risks that we have not properly experienced before.

1270 But, sir, I want Members to understand the alternative is not doing anything at all. We need to focus on the outcome and say, 'How can we achieve that in a different way, in a more productive way for the sake of our children and our children's children?' This certainly points in that direction and I know a lot of work has gone on, particularly in certain areas to ensure that that focus on improved outcomes is going to be deliverable.

I want to just pick up on a few of those and a few of us, not just myself, have particularly mentioned in the past where I think this new Plan will really make a difference.

1275 The first is in terms of lead professional. How many of us who have been aware of those families, perhaps with complex needs, where the number of different agencies involved in them is so confusing for them? Although you could do an account of how much resource and money and time and effort and skill is being put into that family, actually for them it is not producing the outcomes that should result. When you are talking about some of these complex needs, the social need of having trust and a relationship with the individuals delivering that is absolutely essential.

1280 It does not matter how much money you spend. If that is somehow broken up because you have got a plethora of different groups and different people coming and going and some of them changing from time to time, they are not going to deliver on that.

1285 Of course this is linked into the MASH group particularly, the Multi-Agency Service Hub – I do not like the term, particularly. I was privileged a few months ago to go around, visit all the different services in HSSD and Social Services linked into other departments and I saw the beginnings of this. This group is already functioning and doing this job. To have them think carefully about each individual child and what they might need and the person that is best placed to be that lead professional, to be that lead contact point, so there is trust with the family, trust with the children, that is absolutely an improvement upon what we were doing in the past. So I just want to highlight that and commend that as part of it.

1290 I think the Strengthening Families project, obviously, and the 1001 Days project, from my point of view, in terms of early intervention and assessment of the needs from the earliest point so that we are not in crisis management, reacting to problems that were already there, but we are anticipating some of those and helping to divert children to the right sort of resources that would help them and their carers and their parents as they begin to develop – the earliest possible ways of doing that will enable us as a community to produce better outcomes for them in the future.

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Sir, I cannot commend this enough. It is, of course, in a sense, only a start, but it is a good plan and it deserves our full support and I hope that the whole of this Assembly will give it that full support.

1300 **The Bailiff:** Deputy Rob Jones.

**Deputy Robert Jones:** Thank you, sir.

1305 The Scrutiny review on the implementation of the new Children Law has highlighted the need to keep a close eye on this key area of public policy and I hope that the new Scrutiny Management Committee continues the work that we have started and takes a close eye on the developments here.

Sir, the Marshall Report referred to the Plan. I know Kathleen Marshall, her report came out before the final Plan was released, but I do believe that she saw a draft version of the Plan and in her report she stated that:

It will greatly help to improve a move towards a more outcomes-based approach to service provision for children and families. It is widely recognised that this has been lacking up to this point. The plan will go some way towards better implementation of the States' duty to provide services for children, identified as in need.

1310 We will follow up on that statement and, next Wednesday, we will be questioning the HSSD and, of course, we will be questioning in a little bit more detail on how this Plan can improve outcomes for children. We will be keen to question on how the new Plan will also help joined up working, which has been mentioned a number of times this morning.

1315 From a Scrutiny perspective ... and, again, as I mentioned earlier, I hope the new SMC will continue with this work. Of course, we cannot bind that committee, but we can leave a legacy there to recommend that they do. One of the aspects that would catch my eye from a scrutiny perspective is the new governance structure and, in particular, the Children's Executive.

1320 Because of course when I read the Plan, it looks to me as if we are removing power and duties away from the political board to a more officer-led group with much greater autonomy, which I guess is fine in principle, but what we do need to have in place, I guess – and it may be the work of the new Scrutiny Committee – is an organisation that will scrutinise the activities of that particular body. If I recall ... I do not know what page it is on, but it does suggest that there will only be one political lead on that, so it is important that we look at ways of ensuring that their work is scrutinised.

1325 I think the paper does, at 7.15, suggest that the Island's Child Protection Committee takes more of a scrutiny role. However, I think the Scrutiny review did highlight, and I think it was also recognised by HSSD, that the ICPC was not functioning well and was not actually holding professionals and agencies to account. I believe that there is work in place within both HSSD and the Chair, I hope, of the ICPC, and that they are looking at ways to improve not only the way they function but improving the ways in which they do scrutinise.

1330 So it may be that that committee has a role to play in that. But of course, again, for that committee to function, not only in its day-to-day role, but to have a scrutiny role, it is going to need resources.

1335 But, sir, I welcome the report and many aspects of what has been talked about today were highlighted in the evidence that we received during our review of the Children's Law and I hope that scrutiny remains at the forefront and the work that we have started is continued well into the next term.

Thank you.

1340 **The Bailiff:** Deputy Gillson.

**Deputy Gillson:** Thank you, sir.

Like everybody, I am totally supportive of the report and all the hard work in it. I should thank Deputy Luxon for his thanks to me but point out I do not deserve any. The Home Department

1345 representative was Deputy Wilkie, so he is the person who has put all our work and effort into that.

The one area which I will talk about is my concerns on Social Impact Bonds, because the whole issue is now getting a bit cloudier than it first was. Why I say that is that I accept what has been said that there are a whole myriad of structures and forms of Social Impact Bonds, but I attended  
1350 a presentation at Beau Séjour in relation to a particular type and the first project, the first test model of it.

That Social Impact Bond was clearly being designed as a form of borrowing, in that the funds were coming from outside the States to provide funding for a specific project, or service. Those would have KPIs against them and targets. If those targets are achieved, the loan would be repaid.  
1355 If the targets were not achieved, the loan would not be repaid. So the risk stands fairly with the people, the philanthropists and that is great. So far, so good; there is no problem with that, it is fine.

The concern I have is when we get to the stage where a project has achieved the targets. You have got to be careful as to where that money comes from, because if that money comes from savings within the department's budget, then great; it has worked and it has done its job. If the repayment of those monies comes from budget reserve or because the department says, 'We have made savings but they are not cashable, so it has to come from T&R or budget reserve', that is basically just borrowing.  
1360

Now, there may be logic for borrowing for specific projects, but that needs to be done openly and on balance sheets, not through off-balance sheet borrowing. So the key to any Social Impact Bond is that the place and the source of any return of funding have to be clearly identified as being from within departmental budgets. That, I think, is really important.  
1365

With that proviso, I am cautious about them, but I can see that there is potential to use them. And, with that proviso, I obviously support everything in this report.  
1370

**The Bailiff:** Deputy Green.

**Deputy Green:** Sir, yes, very briefly.

Firstly, just in relation to the Propositions, I totally support this Plan. It is difficult not to and I will be, no doubt, supporting the Propositions. It is more of an observation really, in terms of Proposition 3 and Proposition 6. The direction in Proposition 3 to the Policy & Resources Committee, I will not read out the whole lot but it ends with, '... as soon as possible with its findings'. And Proposition 6 refers to, '... directing Health and Social Care to report back to the States and the results of those investigations mentioned in Proposition 5 in due course.'  
1375

I just wondered why there was not a more definite timetable for coming back with that, bearing in mind that certainly some of these issues are important issues. They are urgent issues and I am just looking for some comfort on that.  
1380

Like others, I think this Plan is a great start; a really good document. As Deputy Le Clerc mentioned in opening, the plan on the page, for me, was very useful. Why spend 1,000 words trying to sum something up when actually you can explain it on one page? That was very useful for me.  
1385

There were some particular issues which came out in the Plan itself, which perhaps deserve ventilation here in terms of some of the particular difficulties that children and young people in Guernsey and Alderney face, because of the nature of the island life itself. Issues that, perhaps, would not be necessarily an issue for children and young people in larger jurisdictions, because of the nature of our Island and the nature of our Bailiwick being so different and, in some cases, much more complex.  
1390

Those are listed at pages 16 and page 17 of the Plan. They include: higher education opportunities are more difficult to access; the very high cost of housing means it is difficult to enter into the property market and live independently; facilities are difficult to access; anonymity for vulnerable people. And the next point is a combination of the high rents in the private sector  
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and low incomes, and then the specific thing that I wanted to mention, sir, and this is something that was mentioned in Deputy Le Clerc's opening, was:

Consultation tells us that low income families are further disadvantaged by the costs of visiting their GP and of dental care and this contributes to relative poverty for some families.

1400 I think that issue of inequality of health care is one that impacts particularly on children and young people, and I hope that HSSD will have regard to that in the next States, because that is a key issue and, clearly, it is a particular burden on families and on children and young people.

With regard, just very briefly, to some of the comments made earlier about social finance options – Oh, I give way to Deputy Luxon.

1405 **Deputy Luxon:** Thank you, Deputy Green.

The Assembly will not have to wait until the next States, because the issue that you mentioned in terms of disincentives for people and young people and disadvantaged people accessing primary care is something that is on our agenda right now, as we speak.

It is a fundamental part of the transformation programme.

1410 **Deputy Green:** Thank you very much. That is a very helpful intervention.

Yes, just in terms of social finance and Social Impact Bonds and that kind of thing, I think it is important to remember that this is all about outcomes and you have to be clear between means and ends; and actually I think social finance is an entirely proper, appropriate means of delivering better outcomes in terms of social policy. We do not need to get too hung up on the means of delivery, if it does actually secure better outcomes in the future. In straitened financial times, like we are in, we do have to think differently.

1415 So I do not think we should have such hang ups about looking at things differently, in terms of practical mechanisms, if they actually provide the better outcomes. The focus should be on the outcomes more than, necessarily, on the means of delivery.

1420 But, that said, this represents a very good start and I will be supporting these Propositions, but I would be grateful if Deputy Le Clerc could just give me some comfort on the timescales.

1425 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, sir. Like the Alderney Representatives, I attended the quite well-attended presentation, proportionately very well-attended presentation that Deputy Le Clerc and Deputy Le Tocq presented to the people in Alderney. And, indeed, they are quite concerned that they do not have a resident midwife; although I can understand perhaps the professional reasons why HSSD are not able to allocate that as a priority at the moment. Also, social work provision, because Alderney suffers from a degree of isolation.

Indeed, I think when you look at the overall picture here, it is good work, but I would like to raise a number of concerns, some of which have not been put fully.

1435 The Propositions ... which is always important, obviously wish to deliver resource requirements, but they also want an overseeing and co-ordination investigation into the use of pooled budgets and alternative sources of social finance.

1440 The models of social finance that we have heard from Deputy Hadley, Deputy Luxon, Deputy Brouard and Deputy Le Tocq and others are not fantastically understandable to all of us, despite some presentations we have had, and the report does not go into much detail on that subject. Nor, really, does it go into much detail on pooled budgets for us non-accountants and how that work. There is a veiled reference to UK national and local government, and how that might work in procuring services from quangos or third sector organisations. Here it mentions that as everything comes from general revenue, or most things do, it is different and I think we need to know more about that.

1445 We also have to look at the structure. Deputy Rob Jones has pointed out the issue of a  
Children's Executive. I am not particularly worried about that aspect of this, because I think the  
one politician who has the role on it – I do not quite know who the independent Chair will be; that  
might worry me; will it be a public servant, will it be a retired public servant, will it be somebody in  
1450 business? – but the politician who sat on it would be answerable, presumably, to Questions in this  
Assembly at Question Time and will have a strict degree of accountability – perhaps stronger than  
any Member at the moment.

Nevertheless, I do not fully understand what the political champion side means. I was the  
second and my colleague, Deputy Wilkie, has been the third Disability Champion. I think we have  
all approached the role in very different ways. I think that the role is undefined. It has lacked  
1455 resources beyond what we ourselves in the Disability Alliance have helped us with and, unlike  
some lobbyists who would perhaps like the position to be seen as some kind of Mr or Ms Action  
Man or Minister, we are not.

But the way this is phrased, it is not entirely clear whether the person would be a Champion  
within the Chamber or outside the Chamber, or whether the person would be a policy shaper and  
1460 maker not just, as we all are as parliamentarians, of actually sitting on a key committee or being a  
member of Policy & Resources. Indeed, as has been observed by several people, bearing in mind  
we have stuck at five members from that body, those five people will be astonishingly busy, the  
way things appear to be lining up.

The report itself is excellent. I am not sure I would have chosen the Russian dolls as a motif –  
1465 too much Tinker, Tailor, Soldier, Spy about that and the feeling that there are secrets hidden  
behind the door – but I thought it was useful at one of the presentations to hear what the children  
and young people said. We will possibly hear more in the forum.

Listen to this. We have heard from Deputy Laurie Queripel ...:

Teachers must do something to stop pupils saying 'It's so gay', like they do with swearing.

Now that is looking at the language people use.

1470 People praise their social worker:

I would like school to do an assembly and explain to people why I am different.

A 14-year-old boy with Asperger's.

The hardest time is when you have to leave the home. A week after I was 16, I got put into a flat and I didn't even  
know how to cook for myself.

Well, a bit like me, really! (*Laughter*)

The point is, though, we are poor on transformations, we have been weak on extra care and we  
perhaps have not understood for the transgender issues ... But another common theme young  
1475 people raise is not feeling understood and not having enough leisure facilities and activities; and  
we perhaps have not listened to that. What we have been listening to more are the views of the  
older generation and the views of older generation's bodies and the political transformation  
programme, and so on.

I agree with much of what Deputy Hadley says. It is a very idealistic document that attempts to  
1480 give everybody what they need, what they want, what they require for participation, equality  
outcomes. I am not too sure how it fits in with our current fiscal policy, but that is perhaps a way  
in which it underlines the fact we need more support from the third sector.

We still have not got exact clarity in terms of how the third sector will work with us. It is clearly  
going to be beyond the old modular grants and it would be surely a contractual service in looking  
1485 at performance levels, KPIs and indicators that will be completed with outcomes measurable to  
both. That is a model that we have not completed. Indeed, how we measure success is a theme  
tackled in this.

I will also comment, Deputy Gillson has already spoken, that the Home Department is clearly concerned about, as it says here:

The Department supports the principle of pooled budgets, but it is important delivery partners such as HSS and Education appreciate it has a significant shortfall which will require cuts to certain services.

1490 Now, whether that means pooled budgets, robs Peter to pay Paul, or whether it means one department goes short in order to achieve an outcome that you can measure across departmental level, I am not sure and we do need to focus on that.

I think perhaps Treasury & Resources have picked up on those points as well – about the need to invest significant funds in the transformation of public services.

1495 I generally support the report. I think it is a vast improvement on its predecessor. I think it has more of a vision, more of a philosophy and is more focussed on the social model of inclusion and participation.

1500 But I still think it has not quite got there in terms of deliverable actions in the short time frame and the financial and human resources necessary to do that task, and that perhaps will be the next stage.

It may have suffered from being a pioneer plan, before we have even got to the Policy & Resources level of Government.

**The Bailiff:** Deputy Brehaut.

1505 **Deputy Brehaut:** Thank you very much, sir.  
In 1639, John Clarke wrote:

Great men, large hopeful promises may utter,  
but words did never fish or parsnips butter.

1510 We used to hear that a lot, a great deal from former Deputy Roffey, who did say that a great deal, that, 'Fine words butter no parsnips'. That is what we have to be careful of with this, because what is there in this document not to like? *What is there in this document not to like?* Absolutely nothing!

There is a truth within this document, there is a clear direction, there is a sincerity, there is a plan. That is what it is. How we deliver it and whether we will secure funding over the long-term delivery to deliver it is the thing that concerns me.

1515 As I get to my feet, I think we need to thank perhaps others who really were responsible for putting the foundation to this Plan down; whether it was Deputy Dorey as Minister, Deputy Andrew Le Lièvre as a board Member, whether it was Deputy Arrun Wilkie, Deputy Brouard, Deputy Inglis who all took part in the beginning of what became the Children and Young People's Plan.

1520 Now, Ann-Marie Carrie was a consultant employed through T&R essentially for HSSD to deliver, as acknowledged by Deputy Le Clerc at the presentation, really what was the foundation for this report. What Ann-Marie Carrie or the consultant at that time said was that Guernsey still struggles to reach its indigenous population. She said when she went through and pulled out the files of the families that were in our care, it was the Mahys, the Brehauts, the Brouards, the Le Patourels, the Lafarges; it was the indigenous Guernsey families that we still struggled to reach these people, at some cost in both senses of the word or many senses of the word ... at cost, we still struggle to reach these people.

1530 Now, when we have had rating reports in this Assembly in the past, twice I have tried to amend it, once I have succeeded; because when we look at the children who we refer to in the Children and Young People's Plan, the young woman or the young person who leaves school with no qualifications, they probably left school early, they are not in a great relationship with a parent, if there is parental support, and when they go to get assistance from the state, the state actually limits the assistance they get in some cases as a spur, as an incentive for them to find work – to



1535 find work with no qualifications, sofa-surfing, facing great difficulties. It should not be such a surprise to us, then, that a young woman just may seek the company of an older man for a bit more financial independence. It should be no surprise then that that young person, within a year or two, just may be pregnant.

1540 So when we talk about really acknowledging and reaching these people, acknowledging the issues that they have, we must really look at everything that comes before us in a more thorough way, because we can debate plans till the cows are in and counted, but sometimes we really do not appreciate how they dovetail together. We should, at times, respectfully, be more aware than that.

1545 Just as a for instance, when Deputy Bebb yesterday asked a Question of the Home Department with regard to domestic abuse funding – and we know, as has been said, the real victims of domestic abuse are the smallest people – the response came back from the Home Department Minister, ‘I cannot give Deputy Bebb the clarification he is looking for.’

1550 Wouldn’t a great answer have been, ‘The Home Department, through its mandate, is acutely aware of the issues that the community faces with regard to domestic abuse. We will go out of our way to find the funding for this domestic abuse strategy and embrace the sentiment of this Assembly that was endorsed by the States at the time’? Rather than blandly, ‘My department cannot give the clarification that Deputy Bebb is seeking’.

1555 I have been to one presentation on the 11-plus and the issue comes to the fore each and every time. Very few children from social housing – and now there are two definitions with that of course; there is States’ housing and the GHA ... virtually no children from social housing ever pass the 11-plus and I am still, when I go to these presentations, hearing within the room this is what social mobility is all about. The hand of fate intervenes, plucks the child from the lifestyle they are in, deposits them into this education process and the rest is history. I am sure that happened in the 1960’s and 1970’s, and there is one advocate, who lives in La Charroterie, you know, he got his bar exam aged 21, he has been hugely successful. It works for some people, but that process, I am afraid, came to an end some time ago.

1560 In fairness to the Housing Authority, the definition of people who require States’ accommodation, the criteria have changed and we call them ‘people in real social need’. So we must accept that that need is simply greater than that of housing.

1565 Again, at the public meeting the other evening, with regard to education, a figure was given, I think, of 45% of people from social housing that do not actually sit the 11-plus. There was a view in the room that these people select themselves out because they see the process is unfair and they do not want their child to go through it.

1570 I see a different picture than that. I see families with not a magazine in the room, without a book, without a paper, who pay for their electricity on £8 swipe cards when they have got £8. Education has a role to play in the delivery of the Children and Young People’s Plan. We all have a role to play and part of that might be ditching the 11-plus at some stage.

1575 I was reading on the front of the *Press* today – and I remain sceptical – that the Health and Social Services Department has spent about £4.5m on agency staff. I remember the days when you had to resign for episodes like that, but you do not seem to these days. It is a very graphic example of the costs of agency staff when you do not have your own and you do not train your own.

Of course, we are going to have to train our own. We are going to have to pay to get the people that we want to deliver this Plan, whether they are social workers or whatever they are and recruitment and retention come at a real cost.

1580 My concern is the narrative that is out there in the community, along the lines of BDO have done some research into this, we have clearly identified savings, we can make those savings and help you deliver plans such as this.

I do not entirely buy into that, because although health spending has plateaued, it is only ultimately going in one direction. So we would be kidding ourselves that implementing a plan like

1585 this will not, at a later stage, come out of necessity I have to say – and I stress out of necessity; it has a cost.

Bearing in mind the debate we had yesterday on SLAWS and the role of the carers, where Guernsey suffers greatly ... I have friends in the UK who foster children and it is so much easier for them because their mortgage is so low that both of them do not have to work full time and they are able to foster children and they offer their home. So few families on Guernsey can do that. I am very proud of my sister – he says, I have been caught out there – for fostering three children some time ago. I sat on the Fostering and Adoption Panel when I was on HSSD, but when my family member had those three children within her care, you become acutely aware of the issues that these children face early in their lives. That they make dens in their own house to avoid their parents, they hide from their parents. They do not want to be found by their parents. They are frightened to ask for food, that their clothes do not get washed.

1595 It is happening today; it is happening now. We need to reach these children and, again, if we are keen and we want to do that, we cannot buy in constantly to this little white lie that, if we can make the savings, if we can deliver in other areas, *if* we get public/private finance, if we get whatever the term was Deputy Hadley used, we can deliver. I hope we can. I hope the third sector can deliver, but I am suspicious and curious about it.

1600 The States have not got a good record on this. If we look at what we will be debating later, which is St John Ambulance and Rescue, every time we have tried to do things at arm's length, generally, it has proved to be expensive for us when we are not careful.

1605 Also, with regard to the third sector ... and I speak now as a recipient to charity when I was a young boy, when my father retired and my mum was looking after him. There was no family income. We were refused Parish Assistance. We were the recipients of Guernsey Welfare and the Rotary Club and, I have said in this Assembly before, there are some days when there is nothing quite as cold as charity.

1610 The state has an obligation to provide. You may all feel a bit more comfortable that some third party, some organisation is pushing a parcel under a door somewhere, or putting a parcel in the doorway somewhere, or is reaching the children and that makes you perhaps feel a little bit better. But, personally, I would rather, every time, the state provides and does it in an honest way rather than farming aspects of charity out in that way.

1615 We can all get dewy eyed when we read that powerful testament in the document that Deputy Gollop read from and, when I was hearing what some of those young people said at the presentation on behalf of others, you do have to pause and reflect.

1620 But, if you are going to do anything, Members, do it through your voting record in this Assembly, because there are times when there is clear overlap between policies that can deliver what is embodied in the report that Deputy Le Clerc has in front of us. So let's take the opportunity and not be afraid to identify those issues when we see them every time.

1625 In closing, sir, I have a great concern that we know that, I think, 20 Members of this Assembly are saying – if they can be believed! – that they are not standing for re-election. We know that the election process itself will kick a few of us in the bottom and people who would rather return to this Assembly may not. And we know if we look at what some of the high profile candidates who want to return or want to come into the Assembly are saying, it is that the States must curb their spending.

1630 The narrative out there is that we are a profligate States and I do worry that the report we have in front of us today, with a drastic, significant change in the line-up and membership, then reports like this, if we are not careful, ultimately are nothing but dust and we have to be careful about that.

1635 I endorse the report thoroughly. I am probably more supportive than I sound. I came to this Assembly some 12 years ago. My manifesto at that time touched on issues of housing, touched on issues that I have referred to in my speech, and in those 12 years, I feel we are just getting somewhere now and I think if we were to let that go, then that would be an absolute tragedy.

Thank you.

**The Bailiff:** Deputy Wilkie.

**Deputy Wilkie:** Thank you, sir.

1640 There has been some comment that this Government has not and does not listen to the public. This new Children and Young People's Plan, I believe, has listened. It has listened to the parents and children alike.

1645 It has gone to great lengths to speak to those members of our society who do not normally have a voice in this type of consultation. Sir, I have been proud to work with Deputies Le Clerc and Sherbourne on the collaborative partnership board, bringing together Home, Education and HSSD. It has not always been easy, involving meetings that test this policy letter robustly, behind closed doors, with politicians, civil servants and the third sector all in the same room. But it has paid dividends in creating a plan that will improve outcomes for our community.

1650 Sir, I am probably one of the few in this Assembly who have attended a Multi-Agency Support Hub meeting, otherwise known as MASH, and I have to say I was very impressed with how it worked and the results it achieved.

The parents I attended with were similarly impressed, as they could see the amount of resources being directed to address their child's needs. It still requires development and is by no means perfect, but it is a huge leap forward for Guernsey families.

1655 The MASH is up and running now. It has not been left as an action point waiting for the approval of the Plan or a further report, but it is in place now, improving outcomes for families and children.

It has always been the intention during the process of developing the Plan that any essential work identified that could be progressed would be progressed before the Plan is finalised.

1660 Another example, sir, is one that you are involved in. It is about giving Guernsey's children a voice in our community and you, sir, have given permission for the Royal Court to be used on 29th February for a Youth States' Day. Fifty young people from schools and youth clubs that have been selected by the Youth Forum ... which you, sir, will be presiding and the Greffier will also be present to make the day as real as possible. I, for one, am looking forward to sitting in the viewing Gallery.

1665 I would like to reassure Deputy Laurie Queripel that the voices in the consultation have been listened to and a new website called [www.signpost.gg](http://www.signpost.gg) launched this month, gives parents of disabled children the information on the services they can access and much more. This is another need identified which has not waited for the rubber-stamping of the Plan.

1670 I disagree with Deputy Hadley's negative stance. There are many work streams that have already started. Yes, further business cases will be coming in the future for funding, but they will have to be adjudged on their individual merits.

1675 If we waited for every business case to be finalised and funding identified, then this Plan simply would not be before us today. I do, however, agree with Deputy Jones that there needs to be a mechanism for scrutinising the progress and performance of States' plans or strategies as a whole.

Sir, this is a much-improved Children and Young People's Plan that I have enjoyed working on immensely. I fully support it and I ask all Members to fully support this policy letter.

Thank you, sir.

1680 **The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Thank you, Mr Bailiff.

1685 I am pleased to fully support this Plan as well. I am pleased to see the outcome and I think made a commitment – as Deputy Queripel referred to – when the existing, previous plan was extended, that we would come back with a new plan. I am pleased to see this Plan has come back during this term.

Deputy Brehaut spoke earlier and one person he did not refer to was, of course, himself and the work that he did, from initially chairing that cross-departmental group which was working on this Plan while we were at HSSD.

1690 I think very early in that project we realised the problems both with the services and also the staff that we faced, and I am pleased to see this report in front of us. I would just like to highlight four areas which I think indicate the very considerable work that is there to be done.

1695 The first one is on page 408, which is about achieving individual and economic potential. Education, of course, is so important in enabling people to achieve their full potential and, also enabling children to achieve their independence and financial security in adult life.

1700 The problems that we face, not only in our secondary schools but our primary schools, are highlighted by the perhaps rather crude measure of children who are eligible for uniform allowance, where the gaps at Key Stage 2 between children who are not and who are getting the uniform allowance, is reading 24%, writing 36% and maths 32%. When that is compared with the UK with free school meal data – children who are able to get free school meals – the gap is only 13%, 16% and 13% respectively. That indicates the extent of the problem that we have with children coming from a poorer background achieving their full potential.

1705 It is highlighted also, obviously, in the secondary sector where it says that only 23% of learners who are eligible for uniform allowance achieve five grade A-C GCSEs, against 63% of those who are not eligible for uniform allowance. So it really shows up that there is a big project ahead to improve those children's educational attainment. I will not go into children in care, which is also a massive problem.

1710 The other point I would like to make is on bullying. Bullying is such a poison for children and does so much damage to them. The worrying factor is where it says that the 2014 outcome was that 28% of children surveyed said they had been bullied in the last 12 months. That is just so disappointing, and what is even more worrying is that the target is an increase in that, which is good in some ways because they want children to have improved confidence to speak out, but the fact that the problem is greater than that just indicates the amount of work that needs to be done to improve that situation.

1715 In the speech bubble on page 395, the bottom of the page says:

'Youth Justice is very good because they don't treat you like a criminal, they treat you like a kid. They help to create a base of trust so that you can talk to them.'

1720 From all I have seen, I have been remarkably impressed with what Youth Justice has done and I wonder if the KPI should have been looking at children referred to Youth Justice, rather than the Children's Convenor, which I think is the first point that they are referred to if they get involved in any activity in relation to crime. I thought that might be the better KPI.

1725 Finally, on sexual health, I am disappointed that the new strategy has been delayed. I know that we have done a considerable amount of work on it, but I understand the massive workload that HSSD has had. But I think there was a point made by Deputy Hadley about contraception. As I understand, not all types of contraception are available free, but condoms are available free of charge for children. I think it is important that message is out there. Other forms are not and I think that was going to be part of the strategy, to make other forms available, which will hopefully help to reduce our under-18 conception rates.

With those points, I fully support the strategy.

Thank you.

1730 **The Bailiff:** Yes, Deputy St Pier.

1735 **Deputy St Pier:** Sir, briefly, just to draw attention to the Treasury's comments, some of which have been referred to. I think, perhaps initially, to respond to Deputy Brehaut's comments because he quite clearly and quite well described some of the problems, many of which he has seen persisting without much resolution in the period in which he has been involved in politics.

Sir, I think this Plan is different because, as the Chief Minister and others have said, the focus very much on outcomes is absolutely critical and I think the clear identification of planned outcomes and how to measure the achievement of those is significant.

1740 Clearly, there will be resource implications from this Plan and, again, that has been mentioned  
by Deputy Brehaut and others; and that of course is where the Treasury & Resources' comment  
draws attention to the fact that it is going to be vital that the outcomes are an important focus  
and act as guiding principles in the work to develop the proposals for the transformation of  
1745 health and social care services. If the States are to be asked to invest significant sums in the  
transformation of public services, it must be in the knowledge that transformation will deliver  
those improved outcomes.

So, sir, in this case, of course, we may be talking about, for example, early intervention with a  
view to therefore spending less in crisis. That, of course, then brings us back to the need to how  
we bridge that in terms of the cost and the funding, and hence the need to look at, perhaps,  
1750 social finance models. So I think this is a very different piece to that which has gone before and  
stands a very good chance of being able to deliver the improvement in outcomes which the Plan  
very clearly sets out.

I would, however, just be grateful if perhaps Deputy Le Clerc, in her summing up, could  
address one issue of concern to me, which is in relation to the governance in section 7. The policy  
1755 letter talks about the establishment of a Children's Executive and its likely composition. One of the  
bullet points there is the lead officers of each of the priority outcomes of the Plan and I would be  
grateful if perhaps Deputy Le Clerc could just perhaps provide a little more detail on who those  
individuals may be in terms of their roles, at least, and how that connects with the priority  
outcomes, because that is not immediately obvious to me.

1760 The other omission that strikes me as odd and regretful if it is just an omission, given the  
length of the report, is that there is no apparent role for either the convenor or the tribunal in that  
Children's Executive; and that strikes me as an odd omission given the experience and role which  
the Convenor and tribunal plays in so many families' lives that are going to be touched by the  
implementation of the Plan.

1765 So I would be grateful if perhaps Deputy Le Clerc could address that in her summing up, sir.

**The Bailiff:** It is now very nearly 12.30 p.m. I propose that we rise and resume at 2.30 p.m.

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

**Children and Young People's Plan –  
Debate continued –  
Propositions carried**

**The Bailiff:** Well, Members, we resume the debate on the Children and Young People's Plan  
2016 to 2022.

1770 Does anyone else wish to speak before ...? Deputy Adam.

**Deputy Adam:** Thank you, sir.

I fully accept that this is an excellent Report, well written and well thought out. However, I do  
have one or two concerns.

1775 As Members of the Assembly may remember, Deputy Hadley mentioned earlier on in the  
debate that the case load for the social workers was almost double ... expected. What I would like  
to know is: has there been an increase in the recruitment of social workers? I notice some of these  
aims and ambitions are ... For example, the 1,000-day one – I feel it is necessary to be able to  
recruit social workers who are going to stay here for at least that length of time.

1780 In other words, are they going to try and ensure that they will have at least five years, if not 10-year licenses, so we can get continuation of management which is what you require, because it has not been all that present on occasions within the social work team?

The other thing is financing. The original Children's Plan actually cost £615,000 and it was basically used for residential accommodation for 16- to 18-year-olds as the Law had changed and they were now included as children and also for the services of flexible outreach services as well; and that basically used up that money, unfortunately, and there was not sufficient inter-departmental co-operation of progressing other aspects of it.

1790 On this occasion, I feel this Report has benefitted since there has been senior people from each Department in relation to civil servants on the discussion group and formulation group, plus senior politicians as well. I am sure that will help to engage all Departments across this board to ensure this does go forward.

1795 Likewise, there is pooled budgeting and a source of social finances in these Departments, thus it should, shall we say, ease the priorities of these Departments to ensure there are funds available to advance and co-operate with the schemes and ideas that have been put forward in this Children and Young People's Plan.

1800 Lastly, at the present time there is computer software that has children's information data on it. Now, it is old, decrepit and past its sell-by date, and I would like to ask Deputy Le Clerc if the renewal of that has been prioritised and brought forward as soon as possible, because it will be an enabling aspect in relation to your MASH and your family situation plus your 1,001, by keeping information and inter-collating families who are under the care of both the Health Care Services and Education, and Home Department.

Thank you, sir.

**The Bailiff:** Deputy Kuttelwascher.

1805 **Deputy Kuttelwascher:** Thank you, sir. Just a few words.

1810 When Deputy Sherbourne stood up and mentioned Mrs Ruby Parry it brought back to mind a meeting we had at T&R – and I do not think this is in any way confidential – when she did come along with some other members of the Department to discuss this children and young persons' Plan.

1815 I had one, very little, input into it. I did ask that, if there was one particular project she would prioritise above all others considering limited funds ... guess what she said: MASH! So I said, 'Beautiful!' My view is that with limited funds if it is something you can get on with, then do it. And what surprised me, having heard what I have heard, is it has happened. Not only that, it has happened before we have even talked about this Report and that is what it is all about.

So in a way, I feel it kind of – I dare not use this word, but it kind of – lends a lie to the negativity of Deputy Hadley who seems to think you have to get all the money for everything before you can start. Well, you do not.

1820 In that respect, I was thoroughly pleased because it not only proves that something can be done, but because we are also told it has basically been over-subscribed and it is having a problem dealing with the demand, that proves it was a priority, doesn't it? Because if it was not, nothing would have happened; we would have had empty premises.

1825 So I am doubly pleased about that and I am sure there are other areas which can be progressed within current budgets, just to get the thing moving and you do not have to wait until you get the whole strategy in place or anything else, you can get on with these work streams as and when you can.

In that respect, I am very pleased and I will be supporting this Report.

Thank you.

1830 **The Bailiff:** Anyone else? No. Deputy Le Clerc will reply to the debate.

**Deputy Le Clerc:** Thank you, sir.

I think there is a saying, quit while you are ahead, so I will try and be brief in my summing up.

1835 I would just like to thank everybody that has given us the support for this Plan. It is very, very important and I think it probably was remiss of me not to acknowledge all the work that has gone on with the previous board of HSSD and in particular Deputy Brehaut, the previous Chair. I was very fortunate in picking up the work that was already fairly well advanced when I commenced on the board. So thank you for that.

1840 I will just go through, really, where I have had some questions. Deputy Laurie Queripel talked about families that experience some difficulties. I think that is down to the Safeguarding Service. I know that there are some recommendations in the Marshall Report. Also within the Marshall Report – picking up what Alderney Representative Jean has said – there is some extra work to be done on Alderney as well. So I have got a meeting next week with Ruby Parry to speak with Scrutiny and we will be picking up those things. So thank you for that.

1845 I think the other thing was about the signpost website which has been mentioned. That has been a really, really useful tool in helping people find the assistance that they need and I think Deputy Lester Queripel also mentioned that, but that is just work in progress and we are developing that. Deputy Hadley, I am not sure whether he was supportive or not. He is not here at the moment, but there we are. *(Laughter)* You never know with Deputy Hadley! *(Laughter)*

1850 The Social Impact Bond – I know several of you mentioned your concerns about social finance and, for me, I think the best way forward on this ... I did mention that the Community Foundation had actually produced a report on that and if you have had a chance to read that, it is very, very informative.

1855 But what I would suggest is that I think we need to do more work and perhaps working with them, we need to do a presentation to all the Deputies so that we can better understand the different models of social finance that are available because I think it is a really useful tool in our box, not just for the Children and Young People's Plan but for other social initiatives that we will want to introduce going forward.

1860 Because I know from this Plan, from SLAWS, from SWBIC, that they all come without proper funding – and I know that has been a criticism as Deputy De Lisle said about a business plan. So these sorts of initiatives are really important, so I think that is something we can take forward.

1865 Deputy Lester Queripel: I think that the question on the human rights of the child, the lunchtime break enabled me to contact somebody in the Department because I did not have the answer. We are treating that as high priority and we are committed to signing up as soon as possible, but I have not actually got a specific date and I am sorry about that. That will be something again we have agreed that we will keep reporting back to the Assembly and I am sure that will be one of the items that we will be bringing back to the Assembly when we have more information.

1870 I think Alderney Representative Jean ... I was in Alderney last week – a very useful meeting. The great thing about Alderney is when you go people turn up. The public actually turn up to the meetings which is absolutely fantastic. It does go a bit off topic, *(Laughter)* but there were a couple of particular questions that arose there and I did bring that back and I know HSSD are actually following up with that. I do not have an answer on the domestic safe house and again, I will follow up with that for you.

1875 Deputy De Lisle, I think I have covered it with the business case. We did not want to come with a shopping list because all the other reports that have come with a shopping list have actually failed or there has been a big debate about the money. This is much more than just about the money. We have said already that we are making progress and we will look at the social finance and also putting a transformation bid because this is actually about transformation.

1880 Deputy Brouard: strengthening families – I know this is something that is very, very close to his heart and I am pleased that he is pleased that we are including that in the work stream. As I say, I have covered the social finances with that.

1885 Deputy Rob Jones: the governance structure, the children's executive – that was also picked up by Deputy St Pier and Deputy Green. Just to say that I have got it here about the Children's Executive. It is something that we have said in the Report that we need to review and we have put it as a work stream for HSSD and Policy & Resources to look at.

1890 With regard to the officers, on the current board there have been the chief officers and I expect that they will remain as part of that. The lead officers for each four priority outcomes, we have actually been very fortunate that within the group we have had experience within the Department. For example, the Assistant Director of Medical Public Health has been leading on the Healthy and Active Strategy, so I expect that is what will continue.

The independent Chair, I am not sure. I have asked myself whether that will be a salaried position or whether it will be a voluntary position. Again, I do not really know and that is a work stream that we will have to work on and bring back to this Assembly.

1895 Let me just see. Deputy Dorey, I think you picked up on the bullying. I was at the Women's Commonwealth Conference here over the weekend and actually that came out of our conference – that we really need to be looking at cyber bullying; that is a real issue. So, again, I hope that that will be a work stream perhaps developed through the Commonwealth Conference or as part of this work.

1900 I will give way –

**Deputy St Pier:** Thank you, Deputy Le Clerc, for giving way.

1905 I realise that she had moved on from the matter of the Children's Executive and I just wanted to perhaps push her on the question of whether she envisaged whether there may or not be a role or whether she would at least be open to exploring whether there might be a role for the Convener in that executive. That was one of my questions.

**Deputy Le Clerc:** Sorry, sir.

1910 Yes, there was nothing specific here, now whether that is an oversight, I cannot say, but I think there probably would be a role for the Convener on the Children's Executive. I do not believe there would be a conflict of interest on that, but again that is something that hopefully the review ... part of our review that we will actually pick up on that. I think, again, that was picked up by Deputy Dorey.

1915 Deputy Gillson, you have said about the Social Impact Bonds and I think I have picked up on that. Deputy Green, you were concerned about timescales and I think it came up about pooled budgets. Well, actually that is why this is really, really important that we work together and the pooled budgets, again, is something that will need to be reviewed.

1920 Because of the timescales involved in bringing this report, because of the changes in the structure of the various Departments, we do not know how the Departments will be working together, so I think that was one of the difficulties that we had in understanding how those pooled budgets would work. But we did meet with the Treasurer and we are hoping that we will be able to progress that work. We said the key to this is transformation and working together, and that needs to be part of it.

1925 Deputy Gollop, again you picked up on pooled budgets. This is a new concept; I think this is the first time that it has probably been mentioned in a report. As I say, it is a little bit of the unknown and that is why again we do need to work on it.

Going back to Deputy Green, you were talking about Proposition 6 and it says:

'To direct the Committee for Health and Social Care to report back to the States of Deliberation on the results of those investigations in due course.'

1930 I think that was the investigations in the recommendations that were being made and again that is something that we have said. This is a living document; it needs to continually be reviewed and assessed.



As we have said, a lot of this is dependent on outcomes and we cannot wait until the end of six years and say, 'Oh well, it did not really work.' For this to work, to keep the finance going, to keep the social finance going, we have to make sure that we are on track. So that is my understanding of what that recommendation is.

1935 I think with foster families, Deputy Brehaut is very passionate about foster families. Again, key to this is ensuring that we improve our offering on-Island for foster carers. That is where my background is. They do a really, really important job. We know how expensive off-Island placements are, those are our young people, we need to bring them back to the Island and we need to invest in those foster families. They really are key to this transformation.

1940 Now, I have dropped all of my notes on the floor, so if you will excuse me. (*Interjection and Laughter*) I did not hear what he said. (*Interjections*) Okay.

I did have some notes for Deputy Adam and I have lost my notes here. Yes, the increase in social workers, Deputy Adam, I believe we have got an increase in social workers but last time I asked about this I believe we have five vacancies, so that is the trouble we have got – that actually  
1945 it is difficult for us to recruit social workers.

However, part of the success of the MASH has been reprioritising some of the cases in the workload that we have got, so although we have got some vacancies, what we have actually done is reprioritised so actually the number of children to social worker is much better and much improved. So yes, we have got some way to go on that. And the software for the Children's  
1950 Services is in need of TLC, love and care and we know that it is essential, it is a priority and it is being looked at; because, again, the key to the social finance is understanding what the outcomes are and you can only understand what the outcomes are if you have got improved data and so we need to do that as soon as possible.

I thank you again for all your support and I ask you to approve all the recommendations.

1955 Thank you.

**The Bailiff:** Members, the Propositions are to be found on pages 428 and 429; that is the last two pages of Volume I of Billet III. There are a total of six Propositions; I put all six to you together. Those in favour; those against.

*Members voted Pour.*

1960 **The Bailiff:** I declare them carried.

## SOCIAL SECURITY DEPARTMENT

### **XV. Proposed development of a secondary pension system for Guernsey and Alderney – Propositions carried as amended**

*Article XV:*

*The States are asked to decide:*

*Whether, after consideration of the Policy Letter dated 30th November, 2015, of the Social Security Department, they are of the opinion:-*

*1. To approve in principle the introduction of automatic enrolment into private pension saving and the development of a Secondary Pension scheme based on the principles outlined in paragraph 161 of that Policy Letter.*

*2. To direct the Committee for Employment and Social Security to report back to the States of Deliberation no later than 31st December 2017 with detailed proposals for the implementation of automatic enrolment into private pension saving and a Secondary Pension scheme.*

3. *To direct the Committee for Employment and Social Security, in reporting back to the States, to provide an economic impact assessment of the proposals.*

**The Senior Deputy Greffier:** Article XV, Social Security Department – Proposed development of a secondary pension system for Guernsey and Alderney.

**The Bailiff:** The Minister of the Department, Deputy Langlois will open the debate.

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**Deputy Langlois:** Thank you, sir.

Sir, one of the outcomes of the Personal Tax, Pensions and Benefits Review and debate in March last year was that the Social Security in consultation with T&R should report back to the Assembly with policies aimed at ensuring adequate personal or workplace pension provision for Guernsey and Alderney.

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Well, of course a lot of investigative work was already in place before that recommendation was made because it was important that we knew we were heading in the right direction. Important tax data shows that only about 40% of the working age population in the Islands already contribute to a personal or occupational pension scheme. This means that approximately 25,000 residents of working age are not making any pension savings to supplement their state old age pension in the form of a pension structure.

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So if they are not saving in other ways there is a risk that many will end up relying on taxpayers to finance their retirement. The proposed development of a secondary pension scheme is one more piece in the jigsaw aimed at changing approaches to providing for retirement in the Bailiwick. It must eventually be a lifetime approach; the demographic challenge demands this of us. Social Insurance contributions alone will not generate enough income for there to be a first pillar pension scheme to rely on for all living costs in retirement.

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I am talking about our basic old age pension. This has never been the case in terms of that aiming to provide a complete income for retirement and it certainly will not be the case in the future, as there will be proportionally more retired people and fewer of the work force to support them and to contribute to the buffer fund which feeds those pensions.

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Sir, it is my firm belief that anything the States can do to encourage prudent saving habits and consequently to reduce dependence on tax funded welfare benefits in later life, must be a good thing. A significant number of people of course already undertake some level of saving through private and employer pension schemes. We do not want to destabilise that in any way and that is one reason why the new scheme would not be compulsory. Anyone with an approved saving provision through an existing employer scheme will be able to stay within that scheme if they wish.

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It is also recognised that a person's short-term financial situation changes as the pattern of life unfolds, from bringing up a family, buying a house and so on. And those changes often take place, in my experience, more rapidly than it is possible to foresee even a short time ahead. In other words, your financial situation changes quite rapidly as particular family circumstances change. That is why it is very important that the model of an auto-enrolment and re-enrolment pattern encourages people to regularly review their situation if they have previously opted out of the scheme.

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So, sir, what the Report recommends is that every two years if you are outside of the scheme you will be enrolled into it and it will be a positive decision ... it is not a positive decision; it will be an unfortunate decision if you opt out yet again, but it will actually involve an action on your part and, at the very least, every couple of years people will get a reminder, a nudge to look at their long-term saving needs because they need to from time to time as Members of different ages will appreciate around the Assembly.

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My board is very grateful to T&R for their support and, in particular, for their recommendation within their comment for what still needs to be taken into account by the new Committee for Employment and Social Security during the design and implementation phase. Their comments

2010 provide clear direction for moving on through that next level of detail and we welcome that. It is hoped that in the long run the scheme would reduce the number of people who fall on state support in old age, but also encourages people to be responsible for their own retirement well-being to a greater extent than is the case at present.

2015 I am very grateful for the interest that States' Members have shown during the consultation after publication of the Billet and the conversations we have had. There is clear indication and I have been able to sense an overall level of support that this must be explored further. And, sir, there is much detailed work to be done and that must take place with full support from States' Members. It is only with that attitude that the right partnership will be able to be formed with the private sector. If the private sector believes that the States are only partly interested, it will be very difficult to form the right sort of partnership to move it forward.

2020 An example of this, is if for example today somebody were to propose an amendment such as adding to the end of Proposition 2, 'Such report to include consideration of the possibility of temporary exemptions for business start-ups,' then I could predict that my board would very much support that, because this adds one more level of detail of the work that is still to be done.  
2025 *(Laughter)*

I am sure that Members have many questions of detail as to how exactly the secondary pension scheme will work. I have still got those questions because this is phase one in a construction and design pattern. I will respond to questions to the extent that I can today, but the detailed thinking and design belong to the work that will be progressed by the Committee for Employment and Social Security in conjunction with appropriate partners.

2030 This is a very significant project, sir, and there will be much work to do. Let's at least provide a sound starting point for that work by approving these outlined proposals today.

In light of this, please support all of the proposals.

2035 **The Bailiff:** Low and behold, I think we might have an amendment! *(Laughter)* Do you wish to lay one, Deputy Soulsby?

**Deputy Soulsby:** Amazingly, the crystal ball of Deputy Langlois ... yes, I do, sir, and I would like the Deputy Greffier to read it out please.

*The Senior Deputy Greffier read the amendment.*

2040 **Deputy Langlois:** What a coincidence!

**The Bailiff:** Deputy Soulsby.

*Amendment:*

*To add at the end of Proposition 2;*

*'Such report to include consideration of the possibility of temporary exemptions for business start-ups.'*

**Deputy Soulsby:** I will not speak for very long.

2045 I thank Deputy Langlois for being supportive of this amendment. It is very simple and straightforward. I am not saying, yes, we should give temporary exemptions for business start-ups, but I do think it is something that should be considered in the round as part of the whole further work required on a report which I otherwise totally support.

Thank you.

2050 **The Bailiff:** Deputy Luxon, do you formally second the amendment?

**Deputy Luxon:** I do, sir, and I do not reserve my right to speak later. Thank you.

**The Bailiff:** Deputy Langlois, do you wish to say anything about the amendment at this stage in the debate?

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**Deputy Langlois:** Sir, of course, having just heard it, I would like to take some time thinking about it. *(Laughter)* I will include it in the summing up, yes?

**The Bailiff:** Is there any debate on the amendment? Deputy Brehaut.

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**Deputy Brehaut:** Thank you, sir.

I do not know quite what we all understand by 'start-up' because sometimes within the digital sector, within office-based enterprises and initiatives and limited companies, these fall readily into start-ups and that is what I understand to be more or less a start-up.

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If you are a self-employed electrician plumber or builder and you are not limited and you take on a bit more work and you think, 'I may employ a second person,' are you regarded as a start-up in the same way? I just wanted to clarify exactly what we mean by 'start-up'. Is it anyone who is self-employed from the very off and seeks to employ someone or have that dispensation?

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**The Bailiff:** Any further debate? Deputy Stewart.

**Deputy Stewart:** Yes, Mr Bailiff, just to follow on from the comments from Deputy Brehaut, I would hope this would include all start-ups, whether you are self-employed ... and I think the amendment, and why I will be supporting it, is sufficiently wide. And it does give me the opportunity to make the point that although we have the new digital greenhouse and Start-up Guernsey have moved there, publicly and to this Assembly, Start-up Guernsey is not just about digital or creative start-ups. It is about ... The start-up I went in to see, for example, in the Town the other day, was the very welcome return of a butcher. That is a start-up. He started that shop up. It is whether you are a plumber, whether you are a tradesman and, in voting for this amendment, I would hope that it encompasses all start-up businesses that obviously we are endeavouring now, as the States of Guernsey, as an Assembly, to support any new enterprises to help diversification of our economy.

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**The Bailiff:** Deputy De Lisle.

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**Deputy De Lisle:** Sir, I would also hope that it would include small businesses with one or two employees who might find great difficulty in actually resorting to this particular requirement. It is not just start-ups but it is also small businesses that might need that –

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**The Bailiff:** Well, that is not in the amendment. Are you speaking in general debate now, Deputy De Lisle? *(Laughter)*

**Deputy De Lisle:** No, I was not. I thought there was some wish to clarify what start-ups were all about and I am just saying that perhaps we could continue the line a little, sir.

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**The Bailiff:** Well, I think that would require an amendment to the amendment. Deputy Le Tocq.

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**Deputy Le Tocq:** Sir, I was just going to say that if Deputy De Lisle feels like that then of course he could have laid an amendment. But I think a start-up is quite clear – no, I am not encouraging an amendment – and, as Deputy Stewart just said, it is more than just perhaps digital and perhaps what the focus has been particularly of late and in a very good way ... but I think this is worthy of consideration and of course part of it will be, I guess, when the report comes back to

2105 consider whether that should be included, exactly what the definition would be around that, to make sure it is about those who are just starting out in business and what they look like.

**The Bailiff:** Deputy Lester Queripel.

2110 **Deputy Lester Queripel:** Sir, I just rise to seek clarification on the word 'temporary'. *(Laughter)* Is it until a business either becomes successful or goes out of business? So I would like some clarification on that please, sir.

Thank you.

2115 **The Bailiff:** I see no one else rising. Deputy Soulsby will reply to the debate on the amendment.

**Deputy Soulsby:** Phew! First, I agree with ... Thank you very much, the Minister for Commerce & Employment, for taking the opportunity to plus Guernsey businesses again and that is just what I would expect.

2120 In terms of 'start-up', it is starting up in trade, running a business, it is irrespective of whether you start up a limited company by guarantee or partnership or micro business, self-employed. It is about starting in a trade and the idea of the amendment is to give people the minimum of burden at the very start when it is a very sensitive time for a business start-up and it could be the difference between being able to make a go and become fairly self-sustaining and not, and I think we need to encourage and support businesses as much as possible.

2125 In terms of temporary, well, it is not permanent I think is what I would say. 'Temporary', that is the whole point of wanting whoever is looking at this and taking it forward to the next stage, to determine the appropriate time period and that is why I am not setting anything in stone here.

I think I have dealt with every other point. That is it.

2130 Thank you, sir.

**The Bailiff:** We vote then on the amendment proposed by Deputy Soulsby, seconded by Deputy Luxon. Those in favour; those against.

*Members voted Pour.*

2135 **The Bailiff:** I declare it carried and we can now move on to General Debate. Deputy Perrot.

2140 **Deputy Perrot:** My original interest in secondary pensions really stemmed, I think, from the fact that I have bought myself a pension and I realise that when this pension matures when I am 65 that actually there is nothing you can do with matured insurance funds under the new rules, because if you buy an annuity these days, the annuity is worth absolutely nothing at all; it is completely useless! *(Laughter)*

2145 I am not here to give any legal advice. If I were giving legal advice I would be saying, 'Do not buy one of these things, you will regret it in the end.' I did not, because I found a way around it. *(Laughter)*

2145 But the thought occurred to me that if I had money out of an insurance policy which I could not put into an annuity, wouldn't it be terrific if there were some sort of state scheme available, because I knew that the States' investments taken over a long period, were very good investments indeed.

2150 I mean they have not been brilliant over the last couple of years, but then of course over the last couple of years, we have seen the FTSE go down to five and a half thousand – at least, that was in the last 12 months – you have got to take a rather longer view about. So for people who are prepared to take a longer view, it did seem to me to be appropriate that the States of

Guernsey could act as some sort of facilitator, it could somehow allow people who cashed in their pension funds to invest along with the States.

2155 As a consequence of that and having worked on the PTBR, I realised that there was a work stream in place sponsored by the Social Security Department and I was very pleased when I was invited to be on the working party relating to secondary pensions. I was on that, I don't know, for about 12 to 15 months but eventually I had to leave, and the reason why I felt that I had to leave was that I did not approve, personally, of the way in which the research was going which was directed towards putting yet more burden on employers.

2160 I do not mind too much about large employers. I do mind enormously about small employers. And being just a 'Joe soap' on that working party and therefore being unable to write a minority report if I had been a Social Security member of that working party, I thought that it was only appropriate that I should stand down from that working party and let the Chairman of the working party, who is the Minister, know the reasons for my leaving. I meant no discourtesy to the working party but, for me, it is a matter of principle.

2165 I still think it is wrong that we are going down the road of putting a very heavy burden on the employer yet again. Indeed, we are putting a very heavy burden actually on the employee as well, because not only are we proposing here in this policy letter in 11 years' time to add 3.5% by way of contributions in respect of an employer, but an eye watering 6.5% in respect of employees.

2170 Now, that may be fine for people who have the wherewithal to put substantial funds into a secondary pension scheme and certainly I think a secondary pension scheme, it is important that we have such a thing. As I say, I think it is important that the States should act as a facilitator, not as a sort of predatory body yet again taking money out of the hands of both employers and employees. I mean it is quite clear from the work that we did on the PTBR – if that is the right acronym – that we do not have the sort of money to give people enhanced pensions as we would obviously like to do – old age pensions; therefore people have got to be much more responsible for themselves. And I do not think that in people being responsible for themselves that necessarily translates to putting an additional burden on employers to be equally responsible. After all, why should they?

2175 It is up to us to save for our old age pensions. I do not think it right to put another 3.5% on employers. It really could hurt the smaller businesses. I am talking about those who are left in a growing business, the small painter or decorator who might have a few employees; it is not right that he or she should be put in the position of worrying about the profits of that business.

2180 Now, the Social Security Department in its report blithely explains away what might happen to all those people who will otherwise have to make payments. So if you have an employee who does not opt out having auto-enrolled ... what we see under paragraph 114 is this:

'Employers that would face increased costs from the introduction of automatic enrolment into private pension saving may respond to any increased labour costs in a number of ways:

Some employers would simply defer or reduce future pay awards to offset the increased pension costs.

Some employers may pass on their increased labour costs to consumers.

Some employers may reduce their profits.'

2185 Well, I am blowed, and so on. You try saying that! You try saying to ... if you are in a small business and you have a few employees, your employees do not opt out of auto-enrolment so you say to your couple of employees, 'Sorry, but because you have done that, what I am going to do now is reduce your wages.' Now, that would make for a fun relationship, wouldn't it, when one is negotiating wages for next year and the year after, and I do not think that employers ought to be put into that position. Or if they are, then there ought to be a distinction between employers of one size and employers of another size.

2190 So I do not stop at Deputy Soulsby's amendment; I think it ought to go very much further than simply start-up businesses. If we are going to do that, there ought to be a distinction between smaller businesses and larger businesses. After all, larger businesses, in any event, very often have their own occupational pension schemes. It would be a comparative rarity for the small businesses

2200 – those who have just one, two or three employees – to have their own occupational pension scheme. So I think that this is unfair in relation to employers.

The justification for all of this appears on page 850 where we see the paragraph in the middle of the page – this relates to the ‘consultative’ document which says this:

‘The majority of respondents (52%) felt that employers should pay towards the secondary pensions of their employees.’

2205 Well, who were the majority of people consulted? It was not employers at all, it was employees and what do you expect employees to say when asked the question, ‘Well, should your boss pay into your pension scheme?’ Well of course the answer is going to be ‘yes’.

2210 Ideally, I think that there ought to be some sort of variable defined contribution scheme so that again the States of Guernsey would act as a facilitator in collection, because that is what it does in respect of Social Security contributions and ETI, and one would use the benefit of that facility in order to collect contributions towards secondary pensions, but that maybe a step too far at the moment.

I pondered very deeply about how to approach this, because I certainly did not wish to be standing up and opposing the concept of a secondary pension scheme. I think that would be irresponsible on my part.

2215 I have also noted that the actual wording of the Resolution is to accept in principle – I cannot find the page now – (**A Member:** Page 867.) yes, page 867 – we are to approve, in principle, the introduction of automatic enrolment into private pension savings and the development of the secondary pension scheme based on the principles outlined in paragraph 161.

2220 Now, if that does mean that we are irrevocably committed to having these contributions from employers as well as employees, then I am going to have to put in an amendment to somehow change that. I prefer not to do that because I would prefer that Social Security, or whatever the new committee is going to be called, has the freedom to come back simply having had an overarching approval in principle to the idea of the secondary scheme and then come back, having borne in mind whatever may be said by me and by others during the course of this debate.

2225 So I would hope that before we get into the position of summing up on this that we could hear from somebody on behalf of Social Security as to whether there is that freedom of movement, whether one could come in with a set of possible permutations of type of scheme, or whether there is this irrevocability, in which case, I will have to either oppose it or bring in some sort of substantial amendment, changing it.

2230 So just before I sit down, I am conscious that most people do not bother to read stuff which Treasury writes by way of comment on all of these policy letters, so if I could direct your attention to page 866, we see that in the second paragraph down on that page, Treasury have said:

‘However, the Department is concerned that an employer contribution rate rising to 3.5% may have an effect on the viability/competitiveness of businesses and this could consequentially adversely impact on the wider economy. Undoubtedly, this will be considered by the Committee for Employment and Social Security as it carries out an economic impact assessment as part of the development of detailed proposals if the principle of a Secondary Pension Scheme is approved.’

Having used that wording –  
I will give way.

2235 **The Bailiff:** Deputy Langlois is asking you to give way, I think.

2240 **Deputy Langlois:** Sir, in view of what has been said, I think it would be sensible ... Deputy Perrot has requested some clarification of the freedom of what I would call the design team later on. I think it is sensible to point out at this stage that if we set that design team underway with the private sector involved with an impossible task, then we are all wasting our time today and possibly, potentially years ahead.

If the combined might of the public sector and the private sector in terms of thinking through the detail of how and how quickly and so on, employer contributions are or are not included, then we are going to be very much tied down during that operation.

2245 Therefore, in Deputy Perrot's words, sir, are we committing irrevocably today to employer contributions of the nature which are outlined as guidelines? The answer to that is a clear no.

**Deputy Perrot:** Well, let us be joyful! *(Laughter)*

2250 I am glad that my relatively free interpretation of the words contained in that first proposal will allow Social Security flexibility when it does come back. But if I could just finish off reading out that, I think this is the part I was reading out:

'Undoubtedly, this will be considered by the Committee for Employment and Social Security as it carries out an economic impact assessment as part of the development of detailed proposals if the principle of a Secondary Pension Scheme is approved.'

It was there that I read that there would actually be some degree of flexibility if we at Treasury and Resources get that right. And the final part of the comment is:

'The Treasury and Resources Department will continue to consider the most appropriate approach to encouraging private pension provision through tax incentives and the introduction of greater flexibility in accessing benefits in retirement.'

2255 So I do hope that a measured view is given when our technicians get down to doing this and that they are not constantly looking back and saying, 'We have got to observe that table of 6.3% from one and 3.5% from the other.' Certainly, as far as the general principle is concerned of a secondary pension scheme, I do wish it God speed because we need to get the money from somewhere.

2260 **The Bailiff:** Deputy Stewart.

**Deputy Stewart:** Mr Bailiff, I too am struggling with this, very much along the same lines as Deputy Perrot.

2265 For one, obviously a secondary pension scheme is eminently sensible and what we all know in this Assembly, but I do not think is most widely accepted in the public, what we know here but a lot of the public I do not think realise at some levels, is that our current States' pension was never intended to be a full pension, it was always intended to be a top up.

2270 And of course, we do want people to save for their retirement; we do not want people to end up at the end of their life not having sufficient funds to support themselves. But I am really struggling for the very same reasons that Deputy Perrot struggles.

2275 I mean we have just had the SLAWS debate and there we have said ... and the Proposition was for a rise in the Social Security of ½% minimum, so it could possibly be more. And then of course, the Social Security Department ... the other year it was rejected but they will be coming back to look for a top up for our regular pension scheme and that could be ½% or 1%, and now we are saying another 3.5%.

What really bothers me there is Guernsey's competitiveness and what effect and what impact ... and I know we are going to do an impact assessment on the economy. So I think, reluctantly, where I am I will let them go away and do the piece of work, but as a matter of record, if it comes back at these sorts of levels and burdens on employers, I will start to struggle with it.

2280 And I think that is where the piece of work, working very, very closely with the private sector around this and understanding ... because realistically taking the figures in those tables, 10%, out of the economy is no doubt going to have a massive economic impact on our economy – if you are taking 10% out.

2285 I know it is for all the right reasons but I think when the practitioners come back with some more detail around this, because obviously it is sensible to make sure that people are well catered



for in their retirement, but I just wonder whether the speed of change, whether we as an economy would be able to manage that, whether employers would manage it and of course, a lot of the detail around ... as small and medium enterprises, we actually do not have that many large companies in Guernsey.

2290 If you look at our fiduciary industry that employs two and a half thousand people or so people, these are all very small businesses in effect. So you could end up with so many exemptions that will it actually end up as an ineffective scheme? So I say this really as a matter of record and to raise those concerns now, so that when they go away I think these are some very, very important questions that the next Assembly, when this is brought back, are really going to have to consider  
2295 because I do, although I absolutely think secondary pensions is a sensible initiative, I think paying for it in some ways and the speed of this change, could be very, very uncomfortable economically for us.

**The Bailiff:** Alderney Representative Jean.

2300

**Alderney Representative Jean:** I would first of all like to thank Deputy Perrot for what I regard as a remarkable speech and why we need him in this Assembly, he certainly makes a difference, that kind of clarity.

2305 Around this legislation, I agree it makes a great deal of sense and I also agree with Deputy Perrot, we would like to have a scheme like this. It is clear that a second pension scheme provision should somehow be encouraged; clearly our younger generation will bear the bulk of this burden along with the employers.

2310 We know in Alderney that some of the larger firms and bigger businesses do encourage a secondary pension scheme and they do have one. My concern is, for the small employer in Alderney who is very vulnerable. Their workers could say, 'Yes, we want a secondary pension,' and find themselves in a situation with their employer not being able to afford to do that share of it. These are very real concerns.

2315 We are the generation of fathers and grandfathers, mothers and grandmothers and, as we load the burden on to our children and our employees, I merely make the point our two economies conjoined for so long in fiscal union; although I want to vote for this because as I see it, with rising costs in Guernsey and Alderney, the Guernsey old age pension will simply be inadequate and people must find a way to save and provide for themselves, and it is good that the States tries to steer them in a direction where they are better provided for without making further provision for our young ones.

2320 I am concerned there are so many items being rushed through at the end of term session so to speak of this States, that in the rush we lose our way. It is clear the generations behind us, younger than us, will have to pay much more than we ever did, paying for state and private provision in order that they will have enough money to get by. Around 25,000 people will be encouraged into paying for a second pension.

2325 No one can doubt that this is a wise thing to do. But I ask: how much more should we ask our young ones to pay and how much longer do we ask them to extend their working lives? They already will have to work longer. In any society, are we asking too much? I realise many already pay, as I have said, into secondary pensions; 60% do not pay into a secondary pension scheme.

2330 I look upon this secondary pension legislation as a way of assisting those people without provision. I also recognise there may be many amongst the 60% who will be grateful for the work involved and the aims to include them.

2335 The working guide shows us that there are opt-out clauses. Some already have satisfactory provision and they remain as they are – that is quite clear. I want to agree with this legislation and I am grateful for all the involvement in the work to get this to the Guernsey States, but the answer for me lies in the flexibility of the opt-in and opt-out; and, my goodness, it has got to be well and carefully crafted. If it is not, then businesses here in Guernsey will suffer and so too will employees.

2340 I think it has to be more along the lines of trying to get a few more into the net, if you can, and letting it go at that. I could not agree more with the speech that Deputy Perrot gave and I am so grateful to him for the way that he clearly expounded his views and showed us a very interesting involvement and why I value so much, so many of his speeches. Thank you so much. I am really grateful to you and I agree with every word that you said and thank you.

Thank you, sir.

**The Bailiff:** Deputy Luxon:

2345 **Deputy Luxon:** Thank you, Mr Bailiff.

Sir, I am sure all Members in this Assembly will empathise with Deputy Perrot's paltry annuity that he is now relying on, (*Laughter*) but I believe it is true that the Bar recently did an audit and, having worked out Deputy Perrot's billing hours over his legal career, he is 288 so I am sure –

2350 **Deputy Perrot:** Sir, the old jokes used to be quite funny! (*Laughter*) I have not given any indication of the size of how paltry my pension was and I do not think that is a matter for public debate and I would be very grateful if the Minister, with the greatest respect, would shut up about it! (*Laughter*)

2355 **Deputy Luxon:** I will be delighted to retract that, sir.

Sir, Deputy Perrot's and Deputy Stewart's comments, although clearly are very well thought out, worry me. It worries me because I think this policy letter is yet another very important milestone step for this States' Assembly and for the people of Guernsey. (**A Member:** Hear, hear.)

2360 I recognise actually each and every one of the points that Deputies Stewart and Perrot made, but frankly, it is the very small employer with the very few employees who absolutely need this secondary pension provision.

2365 It is absolutely those people who may well be affected by the on-cost, because those small employers and those small employers' customers ... of that small employer absolutely would not want to imagine that the two or three workers that they have to provide services for them – whether in horticulture, as Deputy Perrot used as an example – would not want to think of those people at the age of 70, being, relatively speaking, destitute. And that is the reality as we move forward over the next 50 years.

2370 So I do recognise the impact on economic wellbeing, and Treasury & Resources and the Policy Council within the policy letter do refer to the risk of impact of the introduction of this. We have no choice; the current States' pension will become even less and less of value and insufficient to be able to look after people in their old age as we move forward. We have no choice other than to be a forward thinking jurisdiction and introduce this compulsory auto-enrolment secondary pension scheme and system. I think it is balanced. I applaud the Social Security Department and their technicians. Sir, I have spoken to a variety of industry representative groups and I have to tell you that the majority of them – I cannot think of any that were negative – have applauded not so much a good piece of work, but the absolutely essential need for this scheme.

2380 So, sir, recognising those real genuine concerns of the previous speakers, please let's not do what we can sometimes do, which is that a wonderful idea that is before us, and we snatch an element of defeat from the jaws of victory by putting on the skids of taking longer to bring forward than would absolutely be the case if we worried less about the maybe impacts and put at the front of our mind the absolute need of the elder people, as they reach retirement age over the next 50 years, the need for them to have this kind of self-sustaining financial support in their old age.

2385 I support the policy letter and the proposals very much.

Thank you, sir.

**The Bailiff:** Deputy Domaille.

**Deputy Domaille:** Thank you, sir.

2390 Actually Deputy Luxon has said much of what I was going to say. I can definitely say I accept the comments about Deputy Perrot's annuity, but I do agree with that.

I would just like to make a few more points around that, which are that, firstly, in response to Deputy Stewart, there are a significant number of employers and employees who already run secondary pension schemes.

2395 I mean, for instance, all public sector employees are in an automatic enrolment scheme that is compulsory and some private sector employers' non-contributory schemes, perhaps they are contributory, but all of those are already running these schemes. And the beauty of this scheme is that it actually ties the very people that Deputy Luxon has said – the people that actually will be most in need in years to come. I just wanted to emphasise that.

2400 The second thing I would say is that someone has to pay; it has got to come from somewhere. It either has to come from tax, it is going to come from a scheme like this or whatever. It has got to come from somewhere.

For me, I think the comments on page 866 of the States' Report sort of encompass it, which is – it is about the second paragraph from the bottom:

'A lack of adequate pension provision poses a long-term financial risk to individuals, households and to public finances, particularly given the increasing 'ageing' of the islands' populations. Based on evidence from other jurisdictions, the introduction of a secondary pension scheme will significantly mitigate this risk, providing a greater level of financial independence for local households in retirement and reducing the potential welfare cost necessary to support those without sufficient savings.'

2405 So why wouldn't we support this proposal?  
Thank you, sir.

**The Bailiff:** Deputy Fallaize.

2410 **Deputy Fallaize:** Thank you, sir.

I am very much in favour of this policy letter and I think it is well constructed, well explained and I commend the Social Security Department for bringing it to the States.

2415 For me, this is summed up in paragraph three which provides some data about the problem which the proposals are trying to address. It states that, 'The data suggests that over 25,000 residents of working age in Guernsey and Alderney are not currently making any private pension provision for themselves to add to any state pension benefits that they will receive under contributory States' pension arrangements, the old age pension.'

2420 Now, if the principle is to be accepted – and I think it was Deputy Stewart who said it – that the conventional States' old age pension was not designed and is unlikely ever to provide for, all of the income that a person needs in retirement, then there are currently 25,000 residents of working age who are making inadequate provision for their old age. That is an enormous risk. It is a risk to the individual but it is a risk to public finances. Because if it is not addressed through an insurance type scheme, ultimately it will have to be addressed by general revenue, through general taxation and the very same people will be required to pay as would pay under this scheme inevitably. The only difference is they would have to pay *more* because the money would not have been put  
2425 aside and earning investment income and running in the way that a pension runs, and the burden on public finances and consequently the burden on the people of Guernsey would be too great to sustain. So I think this is a timely and essential set of proposals.

2430 As far as the point that Deputy Perrot made about the burden on the employer, well, I accept the principle that there is a compact between the employer and the employee which involves remuneration in the form of wages for labour supplied, but also includes the employer and the employee putting something aside for the employees' old age when they are no longer working. That is a conventional compact; it has existed in society since the creation of old age pensions and it seems to me that it is the basis upon which the secondary pension scheme should be set up.

2435 If it is not done on that basis, for the reason that the Social Security Department explained very well in this policy letter, there will continue to be inadequate provision. So there is no easy or painless choice. As Deputy Domaille has said, somebody has got to pay.

2440 One final point: I was interested in Deputy Perrot's comments about the answers to one of the questions in the questionnaire, 'They would say that, wouldn't they!' I wonder whether that will be his view when we come to a debate on education in March, but the answer to –

**Deputy Perrot:** Watch this space. *(Laughter)*

2445 **Deputy Fallaize:** I do, with interest. The answer was ... That was a second point of order that Deputy Perrot raised in this debate!

2450 The question which I thought provoked the most interesting response in this questionnaire was question 5. How much of your earnings or income would you feel able to pay into a secondary pension scheme? Now maths is not my strong point but by the graph set out on page 848, I think that 75% of respondents indicated that they were prepared to pay at least 3% additional contributions into a secondary pension scheme. There were nearly 50% who were prepared to pay somewhere between 5% and 10% additional contributions.

2455 I think our community generally understands that more provision needs to be made for old age and that at present the provision is inadequate, and the proposals in this policy letter are probably the least that need to be done in order to ensure that there is adequate provision. If we reject this sort of idea, the burden on individuals and the burden on public finances will be enormous in years to come.

Thank you, sir.

2460 **The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Thank you, Mr Bailiff.

I rise to support these proposals.

2465 Today has been a significant change for the States. They have actually agreed in principle to increase Social Security contribution rates. I think the last time they did that was at the Zero-10 debate. I have lost count the number of times that we have debated increasing contribution rates but it has always been rejected. Not only did they agree to increase it by ½%, we have actually agreed in principle to increase the liabilities of the Long-term Care Fund, which would inevitably lead to even more increases. So perhaps there has been some realisation that the current contribution rates are not sustainable.

2470 Deputy Langlois said in his opening speech, 'Reduce the number that would fall on States' support in old age,' and isn't that what this is all about? Because – and I will use a quote, because I went to the BWCI presentation, which was very good, on this policy. I had either to go to this presentation or the presentation on the previous item we debated and I decided to go to this one.

2475 One of the slides that was put up was about the old age pension and it highlighted the problem that we have: 'Guernsey's OAP will reduce in value from 34% of median earnings in 2014, to 18% by 2060.'

2480 That is what this Assembly has decided by affectively not increasing the contribution rate in relation to the old age pension. So that is going to be a very significant decrease in the old age pension and people will have to have another source of income. If they do not, we will come back to those words that Deputy Langlois said, we will have a lot more people than now relying on States' support in old age.

2485 So it is inevitable that this policy is needed. My concern is inevitably it is the poorest who will struggle to find the 6.5% they need and they are the ones most likely to opt out, because even though they get the benefit of these 3.5% by 2027 onwards of the employer contributions, they will struggle to find it because presumably they are the poorest, they are struggling to live on the current rate.

2490 So, in my view, we should support this policy letter – it is the right way forward – otherwise what we are going to have is general revenue having to fund Social Security contributions; and it is not just the living expenses for the poor as those are often the ones who do not own property, so they are either paying rent to the private sector, to the Housing Association or the States, so that will have to be funded.

2495 So you will transfer the burden onto the taxpayer at the time they retire. So, in some ways, my criticism is the fact that you have got the ability to opt out, because really we should have a compulsory scheme because we, this Assembly, over repeated years, has not increased the contribution rate to ensure that the value of the old age pension relative to earnings.

2500 When I went to that presentation done by DTI most of the people there were employers. I did not sense any criticism of the scheme. I think they wanted to know about it. There were some concerns about the qualifying – whether their pension schemes would qualify because of the rules in terms of basic earnings or earnings including bonuses and overtime, and the fact that the scheme will come in from day one. But I am sure those problems will be worked out and that is why we were making an in-principle decision, effectively, and telling them to go away and work on it.

2505 But the subject of small businesses has come up. I remember many, many years ago, I worked for a small business and there was a person who worked there, he had worked there for quite a significant number of years, I think he was in his 40s; and he left that small business and he said the prime reason was that small business did not have a pension scheme and he was going to another employer who could give him a pension scheme, because he had to think about when he retired, about having sufficient income.

2510 So I actually think these proposals effectively give small businesses an opportunity to set up a pension scheme with a minimum of bureaucracy, because normally to set up a pension scheme is a lot of bureaucracy and that is probably why a lot of small employers do not do it. This gives them an opportunity to set up a pension scheme and to have a competitive benefit package to larger employers, which I think will inevitably benefit them because they will be able to compete with those large employers and the example I gave, of that person who left the small business, he was very happy working in that small business but it was the absence of a pension scheme which made him leave. So I actually think, different to Deputy Perrot, that this will actually benefit the small business; it will give them the opportunity to have a competitive benefit package.

2520 So I urge Members to support these proposals. It is unfortunate, I think, that we have had to go here because people have said they will not have the States' old age pension at an acceptable level, our policies are to reduce it relative to earnings, so this is inevitable what we have to support.

Thank you.

**The Bailiff:** Deputy Paint.

2525 **Deputy Paint:** Sir, I have to say that I do completely agree with this policy but I am also very, very mindful of what Deputy Perrot said and agree with him completely. Annuities have been useless for years – absolutely unacceptable. I have asked myself several questions on this, would I trust occupational pension schemes to provide the pension they promise? And the answer is absolutely not.

2530 I say this because over several years I followed what Government had told us back in the 1970's – that we had to make provision for our own pensions later in life. I have done that; I have had four pensions. Three of them have been a complete waste of time. I have had to fight my way for years to get pensions that were due to me back and I mean for years. So I would like this to be ... Heed my words: some of these people are only too pleased to accept your money but they never, in the end, want to give it back – and I say that with experience.

I have not drawn any pension yet, but I mistrust pensions hugely because of the events that have taken place with me. So whatever we come up with for these pensions has got to be

2540 absolutely in place so people will know what they get. I, in fact, have transferred everything into  
different schemes and there are means to do it and I am much, much better off than if I had ever  
stayed in these schemes.

There are ways to do it and I will be only too pleased to pass my experience on to others if  
they want to look at it. But we must provide for people's pensions for the future; that is a must. So  
I really need to ask ... fine for people who are earning reasonable money, that they can pay  
2545 something extra – whether they are employed or self-employed, because that is what I have been.  
My first pension was employed, the next three were self-employed.

But what worries me is: how will people pay what they have to pay towards a pension if they  
are just living on the borderline now? And the next thing is: how are people going to pay these  
pensions when they are living in near poverty? That is a real worry to me.

2550 Thank you, sir.

**The Bailiff:** Deputy Conder.

**Deputy Conder:** Thank you, sir.

2555 Like so many colleagues, I fully endorse these proposals.

I think there is a dichotomy in many ways between interest in pensions and the benefit of  
them. By that, I mean when you are very young you are not really interested in your pension  
arrangements; in many cases, you do not really think about it very much. But of course, if you start  
when you are very young, the benefits over long term are extraordinarily. The compound growth  
2560 and the benefit of pension contributions if you start early are so significant; to make the  
difference of say starting at 20 and 30, are dramatic in terms of the return that you get.

I am one of the very fortunate generation and very fortunate sector of benefitting from a final  
salary scheme pension through a university and of course when I entered that arrangement – I  
think I was about 21 – it was of no interest to me really; it just came out of my salary and the  
University made a similar contribution. I was far more interested in whether I got luncheon  
2565 vouchers or if there was a free restaurant or a subsidised restaurant.

But of course the benefits to me now of course are quite extraordinary and I absolutely  
recognise that as a consequence of that, the inertia on my part or the disinterest that the fact part  
of my salary was being taken out for, in effect, what is a compulsory secondary pension, is quite  
2570 remarkable to me. I know that final salary pensions, discussed in here often enough, are no longer  
really affordable for the employer but it is the same model that is being suggested here and the  
same benefits would derive to the recipient and much greater benefits if they start early. And of  
course that is the beauty of, in effect, automatic opting-in.

So I would like to make that point because I think really, although it is on a very quiet  
2575 afternoon in a very busy agenda, this is probably one of the most important legacies we will leave  
to future generations – by actually removing the burden. As I think Deputy Fallaize says, if we do  
not actually approve this and do not get this implemented quickly, and if our younger fellow  
citizens do not actually start to engage in this, somebody else is going to have to pick this up in  
20, 30, 40 years' time; this is going to come out of general revenue and the legacy we will leave  
2580 our successors is a massive burden of people who are under provided.

Interestingly, yesterday – I think it was yesterday, it feels like it was about a year ago – we were  
discussing and we were concerned about imposing upon our fellow citizens the requirement to  
sell their properties for long-term care; and there was a lot of concern about that and, to a large  
extent, we rejected it. Now, if we are not going to ask our elderly population to use their assets to  
2585 care for themselves, in other words their capital, they have to use their revenue and they have to  
start using their revenue early. So I think this is a fundamentally important legacy that we will  
leave to future generations.

I have no doubt that we are going to pass it. I hope we pass it unamended and I hope that the  
future generations, whilst they will not be as lucky as I have been, I hope that at least they derive  
2590 some of the benefit that I have derived from the inertia that I experienced when I was in my early

20s, that somebody chose to enrol me in a compulsory pension scheme, take a bit of my salary out and, yes, make a contribution themselves, and it is the reason I can live comfortably now. Funny how interesting it started to be when I was in my mid-50s, but up to then I did not really think about it.

2595 So I fully endorse these proposals. I really do believe this may be one of the key pieces of policy that we pass and which those who succeed us in 20 or 30 or years' time, whilst not thanking us because they will not even think about us, but they will actually benefit enormously from what we decide today.

Thank you, sir.

2600

**The Bailiff:** Deputy Sillars.

**Deputy Sillars:** Thank you, sir.

I am going to have to reluctantly support this, but I would like to say several things.

2605 First of all, I would like to see the date on number three of the recommendations:

'3. To direct the Committee for Employment and Social Security, in reporting back to the States, to provide an economic impact assessment of the proposals.'

That surely will be before December 2017, but there is no date there so I would hope that would come back prior to number two, for example.

2610 But actually, what I really wanted to say was ... several things and Deputy Paint alluded to some of it. We heard a little earlier that a lot of people are already on second pensions. Well, we know that 25,000 are not and I understand there are about 32,000 who work, so to me there are a massive number of people who are not on pensions. So it is wrong to say, 'Well, the States do it. That is fine. That is 5,000.' So there are only 2,000 out there who are not on secondary pensions.

2615 Young people, we are being told – and I experienced this, not that I am young, but – cannot afford to buy houses. They get tax relief at the moment up to £400,000 on a mortgage. This States has said we are going to reduce that over a period of time to nothing. So that is going to be even more of an impact on young people going forward and we want them to become house buyers and all those sorts of good things.

2620 When I was young I was paying 17.5% on my mortgage. There was a bit of tax relief, I vaguely remember, but it was nothing compared with the actual amount I had to pay out. So we are really fortunate we are paying 2% or 3% at the moment on a half base percentage at the moment, but everyone I believe is saying it is going to go up over the period of time and we are looking actually for many years ahead.

2625 But everyone has said so far, 'Now I can afford to put my money into a pension,' and all those sorts of good things, but remember back when you were young. When I was young, very young (*Laughter*) – many years ago, thank you – you earned very little money but actually you wanted to have a life, you wanted to live, you went out, you had maybe some meals, as Deputy Conder said, or you did other things that I might have done or whatever.

2630 Then of course, when you are in your middle 20s late 20s, you started to settle down, you found a young lady and you got a mortgage and all those things, but you had no spare cash. That is the point I am trying to get across. Then you go and have children. Well, you sure as hell do not have any cash when that happens. So it is not until much later on do you start actually thinking well – maybe 40-ish – 'Gosh I am going to get near 65 or 70,' or wherever you are going to end up, 'I need to start putting something aside'.

2635 Well, I relate to Deputy Barry Paint. I too had two attempts at putting money into a money scheme – a recognised and very, very large company. Every year I put money into that and every year they came back to me and said, 'You have not put enough in. To get to an acceptable pension, you need to increase it.' What they did not realise is, that all my hard-earned monthly money was going in and at the end of that year, I had *less* than I had actually paid in when I had started.

2640 So I thought, I have sussed this, I will move away. So I did and I had five people ringing me up saying, 'Why are you moving away?' I said, 'I only ever got a letter from you telling me to pump more in when you were not even covering my cost,' and I was not investing that money or anything like that. So anyway, I said, 'No. You lot, you are out of my life,' and I went and had another go. Exactly the same thing happened over a 10-year period; the same thing happened  
2645 again.

So what concerns me is that we put our money in and we will start getting money towards a secondary pension scheme. That is great. And the boys over at the Policy Council have a real problem – and I must watch how I say this – with all ... The States do it quite well, it seems to me – one of the things we do do well is look after our pension money and all those sorts of good  
2650 things. I would say that the industry out there does not sometimes have such a great record. I have cracked it now and I have got my own RATS so I do not mind it because I can use it myself, but at least I am using it but actually it has done rather well.

But my whole point really is, when we are young we can ill afford it; when you get to 40 you can start to afford it better and as you grow from there and we are going to be working an extra  
2655 five years and all these sorts of things and goodness knows where we will end up ...

I will give way if that is what you are asking.

**Deputy Langlois:** I am, sir, sorry, I did not catch the reference – you want a date or something? Sorry, a poor choice of phrase.  
2660

**Deputy Sillars:** No, no that is alright.

**Deputy Langlois:** Something to do with a date! *(Laughter)* Poor phrasing, yes.

**Deputy Sillars:** We will organise that later! On number three, on recommendation three, I would like to see –  
2665

**Deputy Langlois:** On what page?

**Deputy Sillars:** Well, I am on 839.  
2670

**Deputy Langlois:** Right, thank you.

**Deputy Sillars:** But I would like to see the date when that will come back to us because that  
2675 seems to be really quite critical to helping out with number two. I am probably on the wrong page; I usually am –

**Deputy Langlois:** Okay, thank you.

**Deputy Sillars:** It is the recommendations page.  
2680

Right, I think that covers it. So really what I am concerned about is that it could become very inflationary. We have a huge number of small businesses over here. They are struggling at the moment. Who knows where they will be struggling. We obviously have to try and do something. I absolutely endorse the fact that we cannot rely upon our state pension.

But just a blanket across the piece, saying everybody must pay into something ... their  
2685 expectations will be actually, 'That is great. That is my secondary pension taken care of. I will not need to do anymore.' But, actually, often you need more than that as well.

So it is just a warning, but I will support it reluctantly.

**The Bailiff:** Deputy Lowe.  
2690



**Deputy Lowe:** Thank you, sir.

2695 I follow Deputy Sillars and I perhaps would have just said I will forego my turn to speak because he covered almost exactly what I wanted to say, but because it is so important, I am actually going to repeat it and you can bring in the repetitive rule if you like, sir.

**The Bailiff:** If it is tedious.

**Deputy Lowe:** But there are two things here. Yes tedious.

2700 I am sort of not quite sure. I have not decided on this one yet because I believe that there are so many youngsters out there who would like us to be debating how we can help them on getting on the housing ladder and how we can help them survive out there in our community because of the costs, many of which we implement charges here from this Assembly, sir, and we made a decision this morning again to cause more concern for people as they get older who are going to have to save money because they are going to have to start paying for their long-term care.

2705 All of these things are causing huge concerns to our community and, for that reason, as I say, the comfort of this one is it is an opt-out, but it is all the time. I listened to Deputy Luxon with interest because he seemed to believe that the pension was for people to be able to live and survive on and have a good lifestyle. No, the state pension has always been a platform, we have always gone out and encouraged people to take out a secondary pension because the state pension was only meant to be a platform, it was never meant to be a sufficient amount of money to do lots of things with.

2710 But as I say, I will wait and listen to the rest of this debate because, sir, I am just concerned about the added cost to the youngsters who are desperately trying to get on to the housing market ladder and indeed others who have got mortgages that still struggle and I am hoping the bank rate does not go up. Bearing in mind it cannot carry on at a low rate like this, but I do believe there are many people out there who are concerned at how they are going to survive should that bank mortgage rate go up.

2720 But as I say, the comfort for me is that you can opt-out, but I really do believe we should be trying to help people out there in our community before we perhaps go down to this one. I know that is an end effect that will save us in the end when people have been able to gain from the pension money that they have put in, but they have not got it – it is simple as that – they have not got spare money these days.

2725 **The Bailiff:** I understand Deputy Perrot wishes to lay an amendment.  
Deputy Perrot.

*Amendment:*

*To add at the end of the words in proposition 1, 'but subject to further research being carried out by the Committee for Employment and Social Security as to whether any distinction should be drawn between employer businesses of varying sizes'.*

**Deputy Perrot:** I am much obliged to you, sir.

I am proposing this amendment. It will be seconded by the Minister, Deputy Langlois, and I will read it out.

2730 At the end of the words 'in Proposition 1' add 'but subject to further research being carried out by the Committee for Employment and Social Security as to whether any distinction should be drawn between employer businesses of varying sizes'.

**The Bailiff:** Can we have it copied so that everybody can see?

2735

**Deputy Perrot:** Yes, you want to circulate it? (**The Bailiff:** Yes.) Could I therefore ask for a five-minute adjournment for that to be done? (*Interjection*) (**Several Members:** Pour.)

**The Bailiff:** We could either have a five minute adjournment or you could ... *(Interjection)* Mr Procureur wants to say something.

2740

**The Procureur:** I think Deputy Perrot could speak to it whilst it is being copied.

**The Bailiff:** That is what I was going to suggest, that he speaks to the amendment while it is being copied.

2745

**The Procureur:** I am afraid I was only able to provide him with three copies; I didn't know what he might be able to do with them. *(Laughter)*

**The Bailiff:** So, Mr Martel, if you could arrange for that to be copied and then while it is being copied if Deputy Perrot could speak to the amendment?

2750

Deputy Perrot.

**Deputy Perrot:** Thank you, sir.

As I said earlier on, my concern was in relation to employers. In fact my concern, irrespective of what Deputy Fallaize says, was with employees as well and whether employees ought to feel obliged to pay up to 3.5%. But this is restricted at the moment to looking at the exercise from the point of view of employers.

2755

I said earlier on that I thought that it was probably much easier for larger employers who anyway had their own pension schemes, to deal with secondary pension schemes. I thought it was going to be rather difficult for small ones. Now some Members have rather poo-pooed this and said, well actually, that quite irrespective of whether employers just have small businesses this would actually be good news for everybody.

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I am not at all convinced about that and what I am seeking to do by this amendment, is for that element of research to be carried out by the new committee and I am heartened that the present Minister, Deputy Langlois, is willing to go along with that.

2765

In laying this amendment, I am still asking that when the technicians come back with whatever the secondary scheme is, they do not feel over constrained by the wording which appeared earlier on in the policy letter – and I am again assured by the Minister that that is not so – and they will therefore be able to come back with various permutations, possibly, as to how much is going to be positively required, or whether there might be freedom as to how much is paid into the secondary pension scheme.

2770

But meanwhile, this allows that extra work to be done and it is a positive requirement on Social Security to go away and do that. It seems to me that if I am wrong, nothing is actually lost by supporting this amendment, save that there will be some research to be carried out, but we carry research out all the time and it seems to me that this is for an entirely legitimate purpose because if I am right, then we will be avoiding a wrong.

2775

**The Bailiff:** Well, Deputy Langlois, do you formally second the amendment?

**Deputy Langlois:** Yes I do, sir, and I am quite happy to speak now on the amendment.

2780

**The Bailiff:** Yes, speak now then.

**Deputy Langlois:** Sir, I am very happy to second this simply because one of my weaknesses is that I tend to make assumptions about future work streams – that they will be done thoroughly and extensively. I honestly had read into, particularly the T&R letter of comment, that all of this sort of area would be covered. There is an economic impact assessment which is going to appear. I think it will appear together with the proposals at the same time and that is why the date is not in there, but I am seconding this because I think we should move this on. If that particular

2785

2790 emphasis is going to go in there that is fine. To me, it will not extend the work of the research group too far and hence will not involve masses more work than they would have had to do anyway.

**The Bailiff:** We now have to await the arrival of the copies of the amendment before we open debate, it seems to me. We cannot really open debate when Members have not actually seen the wording. I know that whenever we rise for an adjournment, it always takes Members a very long time to come back into the Chamber.

It is just arriving now so we will just wait while it is circulated.

2800 Does everyone have a copy of the amendment? It would seem so. Does anyone wish to speak in debate on the amendment?

Deputy De Lisle.

**Deputy De Lisle:** Sir, this very much reflects the concerns that I had during the first amendment with respect to small businesses with, let's say, one or two employees, because I just found that the burden perhaps would be too much on those companies or concerns to have 3.5% extra to pay for those employees.

2805 What really drew my attention to this was on page 807 under the key recommendations, and that is 6.1 on page 807, where employees would have a legal duty to enrol automatically their eligible employers. I just thought that perhaps was forcing all employers to actually go down this particular route and offer that particular programme automatically.

2810 So with respect to that, I just felt that we should have some flexibility with respect to whether employers actually opt for the programme or not, and not just have the legal duty and be forced necessarily into it.

Thank you, sir.

2815

**The Bailiff:** Does anyone else wish to speak on the amendment?

Deputy Fallaize.

**Deputy Fallaize:** Thank you, sir.

2820 I think I will vote against this amendment for two reasons. First, because paragraph 118 of the policy letter says that:

'If the States approve the recommendations in this report ... the detailed proposals will need to include a full economic impact assessment. In addition to an assessment of the potential impact on individuals, this will include an assessment of the impact on business costs and competitiveness.'

– which seems to me to be precisely what is set out in this amendment.

And then, further to that, Proposition 3 is:

'to direct the Committee for Employment and Social Security, in reporting back to the States, to provide an economic impact assessment of the proposals.'

2825 So I think that the assessment or examination which Deputy Perrot wishes to provide for is well covered already in the policy letter and in Proposition 3.

The second reason I think I will vote against it, is because this amendment tries to make the approval in principle of the secondary pension scheme subject to this further work being carried out. Now, I do not want a Resolution where the States approve in principle a secondary pension scheme that is subject to anything. I think the States should approve in principle the establishment of a secondary pension scheme period.

2830

And the other Propositions provide for the further additional work which needs to be carried out. I think this amendment, if it goes through, materially waters down Proposition 1 and I think that will be unwise when I thought the States were on the verge of giving an in-principle agreement to a very much-needed secondary pension scheme.

2835 **Deputy Kuttelwascher:** Sir, a point of order, sir.

**The Bailiff:** Deputy Kuttelwascher.

2840 **Deputy Kuttelwascher:** I think what Deputy Fallaize has just said has been somewhat misleading because, as this is written, 'approve in principle' means just that. And if you look at Proposition 2 that will, in effect, provide the information that is required by Proposition 1. Now, that is nothing more than the report which can be amended and rejected as could Proposition 3.

So approving these Resolutions un-amended is no guarantee at all that any secondary pension scheme will be introduced.

2845 **Deputy Fallaize:** Sir, on a point of correction, I did not say anything that was contrary to what that Deputy Kuttelwascher has just said. I just said I do not want the States' approval in principle of the introduction of automatic enrolment to the secondary pension scheme to be made subject to what is set out in Deputy Perrot's amendment.

2850 Of course if the States vote in favour of these Propositions it does not mean a secondary pension scheme starts tomorrow, but I think this amendment does water down the commitment in Proposition 1.

**The Bailiff:** Deputy Soulsby.

2855 **Deputy Soulsby:** Sir, yes, I agree with some points that Deputy Fallaize has said and some points I do not.

I originally did include consideration of the impact on small or micro businesses which would lead to all other definition ... what does 'micro' mean? I did consider it but I did discuss with Deputy Langlois before laying my amendment or crafting it and really the whole point of the economic impact assessment will deal with the effects on small businesses anyway, so that is why I did not actually, in the end, put it in my amendment.

2860 But, to be honest with you, I do not see that there is any harm in supporting this amendment or not supporting the amendment. I think the work will be done anyway and I disagree with Deputy Fallaize in saying it will be subject to this that will be the reason or not we reject the secondary pensions. But it will not be, it will be subject to the economic impact assessment full stop.

So I am happy to support this amendment, but I really do not think it will make a huge difference to the ultimate conclusion.

2870 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, I am happy to support this amendment.

2875 We have reached a collective process through Social Security on this, but if Members turn or just remember pages 820 and 821 of the main Report, paragraphs 75 to 79, it draws inspiration to a certain extent from the not particularly perfect United Kingdom's scheme. The UK's scheme was perhaps introduced in 2002 and was a gradual replacement of the old SERPS but it made clear that the larger employers were treated as a distinctly different category from the smaller employers and it was gradually implemented.

2880 Now, we might wish to go down that route or we might not. But I do think we do have to tread cautiously and introduce it in an effective but staged way. So although I support the main body of the letter and we will come to that perhaps, I support this amendment as I think an effective tool of getting the wider questions looked at.

2885 **The Bailiff:** Deputy Harwood.

**Deputy Harwood:** Before proceeding to vote on this, could I perhaps declare an interest? I am a director and a shareholder of a company that has three employees. I am not sure ... it may be impacted by this particular proposal.

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**Deputy Sillars:** Yes, I probably ought to declare an interest as we employ –

**A Member:** Here we go!

2895

**Deputy Sillars:** – quite a few employees in the Island.  
Thank you, sir.

**Deputy Soulsby:** Me too.

2900

**The Bailiff:** That was Deputy Soulsby's.  
Deputy Dorey.

**Deputy Dorey:** Thank you, sir.  
I wish to speak against this amendment.

2905

If Members turn to page 830, the Department sets out on page 830 the arguments for the benefit of this secondary pension scheme for small employers and explains how they will benefit from it. Therefore, for me, one of the purposes of supporting this is the fact that small employees will be able to have a secondary pension scheme of the same size as larger ones.

2910

If we turn out to have a rule to say, 'If you have got five employees you have a certain rate,' what happens when that company grows and has a sixth employee and suddenly has to change everything? It does not make any sense.

The argument that I made in the debate on the main Propositions was the fact that small employers need to have a competitive benefit package. Therefore, I think what is proposed is the way forward and I do not want to see it varying by size of business. I think that is an unnecessary complexity in the proposals which will not benefit small employers in the end. I think it will be not for their own good in order to have this competitive benefits package.

2915

So I urge Members to reject this amendment.

**The Bailiff:** No one else is rising.

2920

Deputy Perrot will reply to the debate.

**Deputy Perrot:** I thank Deputy De Lisle for supporting the amendment.

2925

As to Deputy Fallaize, he has got a couple of reasons for opposing it, quite apart from the fact that he pretty well opposes every amendment that I ever put in, but that is by the by! If I said it is raining cats and dogs he would be saying it is raining weasels and stoats! (*Laughter*) But he relies on the wording of paragraph 118 and says that actually what I want is already dealt with, that it says *precisely* – his word – what I am asking for and I mean it does not at all.

2930

What the policy letter is dealing with is employers. It does not distinguish between large employers, small employers, micro employers or any other sort of employers. All that I am trying to do is to say: I think this will hurt small employers; if I am right, it was right to put the amendment, if I am wrong, okay well you told me so. But that is not actually going to impose any great burden on the Social Security Department in carrying out that research.

2935

Deputy Fallaize also says as his second or third reason for opposing this amendment that he does not want the approval of the policy letter to be *subject to* anything. Well, all I can say is that Deputy Fallaize is sometimes just a little bit precious in his reading of the wording of these policy letters, because the very paragraph which he quotes, which is paragraph 118, says, 'If the States approve the recommendations in this report to develop detailed proposals for the

implementation of automatic enrolment into private pensions savings ...' da da da, 'the detailed proposals will need to include a full economic impact assessment'.

2940 So that is an imperative. If the Social Security Department, by whatever name called, came before the States not having done that, some clever dick, maybe some young Deputy will say, 'Ah, but you have not done what you were supposed to do in paragraph 118 of the policy letter which we debated in February of 2016!' So that is as much a subject to, as my own language – He shakes his head but everybody apart from him, knows that I am right on the matter! (*Laughter*)

2945 As to Deputy Soulsby, thank you for your half-hearted support. Could I ask you to perhaps err on the side of supporting me on this? That is not kicking your own amendment ... Through you, sir, that is not kicking Deputy Soulsby's amendment into touch, but as I was trying to say to her, through you again of course, earlier on, I do go further than she does; I do not want to restrict micro consideration to start-up businesses.

2950 As to Deputy Dorey, he says what about the changing size of the company? Well, I accept that companies do changes sizes, but certainly in our various dealings with the States, we have got all sorts of information which we have to bang in on a quarterly basis, whether it is under the ETI scheme, whether it is under the Social Security Scheme, actually telling the Social Security Department whether employees have gone from three to four will not make much difference in a quarterly return of schedule. So I really do think that is a non-real objection.

2955 I am perfectly happy to be wrong about this. In a way, I hope I am. But if I am right, as I say, we will be righting a wrong. So I do hope that this amendment is approved and I thank the Minister for supporting it.

2960 May I also thank the Procureur for dealing with my third amendment in the last couple of days? I would not have his job for all the tea in China, but he does it with a smile on his face (*Laughter*) and I am very grateful. I know he is retiring this year so let me say he is back on my Christmas card list.

2965 **Deputy De Lisle:** A point of correction, sir. That is not a smile! I have got a clearer view from here. (*Laughter*)

**The Bailiff:** It is a fixed grimace!

We vote then on the amendment proposed by Deputy Perrot and seconded by Deputy Langlois. Those in favour; those against.

*Members voted Pour.*

2970 **The Bailiff:** To my view that was carried. (**A Member:** Easily.) I declare it carried. We can return then to general debate. Deputy Le Lièvre.

**Deputy Le Lièvre:** Thank you, sir.

2975 Should SSD's proposals as amended be approved today, the States will have taken a monumental step forward in the overall wellbeing of Islanders when they reach that point in their lives when they make the leap from income derived from employment to income derived from pensions and other forms of investment.

2980 It will probably be the most significant improvement in financial provision for the elderly retired since the concept of social insurance was introduced 80 or more years ago. Given what I have just said, it probably will not surprise you to hear I am wholly supportive of what is proposed.

2985 During my career as a civil servant and as a politician, I have witnessed the hardships and worry suffered by retired men and women when they have to come to terms with the fact that their working days are over and that they now have to rely solely on their pension income and what little, if anything, they have been able to put aside by way of savings.

'Making ends meet' is an expression used by all of us, but the truth is that for many the ends do not meet, by quite some distance. Yes, they can keep the wolf from the door, just, but as for enjoying a quality of life that goes beyond that, that for many is just a pipe dream.

2990 The old age pension might provide for basic food, heating and other such expenses associated with day-to-day living, but it does not go much further than that. Indeed, SSD has never professed that it does, or indeed should. The responsibility has always been on the individual to provide for themselves and that is where the current system is somewhat deficient.

2995 The reliance on the individual to take steps to secure their own future is, however, when you are on low or even low-ish income, making provision for the future takes second place to providing for the here and now. So for those on the bottom end of the income ladder, provision for tomorrow could present hardship or potential hardship in respect of today. Therefore, as well as developing advanced strategies for providing for tomorrow via contributory benefits, we must have equally advanced and sensitive strategies for recognising hardship today via non-contributory benefits.

3000 I am not suggesting for one minute that the first prototype SWBIC proposals which are to be considered next month will provide those advanced strategies, but they are a way forward and no matter what your thinking on these matters, it stands to reason that we cannot expect those at the bottom of the financial ladder to make an adequate contribution to their future wellbeing when such a contribution erodes what little disposable income they have at their fingertips. And I  
3005 am pleased to see that in the letter of comment from the Policy Council, there is a requirement to actually quantify the impact of the scheme on disposable household incomes which will mean a great deal for those who just about get by.

My plea to future States – not this States but the next States and the States after that – is that in recognising the need for a contributory second pillar pension, it also recognises the need for a  
3010 well-balanced non-contributory scheme or schemes, that help those persons, particularly those in employment, who will suffer or could well suffer because of the expectation of paying for tomorrow today.

Now, there has been a lot of comment or some comment with regard to the ability of people on low incomes to actually meet any increase in the social insurance contributions, but I would  
3015 make the point that income support, even in its current form, only assesses net income. So social insurance contributions, tax contributions – indeed, I think Social Security is even talking about private occupation contributions – are all netted out; as would be any contribution to this scheme.

So, if you like, there will be what I consider a rebate in respect of those on low incomes when it comes to making these contributions, because they would potentially be able to claim income  
3020 support as a top up on top of their earnings.

But my plea is very simple. It is simply that the States, in making this huge step forward, which it has done today or which I hope it will, is backed up by a future requirement to ensure that the levels of non-contributory benefit and the non-contributory benefit scheme itself, or income  
3025 support – call it what you like – will mirror the much better provision that people make through their state pension, through their occupational pension, through this new pension, this second pillar pension, and indeed what other form of investment they make.

Thank you, sir.

**The Bailiff:** Yes, Deputy Hadley.

3030 **Deputy Hadley:** Sir, from time to time in this Assembly, I have suggested that the States should increase its income and perhaps one of the ways of increasing its income would be to raise the rate of Income Tax. A small rise of 1% would raise, I think, £12.5 million; and I have been told by successive T&R Ministers that this will have a damaging effect on the economy of the Island  
3035 and would make us uncompetitive with the other Crown Dependencies and yet here this proposal is, in effect, imposing a 6.5% increase in Income Tax on the taxpayers of this Island.

**Deputy Langlois:** A point of correction, sir.

3040 **The Bailiff:** Deputy Langlois.

**Deputy Langlois:** A point of correction.

Deferral of wages into a savings account down to a single person, down to an individual person, cannot in any way be described as additional Income Tax.

3045

**Deputy Hadley:** I am afraid I disagree. As far as an employee is concerned, what they are looking at is the take home pay and if you come to this Island and have an extra 6.5% taken off you, that will be seen in much the same way.

3050

The other issue about this and this of course – I am going into a dangerous area, the area of economics – because the effect of this pension scheme is to take £125 million out of the economy. That is the effect of taking this level of contribution from both the employee and the employer.

3055

Now, if you wanted to depress the economy and we controlled our own economy in the same way that the Bank of England does for the British Isles, we would be talking about fairly modest increases in the rates of interest to take money out of the economy. Here, we are taking a massive amount out of the economy and if there were a Professor of Economics here I would give way to him so that he could give way to him so he could explain to me why taking £125 million out of the economy is not going to be damaging to the economy. Because I think it is and, indeed, this does seem to be a worry of the Treasury & Resources Department.

3060

Again, I agree with Deputy Paint. I have been self-employed since the age of 27 and I have never trusted pension funds. I have seen too many of them go wrong.

3065

When I heard Deputy Dorey speaking it did make me think, well, here we have an Assembly that is frightened of putting 0.5% or 1% on Social Security contributions to increase old age pension provision and yet it is quite happy to say to the employee, 'You have got to pay 6% of your income to provide for your old age pension'.

**Deputy Perrot:** A point of correction, sir.

3070

**The Bailiff:** Deputy Perrot.

**Deputy Perrot:** I am very sorry to interrupt Deputy Hadley because I go along with what he is saying. But when he talks about 6% of salary, that is not so. As I understand it, we are talking about a percentage up to the upper earnings limit. As we know, that expression is defined for Social Security payments, so we are not talking about gross salary, we are talking about the upper limit of salary for the point of view of Social Security payments.

3075

**Deputy Hadley:** I thank Deputy Perrot for that correction but, nevertheless, although I might have the figures a little bit wrong, we are taking a significant amount of money from people.

3080

Now, as a self-employed person for virtually all of my life, I have had to borrow money and I borrowed it from the bank at considerable rates of interest at times, and that has stopped me making the pension provision that I might have otherwise wanted to make, because it would make no sense to me to be investing in a pension fund, giving 1% or 2% return after management charges, but paying the bank 8% or 10% to borrow extra money to fund my business.

3085

It seems to me that those people who sometimes complain about the nanny state, well, I think this is it big time because you are saying to self-employed people, 'We are going to dictate how you work out your finances'.

Again, like Deputy Paint, I have been concerned about pension funds – I have seen too many of them go the wrong way up – and I have tended at the point where I could afford to save money to say right, what I will do is I will buy a house that I cannot really afford but I will take out



3090 a whacking mortgage so that when it comes to retirement I have got my house paid for, I can  
downsize when I am short of funds and then I can live on the capital so released. To my mind, that  
is a much better return on my investment than it would be putting it into a pension fund.

Again, Deputy Lowe made the point that young people in this Island are finding it difficult to  
scrape together the mortgage for a house. We are not talking about poor people, we are talking  
3095 about professional teachers who are having to live at home with their parents because they just  
cannot afford to find the money to buy their starter home. And if you impose on these people an  
additional burden, I think that we are stopping those people from acquiring their first house.

So for all of these reasons, I think this is damaging to our economy because the money that is  
taken out of the economy ... and, returning to that point, I know some of you like to say, 'Well, this  
3100 is providing for our provision at the end of the way,' but if we damage the economy of this Island  
by taking £125 million out a year, that will be far more damaging than the benefit to the Island in  
perhaps not having to make the contributions in terms of Social Security that we may have to  
make for people who have chosen not to provide for themselves.

Again, it does seem to me that a lot of the people we are trying to make pay for a pension  
3105 provision would, like me, have done it in different ways and in a way that is not open to them.  
Although of course, I accept that probably people will be coming on the likes of Smart RAT  
schemes so that people can perhaps buy a property and live in it because it belongs to a scheme.  
And I can see all sorts of bureaucratic nonsense to try and get round these arrangements.

So I do urge Members to reject these proposals and let people make their own provision, and  
3110 make their own decisions about what they do with the money they earn; and essentially, those  
people that argue against provision of money for Social Services are saying just that – you should  
be letting people do what they want with their own money and provide for themselves.

**The Bailiff:** Deputy Le Clerc.

3115

**Deputy Le Clerc:** Sir, it is just a quick comment just to remind everybody that we are not  
proposing a compulsory scheme. You have the ability to opt-out. We do not want people to opt-  
out, we want them to save. However, they can make that choice. Deputy Hadley could make his  
choice to invest in property. He could opt-out. It would be a real shame because then the  
3120 individual would lose the employer contribution, but I just must remind everybody we are not  
proposing a compulsory scheme.

**The Bailiff:** Deputy James.

3125 **Deputy James:** Thank you, sir.

Sir, I believe this policy letter is one of the finest examples of a sensible, mature and forward-  
thinking Government and I really hope that this Assembly takes it on board. Most of the points  
that I wanted to make have already been made by Deputies Fallaize, Le Lièvre and Conder, but  
there is just one point I would like to reinforce.

3130 I have every sympathy and support with Deputy Perrot's view that people should be made  
responsible, we want to see people being responsible. And of course that is what the situation is  
currently. But unfortunately, starkly, currently only an estimated 40% of the residents in Guernsey  
and Alderney of working age are members of an existing occupational personal pension scheme.  
So it is responsible to introduce a scheme like this.

3135 I am thinking of my personal example. I first started paying into a superannuation scheme  
compulsorily when I was 23 years of age and at that time I resented it, like most younger people  
do. People in their teens and early 20s and sometimes in their 30s, I think a lot of them think they  
are never going to reach pensionable age so they do not even pay into a pension and I think a  
point well made by Deputy Conder.

3140 So I resented, at 23, not being a big earner, having paid in to a superannuation scheme, but  
believe you me, when I retired I was extremely glad that I had been coerced, if you like, into

paying into that superannuation scheme. So at least I am now in a position, fortunately, to have jam on my otherwise dry bread! (*Laughter*)

3145 **The Speaker:** Deputy Soulsby.

**Deputy Soulsby:** Sir, yes. I was not going to speak but the comments of Deputy Hadley – I just could not resist, I had to.

3150 I could not believe that but was it the same Deputy Hadley talking about taking out a whacking big mortgage so he could buy a whacking big property and then sell it when older so that he could downsize. This is the same Deputy Hadley who is Deputy Minister of the Housing Department who has been telling everybody that he wants ordinary house prices to fall. So I do not know how he works out that his model will work under that scenario! (*Laughter*)

3155 I totally support the policy letter. I think it is long overdue and I take very much on board Deputy Le Clerc saying that this is not going to see people forced to do it; people can opt out, although I think it would be unwise to do so. I totally support the comments of Deputy Le Clerc, Deputy Conder and Deputy James, and totally support this policy letter.

3160 **The Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Thank you, sir.

I would like to start with the last paragraph of Treasury's comment:

'The Treasury and Resources Department will continue to consider the most appropriate approach to encouraging private pension provision through tax incentives ... etc.'

3165 What is presented in this policy letter is not the only option. Now, one of the problems with this option is the ability to opt-out. The problem there is that the people most likely to opt-out are the ones who are most likely to need it. However, what Deputy Le Lièvre has said is that, even at the bottom end of the scale, if it does become a financial strain for people at the bottom end of the income scale, they could be supplemented by benefits and that, for me, is an issue.

3170 The other issue is that people could opt out and do nothing. That is the danger. I know Deputy Le Clerc said Deputy Hadley could opt-out and do what he wants but there are people who will opt-out and do nothing, which is not something that is desirable.

3175 My personal preference is something akin to what is available, if you like, in the UK as an alternative and in America – the ISA, the individual savings account or the independent retirement account in America. What could be initiated here and it would be within the gift of Treasury & Resources to introduce such a saving scheme – although it would come in the next term; I am afraid the 2016 budget is well set – is to have a retirement savings account.

3180 Now, the only difference really is – and in the UK – you pay into it with tax paid money; there is no tax relief on what you pay into it, but what is in the scheme accrues ... all the returns accrue tax free and you can take it all out tax free; and, believe me, that has been around for several decades and colleagues of mine, friends of mine who I worked with, started this a long time ago and they were middle income people. They have all got millions stashed away in these schemes and it is the UK's onshore tax haven.

3185 At the present time, I think an individual can put away as much as about £15,000 to £17,000 a year; it keeps going up and up. My goodness, if we had that, that would be an enormous incentive for people to save, because first of all they would not have to rely on some other company and when you listen to what Deputy Paint has said, and indeed Deputy Sillars, I could give a whole list of company pension schemes that have gone bust in the UK and indeed insurance companies. That resulted in the setting up of a fund which would, as it were, act as a safety net for those people who lost all their pensions but what they would be given is pretty minimal.

3190 I personally do not like the idea of private pension fund providers because I know that fees tend to be high and particularly in the current environment with quite low returns. What is going

to happen is what has happened to Deputy Sillars or what has happened to you. And indeed annuities at the moment, because of low interest rates, long-term interest rates, have been a disaster as regards a savings product.

3195 But if you had something like an individual retirement account, and you would be restricted in that you could not withdraw from it until you retired, you could at least get 2%; you can get 2% or 2.5% in the UK in these schemes. You get an enhanced interest rate. It is within our gift, I would hope that the Treasury or the Policy & Resources Committee in the next Assembly come up with a competitive, or something to compete with what is being offered by Social Security Department and it could be that the States could produce this scheme and those funds – people could invest  
3200 in the States funds which have been doing, in spite of what is going on, rather well.

And it would be an interesting thing because I think most of the people in Guernsey would be happy to invest in a scheme which is actually managed by the Policy & Resources Department in the future. I think they would, I really do. There is talk also of possibly setting up our own savings bank – all sorts of possibilities.

3205 So although this scheme is an option, what is being proposed ... and I will support it because I have said that supporting this does not actually guarantee anything because two reports have to come back, they could be amended and rejected. It is just a step forward along this path but it is not the only possibility.

I would sincerely hope that something along the lines of the ISA in the UK but as a retirement  
3210 scheme should be delivered in the next States period by the Policy & Resources Committee, because it is very attractive – and it is even more attractive in Guernsey because with a 20% tax rate, you end up with 80% of your earnings so it is not such a big burden to have to put into this scheme and not get tax relief. In the UK you could be paying 45% on that income so you lose half of it before you invest it.

3215 But the idea of having the control and being able to get everything out tax free at the end, believe me, is an amazing incentive and I think it is killing the UK Treasury, but there we go.

At the end of the day I will support these Propositions as amended.

**The Bailiff:** Deputy Inglis.

3220

**Deputy Inglis:** Thank you, sir.

Before I add to what has been said, I would just like to declare an interest. I have been a small business employer for the last 32 years and I have not found life being made difficult by the States of Guernsey. In fact, when I first thought of starting a business I went to talk to the Department  
3225 whose name I forget now and I asked, 'Okay, what the benefit ... what are you going to do to help me?' and they said, 'Nothing'. They said the most important thing is they said they would not stand in the way of what I wished to do.

So from that point of view, I have been very fortunate. I have not been able to offer a pensions scheme and I am sure that, as Deputy Luxon pointed out, small employers do not have the ability  
3230 to offer those sorts of benefits. Naturally, this could provide security for people in their future and, dare I say, is that the beginning of a happy community, sir?

I am disappointed to hear some Members talking in a manner that I would describe as the bottom line being considered first, when really this is a headline. There is lots of approval to investigate the ability and the opportunity here, as Deputy Luxon mentioned and as Deputy  
3235 Domaille mentioned, sir.

We do not really have a choice in not exploring the opportunity, because we clearly know that the old age pension, as much as we understand, there are a lot of people out there who seem to feel that is something that is going to look after them in their old age. Now, we know that is not the case, so it is very important that we adopt a change of attitude.

3240 I concur with Deputy Conder and Deputy James, in that I was approached at a very early age by those people who wanted to point me on the right track of investment. But I dropped them because family came along, children came along and the option to drop out was a painful

3245 expense. Now we will come out in the development of the policy that it will not be an expense that will be costly probably in much the same way that Deputy Paint experienced, it would be a situation of stepping out to then step back in. And that is really good.

3250 There are lots of benefits here that make this a really big headline. The ownership of the fund will be the individual. I really do not want the States getting involved, this will be a private partnership that will come forward with ideas based on the multiple contributions that can be offered and, as Deputy Dorey highlighted, the numbers game will be to the benefit of the contributor.

3255 It was interesting that he also pointed out that an employee within a small business left to secure a pension for his future benefit. That has got to be a win-win situation for small business, because certainly if you are looking at employment with two identical firms but one is offering a pension scheme, then I know which one I would look at because that has got to be a win situation for that employee.

3260 There is lots to look at, there is lots to consider, but I think changing the mind set and making people consider their future rather than relying on a state future, I think, is very important. I certainly would like Members to support this and push for greater responsibility within our community, rather than the expectation that the State will be there to carry on and support me when life does get difficult.

Members, please support this.

Thank you, sir.

**The Bailiff:** Deputy St Pier.

3265 **Deputy St Pier:** Thank you, sir.

I just wanted to rise to build on one of the issues that Deputy Kuttelwascher drew attention to in Treasury's letter of comment, which is that Treasury will continue to consider the most appropriate approach for encouraging private pension provision and Deputy Kuttelwascher gave one such example that might be possible.

3270 But actually, one of the issues that we will need to consider, even with this scheme as proposed, is the question of tax deductibility of contributions; because clearly at the moment our model is that there is a tax deduction so, in a sense, the investment is tax free, it then rolls up tax free and when it comes out of the scheme at the end on retirement, it is of course taxed at that point; which, interestingly, is one of the issues that causes quite a lot of consternation to pensioners when they discover that their pension is taxed. They struggle to understand why that is the case because of course it is deferred remuneration for when they were working and it was not taxed at the time that they were working and that is the rationale behind it at the moment. But, nonetheless, the current structure is one that is little understood.

3280 The alternative is, as Deputy Kuttelwascher said, you make your investment out of taxed earnings, it would then roll up tax free in your pension fund and it would be paid out tax free. Now, clearly the current model has a disadvantage to the Treasury and public finances now, because we are giving the tax break now, and we recover that later, so that the tax is deferred, obviously in many cases for very many years.

3285 Naturally therefore, the alternative which would be to have investments made out of taxed earnings would be much more attractive to Treasury, because there would be no loss of revenue now and you would be deferring the tax break until much later in the life of the pension scheme.

3290 Now, these are the issues that we will need to consider, because clearly if this scheme does come in, as envisaged, in 2020 and builds over a period of time, under the current system, we would need to factor in that loss of tax revenue which is not currently the case because we do not have enough people contributing. So I merely draw attention to that because that is really what that paragraph is seeking to articulate as one of the issues that will need to be considered in the next phase.

3295 Sir, I think I would also just wish to comment on, in particular, the concerns raised by Deputies  
Hadley, Sillars and Paint in relation to concerns based on their experience of pension schemes.  
And I think Deputy Sillars, as he said, did raise this issue in Policy Council, but I think the point is  
that we are perhaps all tainted by our own experience of small personal private pension schemes.  
This is not really a pension scheme as we know it, this is a mass defined contribution scheme  
3300 which is seeking to take advantage of all the economies of scale which are simply not present, and  
which is why so many people have had such bad experiences with personal pension schemes.

And the other opportunity – which is something that those of us who are involved in the  
Personal Tax, Pensions and Benefits Review where this work stream initially kicked off were keen  
to explore and, again, would hope that would remain the case in the second phase – is whether  
3305 there is an opportunity that would allow islanders, in making their contributions, to effectively be  
able to invest into a mirror of what the States is doing with its own funds; either through those  
managed by Treasury or indeed those managed through the Social Security Department and the  
Insurance Funds.

Both, as Deputy Perrot has said, have had a good and strong track record, but also again have  
great advantage in terms of being able to leverage the economies of scale of investing such large  
3310 sums and stripping out all the inherent fixed costs which exist for any of us if we seek to do it on  
our own. Now, again, there may be issues in that, in terms of whether that is appropriate for any  
given individual, but again I would very much hope that will be part of the next phase to explore  
that as at least perhaps one of the options which is available.

So I think it is not a fair or good comparison to look at this scheme and say this is simply  
3315 forcing people into the misery of personal private pension schemes which have caused so many  
people to be so sceptical of any pensions saving.

Sir, the final point I wish to make is: Deputy Hadley, quite rightly, drew attention to Treasury's  
concerns about the potential economic impact, but then of course that is precisely why there does  
need to be an economic impact assessment and, of course, it is precisely why it would need to be  
3320 phased in in terms of its introduction over a significant period of time. The table on page 827 of  
the Billet suggests a 10-year time frame for introduction in order to mitigate that economic  
impact of the withdrawal of disposable income by potentially 40% of your earning population.

So it is a very valid point but it is one that would need to be managed as part of this  
introduction and, in my view, is not a sufficient reason to reject the proposals which should be  
3325 wholeheartedly supported, in my view, sir.

**The Bailiff:** Deputy Laurie Queripel.

**Deputy Laurie Queripel:** Thank you, sir.

3330 I am very interested in the idea that Deputy Kuttelwascher has lobbed in from the left field at  
the last minute and that has kind of confused – not confused but made by thoughts quite fluid  
actually. And I have got some, I suppose, conflicting remarks to make because I have heard the  
words, the points made by Deputy Perrot and Deputy Stewart and the words of caution that they  
have offered.

3335 There is no doubt I am going to support this Report because there are sound reasons to, at  
least, go down this road and explore this scheme; but I think we have to bear in mind that if this  
scheme is brought into being there are going to be consequences to it. I think I am fairly sure it  
will increase the cost of doing business on-Island. I am fairly sure it will heat things up in regard  
to the local economy. And it does make me wonder, sir: how can we, if we go down this road and we  
3340 put this scheme in place, there will be a clashing, there will be two opposing forces clashing and  
we are going to have to somehow reconcile that, because how can we uphold the ethos of the  
free market in a totally unfettered way and at the same time increase the cost of doing business  
on-Island?

It will be even more unlikely that local contractors, local suppliers, local businesses, will be able  
3345 to compete with off-Island contractors, off-Island suppliers, off-Island businesses. Now, how do

we reconcile that? I do not quite understand how we are going to do that. As I say, I totally support the idea of looking at a scheme like this – there are very good reasons to do so – but I do wonder how we are going to reconcile those two competing forces.

3350 I think somehow we are going to have to factor into our thinking. If we want local businesses and local contractors and local suppliers to be viable and we want them to contribute to a scheme like this, then we are going to have to think about that when we think about the attractive idea of giving contracts and suppliers' contracts to outside businesses and outside contractors.

3355 So I think that is something else we are going to have to factor in. There has been a lot of good thoughts put forward in this debate and a lot of warning words, as I have said, by Deputy Stewart and Deputy Perrot and a lot of very good words in support of this scheme, but we also need to factor that in. How do we uphold the support or the ethos of the unfettered free market but still accept the fact that the cost of business locally is going to go up and we want the local businesses and the local suppliers to stay in business, to be viable so they can contribute to schemes like this.

3360 So I am just asking the question ... I am asking Deputy Langlois and the Social Security Department and actually the Minister of T&R, Deputy St Pier, because I have already had a brief discussion with him yesterday about –

I give way to Deputy Langlois –

3365 **Deputy Langlois:** If I can perhaps put Deputy Queripel's mind at rest on that one?

The term 'economic impact assessment' which is in the report should ask exactly that question; and of course it will.

3370 **Deputy Laurie Queripel:** I take some comfort from that, sir, and I am glad that Deputy Langlois has said that but actually I hope we are going to do that because we do not really do it now, to be honest with you.

**A Member:** We do it now.

3375 **Deputy Laurie Queripel:** We do not though, because we already give contracts to outside suppliers and outside contractors as a States, because they can come in at a cheaper price than local contractors and local suppliers. And if we do that now how much more tempting will it be in the future when we increase the cost of doing business on Island?

3380 So this really has to be considered not only in the future in regard to this scheme, but we have to consider it now because it is something that is ... there are two opposing forces here and I think actually it plays out in a harmful way to the viability of local business. I hope I have made myself clear on that – I think that I have – but we are doing it now so it is going to be even more important that we consider these things in the future if this scheme comes into play.

3385 As I say, my thoughts are still on organising this matter but I have spoken to Deputy St Pier about it briefly and I am going to develop my thoughts and perhaps present something to T&R and Social Security in the future.

Thank you, sir.

3390 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Thank you, sir.

Perhaps Deputy Langlois' style as Minister has been very much like a good shepherd – well, we are not all sheep or lambs – leading us to pastures new, whereas I am perhaps more of a cat that does my own thing a bit.

3395 I am probably the most sceptical about this scheme for some of the reasons Deputy Hadley and others have put across. I was interested when Deputy Conder made his speech earlier that when he was a young man first in employment, he was more interested at that stage in free

lunches or luncheon vouchers and I thought some of us would perhaps put that as more of a priority.

3400 But I think you have to look at policy matters as a balancing act and the balance of merits for this in the present context we have been in the last six years, is to go for it and to make a decision today to explore this and give it a real run for its money. Because Deputy Kuttelwascher is probably right, there are arguments for independent saving accounts – I think the pioneer country all those years ago was Chile, but that perhaps was not a total sample to promote in every  
3405 respect. And this scheme has been adapted in different places, perhaps in Scandinavia, certainly in Australia and of course the United Kingdom.

We have seen for various reasons over the past few years, not a reduction in the rate of increase of old age pensions but we have generally adopted a different annual incremental policy than perhaps Deputy Dorey did or even Deputy Lowe in the days when they were Ministers of  
3410 Social Security and the boards of those days. Now as a consequence – although it was inaccurate for the Guernsey Press and others to say the value of the pension is falling, it most certainly is not – it is not necessarily rising as fast as earnings, if we assume earnings are likely to rise. And this strengthens the argument for a different approach, especially for people who are above the lowest possible earnings and can afford to put money into the scheme.

3415 Indeed, I was heartened by what Deputy St Pier said – and we have certainly heard those views at board level too – that it would be excellent if there was a tracker fund that matched either the excellent work Social Security do with the Investment Fund or the States' Pension Fund for its employees.

And I think Deputy Hadley overstated his case in saying that this was a form of income tax.  
3420 One of the reasons why it is not – and I thought that initially, I must admit – is because the money is set aside in a personal account that can be realised as an asset on retirement age, or transferred out of the Island if you move to another jurisdiction. That is not true of tax, you cannot say 'I am going to claim my income tax now as my annuity at the age of 65'.

3425 **Deputy Hadley:** When I said it was like a form of income tax, really what I am trying to say is that if you are an employed person, you look at the difference between your gross income and your net income after tax or pension provision or whatever it is. I mean the fact that it is not the same as income tax does not detract from the fact that it reduces your gross income to a much smaller net amount.

3430 So people are really misinterpreting what I mean when I said 'It is like income tax'. Yes of course it is your money and you get it back at the end, but at the end of the day young people just see their salary reduce and they are less able to buy the home they would rather live in.

**Deputy Gollop:** Well I accept that up to a point but surely the colleagues who are more expert  
3435 perhaps at personal finance than me, have pointed out that in a way the economy might take a certain hit, as Deputy Hadley and Deputy Queripel have identified, and this should and could be a matter for the economic analysis that we are going to set in place. But it is a form of deferred gratification because the argument would be that you might have slightly less buoyancy in the economy let us say in the 2020's and the 2030's, but the benefits would come to those people  
3440 later in life when they would have a greater income and therefore be able to increase their spend whether it be in restaurants or transport, or even employing painters and decorators. So it arguably is a prudent measure.

Would I have prioritised this idea over other ideas of economic empowerment and kick-starting the economy? Possibly not, but there has been a really strong mood within I think the  
3445 financial community and the higher reaches of the States to get this project underway. And we have had really solid advice from a leading professional very respected in the private sector, and also a leading professional who has advised Her Majesty's Government in London amongst other think tank operations, and we have had the benefit of their experience.

3450 We have to do *something*. I mean, in one respect I am surprised to hear Deputy Fallaize and a few other socially-conscious Deputies give such unqualified support for this, because there might be a temptation for future States to weaken the commitment to the official States' pension because everybody was doing so wonderfully out of this.

3455 But I hope, and I am assured, that is not the case; and bearing in mind we cannot go on having a much higher old age pension scenario than other competing jurisdictions and we do know from actuarial reports and many other workstreams, that the long term prospects are not good in every respect in terms of dependency ratios. But we do have to do something.

3460 I think sometimes we, as Members of the States, always hear interesting stories of personal financial successes and people invested in RATS or property. As an aside I would point out that it has been the kick-starting the property market through personal investment as landlords which has done a lot for the Island's buoyancy in terms of real estate over the years, but may have prevented first time buyers from getting on the market because the market rose to cover what became a kind of Guernsey pension fund.

3465 But I think the really salient point, as Deputy Fallaize particularly reminded us a couple of hours ago, is we think that everybody is well covered by silver-plated pensions but that is not the case. It might be true for some public sector servants, and it might be true for some successful people in the private sector, especially the financial sectors, but look at the figures in paragraph 3 on page 806. There were 42,698 residents of working age, the data suggests currently an estimated 40% of residents – that is over 25,000 people. Those 25,000 people are not experts in private pensions or corporate pensions, they have not got a bean – they are almost living for the day. I am to some extent one of them, although I do have 15 years of a separate pension behind me.

3470 But we really have got to think outside the box and I think in a way the generation who are currently approaching retirement or have retired are the lucky ones because they have benefited from the boom years of the 80's and 90's. We have really got to look ahead for the families of the future who have had the issues of post-Zero-10, FTP and increased charges – and this is a way of ensuring that we can help them, and help ourselves too.

3475 I think one other point is, bearing in mind the controversy this Assembly has had in many ways, we have not had an awful amount of lobbying from the public against it and we have had general support from the corporate community; and I would like to see Guernsey funds and Guernsey pension funds particularly involved with this because that would have an add-on professional and economic multiplier effect.

**The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Thank you, sir.

3485 Sir, I may not be in the next Assembly so I may not be able to vote against any future proposals should I feel the need to do so. So I am going to speak in fact against these proposals today whilst I am in the Assembly.

3490 Now, the other thing in the room here is that the proposals seek to take more and more money from employers and employees, which of course is the easy way to take money in. How much more money do we actually think we can take from the workforce before we completely demoralise them? The phrase, 'the States needs to get their own house in order first', springs to mind.

3495 Now what the States should really be doing is focusing on whether they can keep more money in the pot by being a lot more proactive. For example, by not having to spend £4.5 million on agency nurses, or spending tens of thousands of pounds on individual relocation packages for teachers.

**The Bailiff:** Are you straying off the subject of secondary pensions?

3500 **Several Members:** Yes.



**Deputy Lester Queripel:** Sir, this whole debate I thought was all about where we can make some more money to have more money in the future to give to the future pensioners.

**Several Members:** No.

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**The Bailiff:** No, no it is not. It is about the Propositions that are on page 867 of the Billet, (*Laughter*) as amended by the two amendments.

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**Deputy Lester Queripel:** Well, don't those Propositions seek to have further reports produced to look into the whole issue of secondary pensions?

**The Bailiff:** Yes.

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**Deputy Lester Queripel:** I am talking against the whole idea of secondary pensions, sir.

**The Bailiff:** Well, you are entitled to do that.

**Deputy Lester Queripel:** Thank you, sir.

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**The Bailiff:** But we were not debating agency nurses or relocation packages. (*Interjections*)

**Deputy Lester Queripel:** Sir, this is where we can actually keep money in the Island, make more money, save more money, have more money to give out to pensioners in the future. That is what my speech is all about.

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Would you allow me to continue, sir?

**The Bailiff:** Yes, if you are debating the Propositions, yes.

**Deputy Lester Queripel:** Well it is all related, sir.

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**The Bailiff:** If it is relevant.

**Deputy Lester Queripel:** In other words, we could save a lot more money by growing our own and employing our own; and as my brother, Deputy Laurie Queripel, said in his speech, the States themselves employ outside contractors to the detriment of local contractors on occasion.

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We could save a lot of money by not employing overseas consultants, we could save a lot of money by not producing endless reports and strategies that have no action plan attached to them.

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**Deputy Stewart:** A point of order, sir. Is this relevant to the debate?

**The Bailiff:** I have already given my view on that. (*Laughter*) Is this about secondary pensions? Deputy Queripel?

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**Deputy Lester Queripel:** It is in my mind, sir. (*Laughter*) And I am sure I am not the only one out there. I have only got one more page to go, sir.

**The Bailiff:** Right.

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**Deputy Lester Queripel:** As I was saying, we could save a lot more money by not producing endless reports and strategies that have no action plans attached to them. We could make a lot more money by introducing work permits; we could keep a lot more money in the Island by

introducing work permits; we spend millions of pounds on vanity projects; and we are going to be spending anything up to £100 million on a direct link to France to import our electricity when we should be considering linking up to the Alderney tidal power plant for £10 million or £20 million.

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So those are just a few of the things the next Assembly could do to pursue, to make and save and have more money in the pot. And I am completely against adding more and more expense to employers and employees when there are so many other things that the next States could do instead of continually hammering the workforce.

3560

Thank you, sir.

**The Bailiff:** Deputy Green.

**Deputy Green:** Very briefly, sir. I will be supporting all of these Propositions for the simple reason that some time ago, I think it was last year, there was an attempt made to try to ensure that the old age pension was uprated – Deputy Dorey and myself I think made the attempt, and that was unsuccessful.

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The way in which the old age pension will be uprated in the future, as Deputy Dorey said a moment ago, is that the relative value of the old age pension to median earnings will fall from 34% of median earnings in 2014 to 18% of median earnings in 2016. In those circumstances, it is absolutely inevitable in my judgement that we have to support a secondary pension mechanism to ensure that people do save adequately for their retirement, against the backdrop of what is going to be happening to the State pension, the primary pension for many of the people that we represent.

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I do have some concerns about what the potential economic impact of these proposals may be. I do not think that concern is so grave that it outweighs the inherent merit in these proposals, but nonetheless I think if you encourage a culture of much greater saving then logically that means that there will be a proportionate increase in the saving and a proportionate reduction in the amount of spending going on in the economy, and that has an effect upon the aggregate demand in the economy. That is the logical consequence.

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It is absolutely right therefore that we commission the work envisaged in Proposition 3 to look at that impact and to assess that economic impact properly. But I think these proposals address the right balance, they are going in the right direction. The auto-enrolment principle, I think, is the right one, there the right to opt-out which is important; and I will be supporting these Propositions.

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**The Bailiff:** I see no-one else. Oh, Deputy Trott.

**Deputy Trott:** Sir, as a director of an established Guernsey company providing pension administration services I have taken and will take no part in this debate other than to remind Members in my capacity as Chairman of Guernsey Finance, that Guernsey is recognised as a centre of excellence for the administration of pensions and with justifiable cause.

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Thank you, sir. (*Interjections.*)

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**The Bailiff:** Deputy Langlois will reply to the debate.

**Deputy Langlois:** Thank you very much, sir.

First of all, many thanks to what I believe is a significant majority of Members who have shown their overall support for these in-principle proposals. I have heard, listened and respected the opinions of those who have concerns and reservations, which is why this report is in this form, it is an in-principle set of decisions and will guide the design team at the next stage.

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About half way through this debate, sir, I came to the decision that I would not mention individuals in the summing up, but rather will try to sum up the real issues here and the themes

3605 that are in there. That resolve not to mention individuals was tested on about three occasions as we moved into fantasy land, but nevertheless I am going to stick to it.

There is an inconvenient truth underlying this, it is represented by a single figure in there which is an estimate but nevertheless a significant proportion of our population need to save more through their working life so that they can enjoy comfortable retirement.

3610 People talked about, 'Can we afford to do this?' I would turn that around and say, 'Can the Island afford *not* to do it?' (**Several Members:** Not to do it!) Because the cost will come later, and we will pay for it eventually.

3615 The auto-enrolment model has been mentioned frequently, and in case it is not clear there is no intention whatsoever in the principles in this report of following the UK model blindly. It has been actually remarkably successful in the early days, the actual take-up has been higher than predictions and that is the main reason for seeing it as a good possibility, but there will be some need to adjust that. And the main strength of it is that it encourages people, as I said, on a regular basis – and we have taken the figure of two years – to review their position and just begin to think about the longer term. And that will vary according to people's circumstances.

3620 I have heard a lot of comments about this being an additional tax – I know that does not just home in on one person's comments. The implication all the time is, we are taking more money away from people – no, this is savings; and where this money is lodged will not be part of public funds. It must not ever find its way anywhere near the Treasury. And that is not because we do not trust Treasury (*Laughter and interjection*) or the Social Security Funds, it is because they are held for totally different purposes and these are individual funds that must be ... the governance has got to be incredibly strong there, and the independent governance of the investment pattern is vital.

3630 I would be very pleased if the principle in here of this being worked together with the private sector were to be followed. I think it has to be followed. There are things that the States do quite well, funnily enough taking money off people is one thing we do quite well in two Departments; there are things that the States lack the skills to do, and as pointed out we have got a tremendous local industry with skills in this area. (**A Member:** Hear, hear.)

3635 There is a debate that has emerged about the level of compulsion here. I was very interested to hear one or two people say, 'Actually, I think this should be compulsory' – and there was a very loud voice on the working party who worked on this report saying, 'Yes, I think we should make it much nearer a compulsory scheme'. We, on balance, came down on the auto-enrolment as the way of enabling people to make a choice, because for me that choice is part of the personal responsibility agenda and has the right balance in it between not doing anything and letting people make their own arrangements, and actually compelling them to do something.

3640 The balance again has to be struck – and it will now be struck I think perhaps more effectively by the amendments – as to what extent these savings come from individuals or employers. I will put in one little pitch early on in this one, sir, for a view which I will hold, I will not be here to do the second part of the project. But one little pitch early on ... actually that is a fairly academic discussion for the simple reason that all the employees' money comes from the employers anyway and all we are talking about is how the actual transfer of that occurs as to whether it is deferred payment or current payment.

3645 The age pattern – the business of can people afford it at particular ages – is a very legitimate question. But of course that is why auto-enrolment should work, because as their age changes and their circumstances change, the fact that at certain ages people cannot afford to make this sort of contribution, is definitely not a reason for throwing the thing out. So that is where we are.

3650 We have never in this report, pretended that the next phase will be easy. As we have seen in today's debate, it is a highly complex issue, it leads to a lot of misapprehensions and confusion on occasions, despite ... and I thank also the input from our two expert advisers on this, I must thank them – no, not you Deputy Lowe! (*Laughter*) Outside of this Assembly, two people who have put a lot of effort into this and I thank them because we never pretended this would be easy, and at the next stage it will be even more to get over the detail.

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What we have after today is a really valuable asset for the design team. The *Hansard* transcript will inform the first meeting together with all the documentation and all of the points covered today must be taken into account. I would recommend the subsequent team to get hold of that transcript and make sure that they have heard every word said today.

3660 So thank you again for those who are supporting it and can we please support all the Propositions as amended.

**Deputy Lester Queripel:** A recorded vote please, sir.

3665 **The Bailiff:** Alright. There are three Propositions, Members, on page 867. Proposition 1 has been amended by the Deputy Perrot/Deputy Langlois amendment, and Proposition 2 amended by the Deputy Soulsby/Deputy Luxon amendment.

I put all three Propositions to you together in a recorded vote.

*There was a recorded vote.*

3670 **The Bailiff:** Well, Members, I think the outcome of that was fairly clear. I think we can risk leaving you in suspense overnight and have the formal declaration tomorrow and will rise now and resume at 09.30 a.m.

*The Assembly adjourned at 5.32 p.m.*