



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 13th December 2017

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Present:

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

Law Officers

Miss M. M. E. Pullum, Q.C. (H.M. Procureur),

People's Deputies

St Peter Port South

Deputies P. T. R. Ferbrache, J. Kuttelwascher, D. A. Tindall,
B. L. Brehaut, R. H. Tooley

St Peter Port North

Deputies, J. A. B. Gollop, C. N. K. Parkinson, L. C. Queripel, M. K. Le Clerc,
M. P. Leadbeater, J. I. Mooney

St Sampson

Deputies L. S. Trott, P. R. Le Pelley, J. S. Merrett, G. A. St Pier,
T. J. Stephens, C. P. Meerveld

The Vale

Deputies M. J. Fallaize, N. R. Inder, L. B. Queripel,
J. C. S. F. Smithies, S. T. Hansmann Rouxel

The Castel

Deputies R. Graham L.V.O, M. B. E, C. J. Green,
B. J. E. Paint, M. H. Dorey

The West

Deputies A. H. Brouard, A. C. Dudley-Owen, E. A. Yerby,
D. de G. De Lisle, S. L. Langlois

The South-East

Deputies H. J. R. Soulsby, H. L. de Sausmarez, P. J. Roffey,
R. G. Prow, V. S. Oliver

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

R. M. Titterington, Q.C. (H.M. Comptroller);
Deputy J. P. Le Tocq (*relevé à 9h 58*); Deputy M. M. Lowe (*relevé à 10h 48*)

Business transacted

Evocation	2267
Convocation	2267
Tributes	2267
In Memoriam – Former States’ Member Peter John Hungerford Morgan	2267
In Memoriam – Former States’ Member Laurence Lenfestey Guille	2269
In Memoriam – Former States’ Member David Alan André Barrett	2270
Statements.....	2271
ECOFIN status – Statement by the President of the Policy & Resources Committee	2271
General Update – Statement by the President of the Committee for Health & Social Care	2275
Questions for Oral Answer.....	2282
Public relations and marketing initiatives – Expenditure and policies	2282
Broadcasting of States’ meetings– Live television.....	2284
Billet d’État XXIV	2287
I. Election of a President of the Committee for Economic Development – Debate commenced	2287
<i>The Assembly adjourned at 10.48 a.m. and resumed its sitting at 10.52 a.m.</i>	<i>2288</i>
Election of a President of the Committee for Economic Development – Debate continued.....	2288
<i>The Assembly adjourned at 11.54 a.m. and resumed its sitting at 12.02 p.m.</i>	<i>2304</i>
Election of a President of the Committee for Economic Development – Debate continued – Deputy Parkinson elected.....	2304
Billet d’État XXV	2304
I. Election of a member of the Committee for Education, Sport & Culture – Deputy Gollop elected.....	2304
Billet d’État XXIV	2305
II. Election of a member of the Priaux Library Council – Deputy Le Pelley elected.....	2305
III. Election of ordinary members of the Guernsey Financial Services Commission – Drs. Schrauwers elected as Chairman; five ordinary members elected.....	2306
The Mali (Restrictive Measures) (Guernsey) Ordinance, 2017; The Civil Contingencies (Contingency Planning) (Information Arrangements) (Bailiwick of Guernsey) Regulations, 2017; The Population Management (Employment Permit Applications) (Amendment) Regulations, 2017;	2307
IV. The Probation (Guernsey) Law, 2017 – Article withdrawn.....	2307
V. The Income Support (Guernsey) Law, 2017 approved.....	2308
VI. The Income Tax (Guernsey) (Amendment) (No.2) Ordinance, 2017 approved.....	2309
VII The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2017 approved	2309
VIII. The Public Transport (Amendment) Ordinance, 2017 approved	2310

STATES OF DELIBERATION, WEDNESDAY, 13th DECEMBER 2017

IX. The Cutting of Hedges (Amendment) Ordinance, 2017 approved as amended.....	2310
X. Guernsey Post Limited – Annual Report and Accounts approved	2312
<i>The Assembly adjourned at 12.27 p.m. and resumed its sitting at 2.30 p.m.</i>	2314
Billet d 'État XXIV	2315
XI. Guernsey Electricity Limited Annual Report and Accounts – Proposition carried	2315
XII. A Partnership of Purpose: Transforming Bailiwick Health and Care – Propositions carried as amended.....	2321
<i>The Assembly adjourned at 5.19 p.m.</i>	2355

States of Deliberation

*The States met at 9.30 a.m. in the presence of
His Excellency Vice-Admiral Sir Ian Corder, K.B.E., C.B.
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

PRAYERS

The Senior Deputy Greffier

EVOCATION

CONVOCATION

The Senior Deputy Greffier: Billet d'État XXIV of 2017. To the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday, 13th December 2017 at 9.30 a.m. to consider the items listed in this Billet d'État which have been submitted for debate; and Billet d'État XXV of 2017.

5 To the Members of the States of the Island, I hereby give notice pursuant to Rule 2(4) of the Rules of Procedure that at the meeting of the States of Deliberation to be held at the Royal Court House on Wednesday 13th December 2017, the item listed in this Billet d'État is submitted for debate.

TRIBUTES

10 **The Bailiff:** Members of the States of Deliberation, sadly, we start this meeting of the States with tributes to three former States' Members: Peter Morgan, Laurence Guille and Dave Barrett.

In Memoriam – Former States' Member Peter John Hungerford Morgan

We were saddened to learn earlier this month of the death of Peter Morgan, or Peter John Hungerford Morgan to give him his full name. He was born on 16th May 1927, although he spent much of his youth in England, he was not born there. It may surprise some to learn that he was born in Jersey.

15 Towards the end of the Second World War he joined the West Yorkshire Regiment with the rank of a private. His skills and talents must have been spotted at an early age because he left the Army as a Captain after only a few years, and later in life he maintained his links with the Armed Forces community through membership of the Guernsey Branch of the Soldiers, Sailors, Airmen and Families Association, SSAFA, which he also served as its Chairman.

20 After leaving the Army he worked in England for a short period for the Shell Corporation where, coincidentally, he met and worked with Laurie Morgan, the two men were destined to meet again in Guernsey, including here in this Chamber, of course.

In 1948 at the age of 21 Peter moved from England, not to the Island of his birth, but to Guernsey where his mother had connections. He became a grower, growing tomatoes, flowers
25 and, later, other vegetables. He was an active member of the Guernsey Growers' Association and served as its President from 1977 to 1982.

Peter began his political career by joining the St Peter Port Douzaine in July 1976. He became Dean of the Douzaine in 1994, before retiring from parish politics two years later.

He joined the States of Deliberation in 1981 as a Douzaine Representative before winning a
30 seat as a People's Deputy in a St Peter Port by-election in 1983, caused by the election of Bob Chilcott to the Conseillers' Bench. Five years later he was himself elected Conseiller – an office he held for nine years until he retired in 1997, by which time he had completed 16 years as a Member of the States. But he had begun his long involvement with States' Committees 19 years earlier when he became a non-States' member of the Civil Service Board; that was in October 1978 and
35 he later became President of that Committee in 1984.

Of course his political career is remembered most for his time on the Advisory & Finance Committee, which he joined as a member in 1989, elected Vice-President of A&F two years later before being elected as its President in 1994. He served in that role, and hence as Guernsey's most senior politician, for three years from 1994 to 1997. It was a period where there were some strong
40 characters on that Committee and firm leadership skills were required of the President.

During the whole of Peter's political career, the State, of course, operated through a large number of committees. He was held in high regard by his fellow States' Members and, consequently, was elected on to very many committees, covering a broad spectrum of mandates. They are far too numerous to mention all of them, but those he served on included some of the
45 more prominent committees of the day: the Civil Service Board, as I have already mentioned, Income Tax Authority, Sea Fisheries and Public Thoroughfares, and he served on several *ad hoc* investigatory committees.

His interest in the arts and culture was reflected in his membership, at times, of both the Priaulx Library Council and the Guille-Allès Library Council. I do not know when he discovered a
50 passion for poetry, but whilst I have been Bailiff I have regularly received from him poems that he had composed himself.

He was, indeed, a man of many interests as well as being dedicated to public service. He was Commodore of the Royal Channel Islands Yacht Club, a Trustee of the Guernsey Training Agency, and a member of both Drug Concern and the Town Centre Partnership. He gained a reputation as
55 a hands-on person with leadership qualities.

In retirement from the States, he served as an adjudicator for unfair dismissal and sex discrimination cases. Indeed, well after his retirement he was called upon by the States for tasks which required a well-respected, skilled chairman with political wisdom and acumen. He was Chairman of the States' Parochial Legislation Working Party, looking into the role of the parochial
60 authorities in our community.

Members may be unaware that Peter was a keen sportsman who represented the Island at boxing, rugby, hockey and athletics. He was also a boxing referee for the Bailiwick.

Such a catalogue of Peter Morgan's interests and achievements is inevitably incomplete, but it begins to paint a picture of a man with exceptional talents and ability, who was much respected
65 both within this Chamber and in the wider community.

Although not a native Guernseyman, he dedicated a great chunk of his life to serving his parish and his Island for the greater good of us all. He did so in a quiet, effective and consensual way. He was mild mannered, fair-minded, and as I have said, well respected. He succeeded as a politician and was still sought after later, because he exemplified how to get things done through the art of
70 consensus within a political system that is, and was, built on consensus.

He leaves a widow, Terry, and three children, Nicola, Martin and Jane, to all of whom we extend our sincere condolences.

**In Memoriam –
Former States' Member Laurence Lenfestey Guille**

The Bailiff: Now from one gentleman to another. A true gentleman and a gentle man. Just yesterday we were saddened to learn of the death a few days ago of former States' Member, Laurence Lenfestey Guille, to give him his full name.

He was born in Guernsey on 6th July 1930. He was educated at Elizabeth College from 1937 to 1947, and spent the War years with the College in exile. After the War, like many Guernsey people of that generation, he became a grower of tomatoes and flowers, like Peter Morgan.

Laurence began his long career of political service in his home parish of St Saviour's in 1959. He served, at various times, in all the parochial offices, both ecclesiastical and secular – namely as a church warden, Procureur of the Poor, Constable, Douzenier and, I believe, on the Education Committee. He remained in parochial service until he retired in 1984 after 25 years.

He joined the States of Deliberation in 1976 as a Douzaine Representative. That was a brief tenure of just eight months. His main States' career began not long afterwards when in July 1978 he was elected as Deputy for St Saviour at a by-election triggered by the election of Tom Wise as a Conseiller. He became a Conseiller himself in October 1981 following the death of Tom Ogier. He held that office until his retirement from the States at the 1994 General Election.

Similarly to Peter Morgan, Laurence Guille was held in high regard. He was elected on to a total of nine committees, including some of the more prominent committees of the day: Advisory & Finance, on which he served for 12 years, and the Public Thoroughfares Committee. He also served on various other committees of the Island: Reception Committee and the Constitution of the States' Review Committee, among others.

However, Laurence is best known for his long membership of the States' Education Council. His time on the Council began back in 1966, as a non-States' member, and served on it continuously until his retirement from the States. That is a total of 28 years on Education. Of course, he was President of Education from October 1979. He was, in many ways, Mr Education in an era when, undoubtedly, the challenges were different from those currently being faced by the successor committee.

After retiring from the States in January 1995 Laurence's many talents were recognised by the States of Election as making him eminently suitable to serve in the greatest office to which an Islander can be elected, as it is sometimes described, namely a Jurat of the Royal Court. His proposer was none other than Peter Morgan, to whom I have just paid tribute.

He continued his life of dedicated and valuable public service to his native Island for a further decade, until his retirement from the Bench in 2005, having been made an acting Magistrate in 1998, and a Lieutenant Bailiff at the end of 1999, and I will be paying a further tribute to his service to the Royal Court in the Royal Court on Monday.

As hobbies, he liked swimming, walking, travelling, but perhaps his favourite pastime was boating, and he was an active member of St Saviour's Church for very many years.

He lived in the so-called Upper St Saviour's; I lived in Lower St Saviour's! (*Laughter*) If I recall correctly, there were two occasions when parcels of his land, because he lived right at the top of St Saviour's, were acquired by the States to enable the States' Airport runway to be built and to operate. As a result, I believe, he lost two dwelling houses, as each had to be demolished at different times.

Laurence gave a huge portion of his life to serving his parish and his Island home for the greater good of the community. When proposed for the office of Jurat, he was described as a fair-

120 minded Guernseyman, who was quiet and honest, as well as being resolute. His views were always respected, he had an abundance of common sense, and a detailed knowledge of Island life.

When he retired as a Jurat he was described by my predecessor as totally devoid of arrogance, not shy, but reserved and uncomplicated, and, in everything he had done in and about the Court, and no doubt in and about the States, truly modest and unassuming. In short, he was a true Guernseyman, espousing traditional values, common sense, and a deep sense of fairness.

He leaves a widow, Enid, and twin children Nigel and Angela, to whom we extend our sincere condolences.

**In Memoriam –
Former States' Member David Alan André Barrett**

125 **The Bailiff:** Then, Members, this morning you will have been very sorry to learn of the death in Cyprus, of former Deputy David Alan André Barrett.

130 David was born in Guernsey on 19th September 1954, the son of Cyril and Germaine Barrett. He attended Elizabeth College until 1972. In 1974 he obtained the Ordinary National Diploma in Hotel Management. He then spent two years in both London and Guernsey as a trainee manager for F W Woolworth Limited, following which he was Guernsey Manager for Singer Sewing Machines. From 1981 David was self-employed as a domestic appliance retailer and service contractor, and I am sure many people will remember him from that business in those days.

135 David was first elected as People's Deputy for the Castel in 1991, and was subsequently re-elected in 1994 and 1997. In 2000 he switched parishes and was elected as Deputy for St Andrew's. Thus he served a total of 13 years as a Member of the States. In the term from 1994 to 1997 his brother, the late Michael Barrett, was Deputy for St Saviour's. He was President of the Population & Migration Committee from 1995 to 2000, and President of the Broadcasting Committee from 1997 to 2004. In addition to those committees, David was a member of the States' Traffic Committee, the Liberation Day Committee, the Liberation & Millennium Celebrations Committee, the Public Thoroughfares Committee, the Telecommunications Board and the Island Development Committee.

140 Dave Barrett was always willing to help, usually quietly behind the scenes. He was another popular Member of the States, with a wide following in the community, who was never afraid to take on a cause, and to champion that cause, even in the face of opposition from his fellow States' Members. He even took his old committee, the IDC, and its successor, to Court in the 2000's.

145 His latter years were spent in Cyprus, where he sadly passed away after a painful illness, stoically borne, but he maintained his sense of humour to the very end.

He leaves behind a widow Kay, to whom we extend our sincere condolences.

Now, will you please rise to honour the memory of all three former Members.

Members stood in silence.

150 **The Bailiff:** Thank you, very much.
That is enough from me.

STATEMENTS

**ECOFIN status –
Statement by the President of the Policy & Resources Committee**

The Bailiff: We will now proceed with the normal business of the day, starting with a Statement to be delivered by the President of the Policy & Resources Committee, Deputy St Pier.

Deputy St Pier: Thank you, sir.

155 Sir, last week in Brussels, the EU Council of Finance Ministers (ECOFIN) formally reaffirmed Guernsey's status as a co-operative jurisdiction. This clear reaffirmation from the EU that Guernsey is a co-operative jurisdiction is very welcome, fully justified and should be of no surprise to anyone who knows us.

160 The EU Tax Commissioner, Pierre Moscovici, described us as such last year, and the ECOFIN decision was based on a recommendation by the EU's Code of Conduct Group on Business Taxation, the Code Group, with whom the Government of Guernsey has been actively engaged in an evaluation process throughout 2017.

165 The Policy & Resources Plan approved by the States' Assembly recognises that Guernsey's economic sustainability as an international finance centre has adherence to international standards as one of its foundations.

170 As part of our commitment to meeting international standards, Guernsey has, for many years, engaged willingly with the EU and the Organisation for Economic Co-operation and Development (OECD) on tax transparency and economic substance. We have taken a number of significant steps to demonstrate our active commitment to both. This latest EU process has rightly recognised this.

175 Guernsey has long called for a fair, consistent and objective EU approach in its treatment of both EU and non-EU jurisdictions. I am heartened that EU Tax Commissioner Moscovici, who I met in Brussels just three weeks ago, has publicly called for the new EU list to replace the outdated and inconsistent national 'blacklists' maintained by some EU Member States. We remain on one or two, for example, Portugal and Lithuania, and I hope that we will now be removed from these.

180 We should also welcome the agreement at the recent Global Forum Plenary in Cameroon to establish an informal voluntary group. This will comprise the interested members of the Global Forum, the BEPS Inclusive Framework and the EU Code of Conduct Group. It will work together to ensure an objective and consistent understanding and application of the criteria used by the EU; in other words, working on the basis of the principle of a 'level playing field', and to draw on the work of the Global Forum and of the OECD Forum on Harmful Tax Practices. This level playing field must, of course, include consideration of application to EU Member States themselves.

185 The evaluation process that the Code Group has undertaken involved 92 jurisdictions, including Guernsey.

The process led to the Code Group setting out a number of broad areas where it would like co-operative non-EU jurisdictions, such as ours, to take further steps to support economic substance. Guernsey is already committed to the OECD's Base Erosion and Profit Shifting (BEPS) action plan on economic substance, we have put in place country-by-country reporting, and in June of this year we were a signatory to the BEPS multilateral instrument.

190 The Policy & Resources Committee is publishing the most recent exchange of correspondence between Guernsey and the Code Group later today.

As that correspondence sets out, we look forward to engaging directly with the Code Group early in 2018 in order to identify steps to further strengthen our approach to economic substance. We are committed to ensuring that we implement those steps in the next 12 months.

195 Those steps could include amending legislation, changes to our regulatory requirements, additional accounting or tax reporting obligations or amended notification regimes.

As we consider those potential steps, we will, of course, ensure that the States' Assembly is fully engaged at the appropriate times, and also that our business community is properly consulted, including through the Guernsey International Business Association.

200 Guernsey is choosing to continue to meet EU tax good governance standards. This means that there should be no reason for the EU to have concerns over Guernsey as a location into which the European Investment Fund can continue to comfortably invest. Nor should it have any tax related concerns when considering our access to the EU market in the future on the basis of equivalence, when provided for in EU legislation. We therefore also hope that the Commission will soon grant
205 the Alternative Investment Fund Managers Directive (AIFMD), third country passport which the European Securities and Markets Authority (ESMA) has recommended.

Guernsey is a good neighbour and trading partner to the EU, providing a vital role in ensuring the efficiency of global capital markets, including as a funnel for foreign direct investment into the EU and UK. We have nothing to hide, and we should be loud and proud of our contribution to the
210 UK's economy directly and the exchequer indirectly.

Our funds sector funnels £25 billion of foreign direct investment into the UK, strengthening its capital account; the UK financial services industry receives significant revenues on the back of our finance sector – £1.1 billion from investment management fees alone, strengthening the UK's current account. Tens of thousands of UK jobs – contributing to the UK exchequer – depend on
215 what we do and our doing it well. We are working closely with the CityUK, and it is understood that we are a vital part of the UK's post-Brexit prosperity.

As I said last week when ECOFIN made its formal decision, Guernsey has demonstrated that it is possible to balance transparency with privacy, and economic substance with competitiveness. We will maintain that approach.

220 Guernsey also makes a strong contribution to the EU capital market, and investment in infrastructure across Europe, and I am pleased that the work we have been doing in Brussels since establishing in 2011, the Channel Islands Brussels Office (CIBO) emphatically is helping to ensure that our positive role is understood by EU Member States.

Whilst ECOFIN's decision is to be welcomed as being the right one, nobody should be under
225 any illusion – given the political nature of these types of decisions – it was not inevitable, and it required a considerable amount of time and commitment to ensure that Guernsey's position was properly understood. (**A Member:** Hear, hear.) It is very clear from the feedback that both Deputy Trott and I had from our respective recent joint visits with Jersey's Chief Minister, Senator Ian Gorst, in October and November, that Guernsey's active engagement and presence in Brussels is
230 appreciated, welcomed and is absolutely essential to represent our interests.

We will need to continue this commitment and investment for the foreseeable future, particularly with Brexit looming. For those who are in any doubt as to the value of our investment in supporting CIBO, and in the visits we make to Brussels, I would cite this issue as being exactly the reason why we have to make those investments.

235 I should add that much of the work undertaken with the Code Group process, and indeed on our external relations, is undertaken in close partnership with Jersey. That will continue on this matter, and on matters such as Brexit.

Sir, to finish as an aside, I would observe that the effectiveness of our joint working in external relations with Jersey is unfortunately not always replicated in other areas of joint working. That is
240 to be expected from time-to-time, but it has to be the exception and not the rule. Guernsey and Jersey face many similar challenges, and from my recent conversations with Jersey's Chief Minister, Senator Ian Gorst, has led us to agreement that this may in part be due to the differences in political governance with different projects – and that a more formalised and strategic approach to joint working would be in both our interests.

245 I am pleased that the Chief Executive Officer of the States of Guernsey and his counterpart in Jersey will be taking that forward in 2018 as a priority, and I hope that in early 2018 the Policy & Resources Committee will be able to bring a short policy letter on joint working with Jersey to the States' Assembly.

Thank you, sir.

250

The Bailiff: Before we move on to questions, Deputy Le Tocq, do you wish to be relevé?

Deputy Le Tocq: Yes, please, sir.

255

The Bailiff: Thank you.

Are there any questions any Member would wish to ask arising within the context of that Statement?

Yes. Deputy Prow.

260

Deputy Prow: Thank you, sir.

Please could I ask the President, whilst I completely agree that Guernsey has everything to be proud of, can I ask the President to confirm that there is actually an issue over the definition of 'economic substance'. If so, what steps are being taken to clarify exactly what 'economic substance' means?

265

Thank you, sir.

The Bailiff: Deputy St Pier.

270

Deputy St Pier: Sir, Deputy Prow has absolutely hit on a core issue, which is that currently there is no clear definition of economic substance. It is quite clear that the European Union themselves, through this process, have been unable to clearly articulate that. So it is a priority that we identify that very early, because clearly we cannot make any changes to adjust our regime, if we do not understand what the exact problem is that we are trying to address. So that is the very first issue that needs to be addressed. We have indicated in our meetings with EU officials, including, Commissioner Moscovici himself, and in the correspondence that we wish to meet with the Code Group as early as possible in the new year, in order that we can establish exactly that point.

275

The Bailiff: Deputy Gollop.

280

Deputy Gollop: Sir, the President's extremely positive Statement reaffirms, perhaps, the view Deputy Tindall held, that you can combine top quality regulation and a competitive profile. But will there be a price to be paid for us staying off the black list, such as the need for further regulation and legislation, which less compliant jurisdictions might not need to do.

285

The Bailiff: Deputy St Pier.

290

Deputy St Pier: Sir, it is likely, as I indicated in my Statement, that there will be regulatory changes, and legislative changes, as well – quite likely, or quite possible – but, following on from Deputy Prow's question, until we are clear about the nature of the challenge that we are faced with, and therefore the response, it is actually difficult to give a substantive answer to Deputy Gollop as to what the impact of that will be on our economy.

295

But I absolutely agree with his comment, and indeed, his reference to Deputy Tindall, that it is entirely possible, as I indicated in my Statement, for us to tread that line between privacy and regulation and maintaining appropriate levels of transparency in exchange of information whilst our economy and our financial services sector have continued to perform extremely well. Because I think the trend in the last two decades towards greater regulation and us being in the top decile of jurisdictions that are compliant with that has served us extremely well, and there is no reason at all why we should not continue to have faith that that is the right approach for us.

300

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

305 Despite tax transparency, the zero rate of corporate tax is continuing to raise eyes of many in Europe, and of course it has contributed to increased taxes and charges on the individual locally, and eroded benefits to pensioners. Can I ask, will P&R be looking at adjusting further the zero rate of corporate tax in the near future?

The Bailiff: Deputy St Pier.

310

Deputy St Pier: Sir, as I have made clear many times in this Assembly, over a number of budget debates, and in response to a number of questions from Deputy de Lisle, and others, and through the Policy & Resource Plan debate, and so on, the Policy & Resources Committee is absolutely committed to maintaining our international competitiveness and tracking developments on international taxation, with appropriate changes to our corporate regime in light of that.

315 As I have indicated before, the world of international corporate tax has moved extremely fast in the last decade. It continues to evolve at some pace. The zero rate of tax is not a criterion at the moment, in the context of the Code of Conduct Group's work, criterion on its own. However, the question of corporate tax harmonisation within Europe does remain on the agenda for a number of key member states, and clearly the evolving politics of Europe, with the exit of the United Kingdom, as a key member state who seeks to preserve the tax sovereignty of nations, is clearly a political development that we will need to factor into our planning over the next few years.

325 **The Bailiff:** Deputy Tindall.

Deputy Tindall: Thank you, sir.

330 I just wish to confirm that and ask the President the way in which we will stress the idea that the harmful tax practices include those in the EU as well. In fact, it should be world-wide, and I would like to understand a little bit more how Guernsey can influence that, because, indeed, it would be wonderful if we did have such a level playing field. Also to confirm that, indeed, we are amending the zero rate today with an ordinance that we are being asked to approve.

Thank you, sir.

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

Deputy St Pier: Sir, we are dealing with that last point, of course, that ordinance relates to a measure that was agreed in the Budget, which again does reinforce the message conveyed in relation to the previous question, that we have continued to evolve our system over recent years.

340 In relation to EU member states' own practices, interestingly, Commissioner Moscovici, in the press conference and media statements following ECOFIN's decision last week, was pressed on this issue. He gave a response that, as far as he was concerned there were no tax havens within the EU, but he would be required to say that, wouldn't he. But nonetheless what he did acknowledge is that there were 'practices', I think was the phrase he used, translating into English from his native French, that did require to be addressed.

345 So what we need to do, to answer Deputy Tindall's question, sir, is to continue to press that point at every, and any, opportunity that, whilst we are good players in the context of the international tax rules, it is necessary that we have that level playing field, and we cannot be doing this alone. Our position has always been that we need to have rules that are objectively, and equally, applied as a global standard, and we must continue to press that, and through the influence that we have through OECD's Global Forum, we know that there are many countries outside the EU who have considerable sympathy and influence in relation to that position.

The Bailiff: I see no one else.

**General Update –
Statement by the President of the Committee for Health & Social Care**

The Bailiff: We will move on to the next Statement, which is a general update Statement to be
355 delivered by the President of the Committee for Health & Social Care, Deputy Soulsby.

Deputy Soulsby: Sir, my Statement today is intended to update Members and the community
generally on what has been happening in Health and Social Care since my last statement, and our
plans for the coming months.

360 I apologise in advance that, because we have managed to get our policy letter on the future
model of health and care submitted in accordance with the timescale set by Policy & Resources,
you have both this Statement and our policy letter at this meeting. This means that this Statement
will, in accordance with the Rules of Procedure, focus on matters falling outside the
transformation programme. However, it will not be a surprise that it has not been difficult to fill 10
365 minutes I have available, despite that.

The new contract with the Medical Specialist Group is due to commence on 1st January. At a
cumulative cost of £100 million, this is the largest for the States of Guernsey, and as such, requires
proper management on an ongoing basis. Contract monitoring has been a weakness generally of
the States of Guernsey, and we need to up our game to ensure best value for money, and that
370 users get the service that we have paid for. Accordingly, proposals were submitted and approved
earlier this year to create a new client team that will ensure effective control and best value from
the contract, with joint funding provided from HSC and ESS. I thank that Committee for its
support.

375 Now, the vast majority of secondary health care is delivered within the timeframes specified
within the contract. However, there are key pressure areas in certain disciplines – chronic pain,
gastroenterology and orthopaedics.

The Committee understands that waiting times are really important to Islanders and that
sometimes it can be distressing having to wait for a referral or operation. Islanders want to know
when they can expect to receive treatment, and for this timeframe to be adhered to. HSC will be
380 requesting that CareWatch consider this matter and the expectations of patients. This will then
inform ongoing dialogue with the MSG through the regular contract monitoring meetings, and
the development of joint remedial action plans under the new contract.

385 Positive steps have already been taken in respect of orthopaedics. A fourth surgeon was
appointed this year, and a physiotherapy pilot in primary care has reduced unnecessary referrals.
These have contributed to the increase in the number of operations taking place in the contract
time since the beginning of the year. The Medical Director is also looking at how matters can be
improved further.

390 In respect of gastroenterology, work has been undertaken with primary care to reduce referrals
by reviewing care pathways and a review of general medicine that took place recently by
representatives from the Royal College of Physicians of Edinburgh, due to their expertise in
remote and rural settings, and the full report is likely to make further recommendations that may
help the situation, although at additional cost.

395 A core part of HSC's work is the delivery of community care services and every day there are
multiple contacts with individuals in their own homes. In the last quarter Community Services have
been able to increase their staff resource and, by thinking and working differently have reduced
the time people are waiting for a care package. Plans are also well developed to introduce a re-
ablement service later next year.

400 The team has also worked with colleagues from ESS and the Guernsey Housing Association to obtain planning approval for the autism build at Le Vieux Jardin. We know that an enabling physical environment promotes independence, with a resultant decrease in the need for care and support, and the team are therefore considering other areas where this partnership approach will make a difference.

405 Now, those Members who were in the States in the last term will be aware of the long running saga of the hyperbaric chamber. To date, we have been renting a chamber to ensure that there was a facility on-Island for professional divers, and whilst we had been expected to purchase a chamber from the Bond proceeds, this was not possible due to the lack of a reliable income stream. Therefore a request was made to purchase a chamber from Capital Reserve recently, and I am pleased that the Policy & Resources Committee have approved that request, and I thank them for their support. This also means that we will be able to review the fees and charges associated with its usage as our ongoing costs will be significantly reduced.

410 The Committee has developed a close relationship with the Arts Commission. Indeed, any trip around the PEH today will demonstrate their influence in making it a brighter and more welcoming place. The latest project saw a makeover of the restaurant with new locally themed artwork and dementia friendly signage, creating a space that provides a positive and relaxing environment for staff and service users. This will be complete next year when we replace the furniture which dates back 30 years from when the Gloucester Room was created.

415 Now, I have already mentioned the support from the Committee for Employment & Social Security and HSC really appreciates the close working with our colleagues on that Committee, which is helping our transformation. It is probably the clearest demonstration of what joined up government is meant to be about. This was shown just last week through the joint initiative to make a full range of contraceptive services available for women under the age of 21 years, provided free at the point of access. We believe this programme will result in an improvement in the health and wellbeing of young people with a decrease in the reliance on social benefits. This morning feedback I have received is it is already making a difference and it was only launched last week.

425 We are also delighted that the Committee for Environment & Infrastructure have agreed to support HSC by developing a travel plan for the PEH Campus. I know parking there can be a source of irritation, but as a Committee, our primary focus has to be on the health and wellbeing of Islanders, and resources need to be prioritised in ensuring this is not compromised. I therefore thank that Committee for providing their help and support, which is most welcome. Again, an example of joined up government, thank you.

430 Moving on to health promotion, in November the UK Supreme Court unanimously rejected a legal challenge over Scotland's proposed introduction of minimum unit pricing on alcohol. I am pleased this matter has finally concluded. I can confirm that HSC is investigating how this can be implemented locally in accordance with the Policy & Resource Plan.

435 Recently Dr Nikki Brink, our Acting Director of Public Health, gave a presentation to Members of the States of Alderney about the role of public health, and work they were doing to support Alderney, which I understand was very well received.

440 Following the transition of the Drug and Alcohol Strategy from Home Affairs to HSC, I was pleased to represent Guernsey at the British-Irish Council Ministerial Meeting on the Misuse of Substances. It was memorable not just for having six female Ministers to one male, but also for the clear recognition that sentencing policy for first time and young offenders should focus on rehabilitation as opposed to criminalisation. This is in line with Home Affairs' Justice Policy and its commitment to delivering the correct interventions at the right time. HSC looks forward to working with Home Affairs in the delivery of programmes to support rehabilitation and ensuring 'early misdemeanours' do not disproportionately affect a young person's life.

445 Brehon Ward recently received the Bailiwick's first Blue SCAPE Award which represents the highest standards of care. Standing for safe, clean and personal care every time, SCAPE is a rigorous assessment of the quality of nursing care that teams deliver which needs to be

450 consistently delivered over the course of two years. The Emergency Department followed soon after, and I am sure others will want to emulate their success.

Last week, we celebrated the Health & Social Care Annual Awards. Categories include Outstanding Contribution, Manager of the Year, Team of the Year and Special Recognition. Those nominated illustrate the exceptional practice across health and care services, and the professional, 455 dedication and enthusiasm shown by HSC's staff, both frontline and back office.

The Care Values framework, which was launched in November 2016, went live at the beginning of this year. Through six key principles, it is designed to promote quality, service user centred care by skilled, educated staff, dedicated to innovative ways of working for our community. Significant progress continues to be made, including: Sage and Thyme training to develop structured 460 conversations with people in distress or with concerns; Schwartz rounds where all staff, clinical and non-clinical, come together regularly to discuss the emotional and social aspects of working in healthcare; and the development of a lessons learnt bulletin following serious incidents – ensuring that learning is shared and the quality of services can be strengthened.

I had to cut out a lot there due to the time available. There is much more.

465 Next year our Chief Nurse will launch the initiative Safer Every Day. Through highlighting the positive steps taken daily by healthcare professionals to ensure that service users are safe, it will raise awareness of good practice, prevention of harm and protection of patients and staff.

Last but not least, I turn to finances. I spoke recently on finances during the Budget, so I will not repeat that detail now, other than to advise that we will have generated a surplus this year 470 thanks to the hard work of people throughout the organisation making service improvements on a daily basis. However, with a £3.6 million reduction in our budget, we are going to face real challenges next year and, whilst this is something that is more for the policy letter, I should make it clear that we have reached the limit of budget cuts, and what we need to focus on now is future cost avoidance. When the balance is skewed to the now is when things unravel, and I do not want 475 to see the good work done to date lost due to short-term expediency, when what we really need is strong, strategic and evidence-based decision making, and that will be the subject of my next speech.

The Bailiff: Well done. You have 10 seconds remaining. You said you wanted to fill the full 10 480 minutes.

Any questions?

Deputy de Lisle.

Deputy de Lisle: Yes, sir, thank you.

485 I am continually getting calls, sir, with respect to very long delays and long waiting times that people are having to suffer, in waiting for operations. In fact, six months was one of the last ones, according to a phone call that I received just recently. Also, people are losing out by not being sent off the Island quickly enough for cardio vascular investigations and operations.

490 Rather than talking about it, will the President and her Committee consider with immediacy, long waiting times for operations and time getting off the Island for medical services not available locally?

Thank you, sir.

The Bailiff: Deputy Soulsby.

495

Deputy Soulsby: Sir, I do not know if I spoke too quickly and Dave de Lisle missed the point or the bit where I talked about what we were doing to try and – (*Interjection*)

The Bailiff: Deputy Soulsby is answering the question.

500

Deputy Soulsby: – the work that we are actually doing to try and reduce waiting times, Deputy de Lisle.

505 I will talk more about this in the policy letter regarding increases in waiting time. What I can say is a lot of work has been done, working in partnership with MSG to reduce those waiting times, and as I said in my speech, we totally understand it can be distressing, but some people may have to wait longer than others, but what we are doing is to ensure those in chronic need get treated as soon as absolutely possible.

510 **The Bailiff:** Deputy Roffey

Deputy Roffey: Thank you, sir.

515 In her Statement, the President referred to the new MSG contracts starting in a few weeks' time, and it being the largest contract that the States had entered into, I think, she said. Under that contract there are a number of KPIs; can she inform the States about what sanctions, if any, are in place if the targets under those KPIs are not met?

The Bailiff: Deputy Soulsby.

520 **Deputy Soulsby:** Sir, yes, a range of sanctions. First of all, we will be looking at, what I explained in the policy letter about remedial action plans, if things are not working we need to work toward seeing how we can resolve them. If we find that is not resolved and MSG do not work in accordance with the contract, and we are not satisfied with what they do, we can remove certain services from the MSG. The ultimate sanction, of course, would be to say that we wished to terminate the contract.

525

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

530 Is the President of the Committee able to advise the States of what progress has been made, or may be made in the future, in relation to capacity legislation, in relation to which there are extant Resolutions?

Thank you, sir.

535 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, yes, this is a matter of priority for the Committee and myself, personally, having had a very painful experience trying to get the capacity legislation policy letter through the last term, we believe this is very important, not just for service users, but also for those people that are caring for them. We have obtained additional resource to enable us to support the Law Officers to develop that legislation, and that work has commenced. It is a priority and I cannot give you an absolute date but I am hoping that we can get this through in the early part of next year, because it is a significant priority for the Committee.

545 **The Bailiff:** Deputy Green.

Deputy Green: Sir, thank you.

550 Another question for the President of Health & Social Care about the MSG contract. Can Deputy Soulsby assure the States that there will be sufficient and adequate resources to adequately monitor the KPIs that are embedded in the new contract; because it strikes me, sir, that if there is not resources to monitor those KPIs adequately then we really need not have them in the first place?

The Bailiff: Deputy Soulsby.

555 **Deputy Soulsby:** I absolutely, totally agree with Deputy Green on that front, and that is why I spoke within my Statement about how HSC and ESS have worked very closely together to develop and resource a client team that appropriately monitors that contract.

560 It was very much something that we insisted on before we even signed the contract. It is all very well having a contract but if you cannot do anything about it and monitor it then it is not worth having.

The Bailiff: Yes. Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

565 Would the President agree with me that having in the MSG the paediatrics department, a major concern amongst parents is that they have been understaffed for a while and when the new contract comes in enforcing those KPIs would be a good thing?

The Bailiff: Deputy Soulsby.

570 **Deputy Soulsby:** Sir, yes, we are aware that we have issues within paediatrics, due to a paediatrician leaving the Island, which has given us a lack of resource in that area. MSG are working hard to recruit, but it is a very hard-to-recruit area. In the UK there are up to four-year waiting times for diagnoses. I think Deputy Hansmann Rouxel was talking on the autism front. We are going to be meeting MSG next week to look at a variety of options that we can look to to sort that out at this present moment in time.

The Bailiff: Deputy Green.

580 **Deputy Green:** Sir, thank you.

Deputy Soulsby, towards the end of her speech, referred to the future focus being on cost avoidance, I think, was the phrase that she used. Is Deputy Soulsby in a position to give any further details about where those areas of cost avoidance may be, and whether her Committee has considered particular areas in that regard?

585

The Bailiff: Deputy Soulsby.

Deputy Soulsby: I certainly have, sir, and that is the subject of the policy letter and my statement on the policy letter.

590

The Bailiff: Deputy Gollop.

595 **Deputy Gollop:** Sir, further on the autism question, it has been a matter of speculation by members of the public, and also recently on a *BBC Guernsey* radio broadcast, that there are issues with the waiting list for autism referrals and consultations. Is Health & Social Care prioritising looking into this matter, to ensure that there is no cap on diagnostic facilities or therapeutic options?

600 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, I do not deal with speculation, I deal with fact and, clearly, as I have just answered Deputy Hansmann Rouxel, we are seeking to restore the situation. Unfortunately, it reflects the problems of scale that we have on this Island and when we lose a resource we have to

605 start recruiting again. That is something that MSG are doing, and as I say, we are working in partnership with MSG to ensure that we can resolve the matter as soon as possible.

The Bailiff: Deputy Oliver.

610 **Deputy Oliver:** Sir, I was just wondering will the President be looking at the cost for the emergency department? I have had a number of emails with parents almost avoiding taking their children to the hospital during the weekend because it costs so much money, whereas if they take them in the week it is pretty much three times less. Will you be looking at those costs?

A Member: Hear, hear.

615

The Bailiff: Deputy Soulsby.

620 **Deputy Soulsby:** Sir, I am aware that this Statement is meant to be about everything other than the transformation programme, but clearly, I cannot not speak about it, because clearly, it is in an area we will be in negotiation with our colleagues at Employment & Social Security, in terms of how we develop a universal offer and care passport to change that.

625 At the moment all we did, and in terms of costs there has been a lot of speculation about how costs are supposed to have gone up since HSD took over the emergency department. That is not true. What we did was consolidate the costs, and simplify it, and make it more transparent so people actually know what the costs are now, rather than in the past where they were made up of very different aspects of a bill for different treatments and services. So costs have not gone up, and in terms of the accusation that people are double paying when they were not in the past, well, that is not true because HSC used to provide £800,000 to primary care to provide that service.

630 **The Bailiff:** I see no one else rising. Oh, sorry –

Deputy Brehaut: I was just rising.

635 **The Bailiff:** I know you were, well, Deputy Laurie Queripel rose as well. Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

640 I would like to ask Deputy Soulsby, will the Health & Social Care Committee give serious consideration to commissioning an independent review of the Children's Services under their responsibility, particularly in light of the recent Ofsted Review of Home Affairs Safeguarder Family Proceedings Advisory Service?

Thank you, sir.

The Bailiff: Deputy Soulsby.

645 **Deputy Soulsby:** Sir, I answered a lot of similar questions under Rule 11 in the last meeting, I believe it was, when we actually explained all the great work that is actually being done in Children's Services, and so, well, yes, at some future time we think, we have no objection to an independent review. But I do believe the Ofsted Review actually said, in the future if there is going to be a review of Children's Services, then it should be both in relation to the Safeguarding and
650 the Family Proceedings Advisory Service and Home Affairs, and those services provided by HSC; and I think that makes eminent sense.

The Bailiff: Deputy Brehaut.

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

660 Some of the delays with regard to specialists, or elongated clinical episodes, if I can put it that way, are not the responsibility of Health & Social Care, but to the internal operation of the MSG – for example, professional development, training and disciplinary issues. Can she assure us that her relationship, I beg your pardon, the Committee’s relationship, is strong enough with the MSG to tackle them on those issues that are probably outside of the contract but nevertheless do have an impact on the individual?

The Bailiff: Deputy Soulsby.

665 **Deputy Soulsby:** Sir, we have a good working relationship with the MSG. I would say in recent weeks MSG have become aware that we are actually quite robust in what we seek to achieve.

The Bailiff: Deputy Gollop.

670 **Deputy Gollop:** Yes. I was pleased, as I think most of the Members would be, to hear about the great working relationship you have with us on Employment & Social Security – Deputy Soulsby’s Committee has – but, I would like to ask her as President will she give an assurance on behalf of herself and the board that they will do everything possible to co-operate with other Committees in implementing the Disability & Inclusion Strategy from their perspective?

675

A Member: Hear, hear.

The Bailiff: Deputy Soulsby.

680 **Deputy Soulsby:** Sir, absolutely, and we have been doing that ongoing. There was a recent business disability forum audit undertaken showing confidence in the services we provide are high. We are looking at how we change the disability services, and very much within that, I have got an operating model changing patient flow so we have a single point of access to support those people with disability.

685

The Bailiff: Deputy Roffey.

690 **Deputy Roffey:** The President mentioned a ballpark figure of £200 million, I think, for the MSG contract. Can she just clarify whether that is a fixed cost or whether the cost to the States could rise considerably if extra consultants are required in order to tackle the long waiting lists in some areas that she referred to.

The Bailiff: Deputy Soulsby.

695 **Deputy Soulsby:** Sir, it is theoretically £100 million over five years, not £200 million. Starting at about £80 million and taking account – *(Interjection)* Yes, that is the whole part of the transformation, Deputy Roffey. We know that we have a model that needs to change, and we need to think about ‘think differently and work differently’, and we cannot cope with the next full rise in the number of specialists over years. Within the figure we have got, it does allow for extra consultants to be recruited in key areas where we know that we are going to have future demand. But the whole point of that contract is it is flexible and it will allow us to do things differently over the next five years.

700

Questions for Oral Answer

POLICY & RESOURCES COMMITTEE

Public relations and marketing initiatives – Expenditure and policies

The Bailiff: We will move on now to Question Time.

705 There are two sets of Questions, both to be asked by Deputy Gollop, and the first of the President of the Policy & Resources Committee.

Deputy Gollop, your first Question.

Deputy Gollop: They disappear these things, this is the trouble. Here we are. That is why they
710 should give me paper copies but never mind.

The Bailiff: Would you like a paper copy, Deputy Gollop?

Deputy Gollop: Because they disappear, these things. Never mind, it has come back.

715 Sorry about the delay, but: will the Policy & Resources Committee be reviewing, and subsequently publishing, with transparent clarity, what the Rules of Approach and Openness are for publicising States' initiatives and policies, especially with regard to the hiring of marketing consultants and their use in central media outlets?

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

Deputy St Pier: Sir, Communications Guidelines are published on the States of Guernsey's intranet site, with a link to them on the home page. All States of Guernsey employees and States' Members have access to this site. The Communications Manual includes very clear instructions on
725 publishing States of Guernsey social media pages, the process, who should be cited on posts, and how these should be branded clearly as the States of Guernsey.

As is good practice following any situation such as that which we have experienced in the last two weeks, the responsible team will review the documentation to see if any further clarity is needed. Additionally, once reviewed, the Corporate Communications Team will publish the
730 guidelines on the gov.gg website so there can be no ambiguity on the standard and style of communication the public can expect from us as part of our ongoing work to further improve how we engage with our community.

The Bailiff: Your next Question, Deputy Gollop.

735

Deputy Gollop: Well, I have a supplementary on the first one.

The Bailiff: Your supplementary first then.

740 **Deputy Gollop:** The first is: do the Communications Guidelines also relate to, for example, Twitter, and how regularly States' Committees should update material that they put out for public consumption?

The Bailiff: Deputy Gollop, sorry, Deputy St Pier. Sorry! *(Laughter)*

745

Deputy St Pier: I appreciate we are easily confused, sir.

The Bailiff: I was just writing his name down, that was –

750 **Deputy St Pier:** The matter of individual Committees use of social media will be a matter for individual Committees, and of course, their own resources in being able to keep material up to date, but clearly it is incumbent on States' Committees, if they do publish information, to ensure that it is up to date, and it has to be one of the considerations that they take into account as they consider what and when to publish.

755 **The Bailiff:** Your next Question.

Deputy Gollop: My second Question is: will also the Committee for Policy & Resources make clear what the maximum expenditure on public relations or marketing initiatives should be, perhaps, varying with the size and scale of the policy outcomes?

760

The Bailiff: Deputy St Pier.

765 **Deputy St Pier:** Firstly, sir, I think it is worth distinguishing between the different type of support offered by agencies, PR or public relations equities ... is very different from advertising and marketing. These are areas of the States where it is absolutely necessary to buy in, sorry, there are areas of the States where it is absolutely necessary to buy in advertising and marketing support, for *VisitGuernsey*, for example. However, over the last four years, agencies' spend across the States has been reduced intentionally and dramatically across all disciplines with the majority of its work carried out in-house by the Corporate Communications Team. In general terms, specialist services are brought in only when absolutely necessary.

770

In the case of PR there is very little use of external agencies across the States and, in fact, I am only aware of one area who still uses the services of a PR company and that is a trading asset with specific needs.

775 The question is less about maximum expenditure and more about making sure we plan communications activity sufficiently well to utilise available resource, and when it is prudent to buy in additional support we make sure that the resource is procured and briefed professionally and monitored for results and value for money. This expert support remains within the remit of the Corporate Communications Team.

780 **The Bailiff:** Deputy Gollop.

785 **Deputy Gollop:** I thank the President for his Answer, but I do not think it was an answer to my Question. As my Question is, it was recently revealed that a Principal Committee of the States when wanting to present arguments for a project of over £100 million could not find the resource in the Corporate Communications Unit to quickly move on with that task. So if you compare that, say, with the communications necessary to advertise winter museum openings, is there not a question of scale that should be applied as to the necessity of significant projects needing significant marketing or PR support?

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

Deputy St Pier: Sir, to be clear, the Corporate Communications Team were available, and were being deployed, and were in the middle of preparing material. So there was no question of the lack of resource to support, as had been discussed and agreed.

795 In terms of the use of budget whether it is general revenue budget, or whether it is budget for a specific project, whether it be Capital or otherwise, that is entirely a matter for Committees to manage within their own budgets, and to determine how they wish to best use their resources. There is no reason, I do not think, for further guidance and guidelines from P&R, specifically, on

800 the question of PR and marketing for projects. That remains a matter for Committees to determine providing they remain within budget and follow the guidelines.

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

Broadcasting of States' meetings– Live television

The Bailiff: Deputy Gollop, your next Questions are to be addressed to the President of the States' Assembly & Constitution Committee. If they have not disappeared, can we move on with them?

805 **Deputy Gollop:** I have got them here. It was because I had the wrong set that caused the confusion earlier. Thanking you very much, sir.

Bearing in mind the apparently successful broadcasting and live streaming of our deliberations through *BBC Radio Guernsey*, can this experiment be developed and extended paralleling other Commonwealth Parliamentary Assemblies, in particular, our sister Island of Jersey, which allows recordings to be available for six months and live pictures, television style, in bright living colour?

810

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

815 In July 2014, on the recommendation of the Committee, the States agreed to remove the barriers to broadcasting live television pictures of its meetings. While the Committee would support the introduction of televising the States' meetings, in the current financial climate it does not believe it would be appropriate to recommend to the States that public money is spent on such a service, particularly given the audio service currently provided on the radio and online by the *BBC*.

820

However, if the Committee receives a strong indication from the States that this matter should be prioritised, it will of course consider the matter further. When considering the broadcasting of meetings in other jurisdictions, the Committee noted that the Isle of Man does not televise its Parliamentary meetings. Whilst Jersey started televising its meetings in September last year, after initial enthusiasm by some viewers for the first couple of meetings this declined with, at best, only 0.2% of the population viewing States' meetings via the website in the first six months.

825

The Bailiff: Is this a supplementary or your next Question, Deputy Gollop?

830 **Deputy Gollop:** I will ask my next Question, I think.

The Bailiff: Your next Question then.

835 **Deputy Gollop:** Does SACC, the Committee, feel the wider public are entitled to see us broadcast live with gestures, body language and pictures in such key debates as, for example, the upcoming Education Schools Programme, or do we still belong to the radio rather than the digital visual age.

840 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Based on the events of a few minutes ago, I think Deputy Gollop would be better to stick to the radio (*Laughter*) age, than try to ask his questions via his electric communicator.

845 But the actual Answer to the Question is that the Committee would welcome initiatives to introduce visual broadcasting from the media or other providers to enhance access to States' meetings and public engagement with the political process. However, as stated in my previous Answer, the Committee is not minded to take any proposals to the States that such broadcasts should be funded through the public purse at the present time.

850 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Two supplementaries here.

855 The first is that the Committee has endorsed the idea but does not wish to spend public money, supposing a private sponsor offered electrical support, or a television company. Would that be an interesting prospect that the Committee would look at on its merits?

The Bailiff: Deputy Fallaize.

860 **Deputy Fallaize:** I think, in answering that question, I have to clarify what the position was, and now is. Before July 2014 there were restrictions placed on the broadcasting of States' meetings which, in practical terms, meant that it could not be done by anybody. Following the changes that were made by the States, on the recommendation of the Committee, the regime has now been completely liberalised, and it would be very easy for any broadcaster, or any group of people, who wished to offer that kind of service to do so. They would make contact with the Committee, some very basic ground rules would be put in place, and then the meetings could be broadcast. There is, in practical terms, nothing preventing anybody who wishes to broadcast meetings of the States. It is not that the Committee is opposed to that in any way. Anybody who wants to should approach the Committee and it could be set up pretty easily as long as they pay for it.

870

The Bailiff: Your second supplementary, Deputy Gollop.

Deputy Gollop: The President might be in danger of misleading the Assembly in saying that only 200 people from Jersey watch it, because I watch it as well.

875 But I would ask: would he not consider that although you, sir, keep us very well disciplined, that the discipline of this Assembly would increase even further with the sanction of television, because it would be less easy for us to wander around, get distracted, or disappear without a degree of media or public criticism?

880 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Deputy Gollop does not add to the viewing figures from Jersey, of course, though I am sure they are immensely gratified to have his support.

885 The simple answer to Deputy Gollop's question, I think, is no.

I think it is generally accepted that the televised broadcasting of the House of Commons has done absolutely nothing at all to improve the conduct of proceedings, and the only part of Parliament that most of the nation ever watches is Prime Minister's Questions when both sides pack either side of the House and just shout at each other for half an hour and achieve nothing useful.

890

But nevertheless, it would still be good if meetings of the States could be broadcast, because it would be a different way of the States engaging with the public and the Committee would welcome the approach of any broadcaster who feels able to offer that service.

895 **The Bailiff:** Deputy Inder.

Deputy Inder: Sir, thank you very much.

Deputy Fallaize, just in some of the responses that you have given to Deputy Gollop, they seem to be based around traditional cameras, chaps behind cameras, and the like, but surely with
900 modern technology, a couple of fixed cameras in the corner of the building live streaming might make an experiment possibly a little less expensive and traditional. All it really means is three or four cameras, possibly HD cameras, in the corner of each room and maybe a bit of fatter bandwidth out of this building, which is something for consideration.

905 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: I thank Deputy Inder for his suggestion and, clearly, he knows quite a lot more about this sort of field of activity than I do. I accept that.

But I think the issue is the Committee has made a decision that public money, at this time, should not be spent on such a service. I do not doubt that there would be ways of running such a
910 service expensively, and there would be ways of running it less expensively, but there would be no way, as far as the Committee can ascertain of running it for free, unless it is, effectively, run by somebody else and paid for by them. But I am happy to speak to Deputy Inder further, if he has any ideas for how this could be done extremely cheaply – like as close to zero as possible!
915 *(Laughter)* Then the Committee would be happy to work with him.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Can I ask Deputy Fallaize, because of the frequency we revisit debates, does
920 he believe the public have an appetite for so many repeats? *(Laughter)*

The Bailiff: Deputy Fallaize.

Deputy Fallaize: I think that there would be some appetite to watch meetings of the States,
925 but I do not think that whether meetings are broadcast in picture form is the difference between whether the States is accessible or not accessible. Clearly, the States are meeting in open session. It is broadcast live on the radio. It is available online. I am not sure there would be any material improvement in the openness of the States if the broadcasts were televised as well in the way that the States' Assembly is in Jersey.

The Committee, certainly, as I have said, is very happy to do everything practically within its gift
930 to allow meetings to be broadcast, but they do have to be paid for by other broadcasters. I would encourage media broadcasters, and others, who feel able to offer such a service, to do so. They did show some enthusiasm originally but that has never been pursued, and that is unfortunate.

935 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Yes, sir, does Deputy Fallaize agree with me that if there is any spare change
940 down the back of the sofa on anything to do with our proceedings, it would probably be more usefully spent on electronic voting? *(Interjections)*

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, talking about the States endlessly revisiting the same issue, *(Laughter)* as Deputy Brehaut was, I think the States have considered and rejected simultaneous electronic voting, 163 times – no, almost that number. No.

As the Committee advised the States not all that long ago, the Committee is not aggressively opposed to simultaneous electronic voting. The issue is that you cannot have simultaneous electronic voting which is both more open than the current voting system and quicker. You can have a system which is more open and slower, if every single vote is taken by simultaneous electronic voting, and you can have a system which is much quicker than our current voting system but would be no more transparent. Because to the inability to reconcile transparency and efficiency, the Committee does not recommend the introduction of simultaneous electronic voting, which I suspect, in any event, would be rather more expensive to install than the broadcasting of States' meetings about which the original Questions related.

The Bailiff: I see no one else rising.
That concludes Question Time. We move on, Greffier.

Billet d'État XXIV

COMMITTEE FOR ECONOMIC DEVELOPMENT

I. Election of a President of the Committee for Economic Development – Debate commenced

Article I.

The States are asked:

To elect a sitting Member of the States as President of the Committee for Economic Development to complete the unexpired term of office of Deputy P. T. R. Ferbrache who has resigned from that office, that is to the 30th June 2020, in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation and their Committees, as set out in Section 1 thereof.

The Senior Deputy Greffier: Billet d'État XXIV, Article I – Election of a President of the Committee for Economic Development.

The Bailiff: Deputy Ferbrache?

Deputy Ferbrache: Sir, I understood I am to move down.

The Bailiff: Well, you are still President of the Committee. Let's see how many people are going to be proposed. You may remain there for the moment, but –

Deputy Ferbrache: Right, sir.
I am going to propose Deputy Kuttelwascher.

The Bailiff: You are going to propose Deputy Kuttelwascher. So, Deputy Kuttelwascher is proposed by Deputy Ferbrache. Is there a seconder? Alderney Representative Jean is seconding Deputy Kuttelwascher.

Alderney Representative Jean: Thank you very much, sir, I am delighted to.

Deputy St Pier: Sir, I wish to propose Deputy Charles Parkinson.

The Bailiff: Deputy Parkinson is proposed by Deputy St Pier, and seconded by –

980

Deputy Trott: Seconded, thank you, sir.

The Bailiff: Seconded. Are there any other candidates to be proposed?

985 We have two candidates then and, under the Rules, there will now be a period of question and answers. As Members will recall, that is normally conducted by the candidates coming up on to the Bench, which would mean those people presently on the Bench would have to go and sit down below. Is it the wish of the Assembly that we should do –

Just before I ask that question, Deputy Lowe, do you wish to be relevé?

990

Deputy Lowe: Yes, please, sir.

The Bailiff: Right, You wish to be relevé.

Is it the wish of the Assembly that we allow the candidates to come up on the Bench and answer their questions from the Bench? Is that your wish? Those in favour; those against.

Members voted Pour.

995

The Bailiff: Right, in that case, what I suggest we do is just adjourn for two or three minutes while people are able to reassemble themselves, and we may need one or two extra chairs in, I am not sure, Greffier. I think we have probably got enough, but we may need ... So we will just rise for two or three minutes.

*The Assembly adjourned at 10.48 a.m.
and resumed its sitting at 10.52 a.m.*

Election of a President of the Committee for Economic Development – Debate continued

The Bailiff: Members, will you please take your places.

1000

Right, Members, can I begin by reminding you the provisions of the Rules. First, the proposer may speak in favour of each candidate, and that is in turn. The proposer to speak for not more than five minutes and then the candidate to speak for not more than 10 minutes. Thereafter we will have a period of questions, and I will deal with the Rules for the questions when we come to that.

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So, first of all, the proposer of Deputy Kuttelwascher, that is Deputy Ferbrache, may speak for not more than five minutes in support of his candidate.

Deputy Ferbrache.

Deputy Ferbrache: Sir, I propose Deputy Kuttelwascher wholeheartedly, and unreservedly, and I am not a person that normally speaks from a script, but I do so on this particular occasion, with a few ad-libs.

1010

Now, Deputy Kuttelwascher I recommend for this position, not just because he has been a very loyal, and highly competent Vice-President, which undoubtedly he has, but because he is exactly the right person for the job at this very important time, both for Guernsey's economy and Economic Development in its role in trying to develop business.

1015

Now, whether the States likes it or not, the true position of Guernsey's economy was expressed by a very good friend of mine, a small businessman, when he said to me at the weekend, 'Guernsey's blossom is fading, and therefore continuity and action at this time is vital'.

1020 Now, I had no great knowledge of Deputy Kuttelwascher before I began working with him in May 2016. In fact, my most vivid memory is one told to me by my wife. She recollects him campaigning in 2012 coming to the house and saying 'Hi, I am Jan and I am keeping the seat warm for Peter until 2016'. She also thought he was a very nice man. But he has done much more than keep a seat warm for anybody. His election record speaks for himself.

1025 The people like him, and in St Peter Port South – a district not noted for a high voting turn out – he is the only politician to date who has polled more than 1,000 votes on two occasions. People like him because they respect his qualities. I know what those qualities are, and they are exactly the ones needed for the role, that I hope he soon assumes. He is purposeful; he is innovative; he is direct; he is resourceful; he is intelligent and experienced, and he has lived a life and made many decisions. That is not something that everybody finds easy. He does, but before he does, he
1030 informs himself appropriately. His time as Deputy Treasury Minister in the last States and as Vice-President of Economic Development this time steeps him with the necessary experience to lead Economic Development.

1035 It would be fair to say that, as a Committee, we were surprised when we took office in May 2016 on just how bare, in real terms, the policy of the Committee was. There is no point at this time dwelling too much on that, nevertheless it is true. We have felt in many policy areas we were at ground zero. There were some peacock projects which had not been fully thought out, even in others, much more work had to be done than could be reasonably expected. It would have also been the case due to world pressure, and the position of our own economy, that much work would have been necessary in any event. Life and the economy are not like football clubs, by
1040 bringing in a new managerial team in the real world change takes time. All five members attacked their task with considerable vigour. We were undoubtedly greatly assisted by the contribution on every level from the Vice-President.

1045 Although the idea was mine, all five members contributed to the Green Paper – a paper, which in Economic Development terms, I believe, is a document of fundamental importance to the wellbeing of the Bailiwick. The intention was to present it to the States at this sitting, if I had not resigned. If approved, that will set out a plan with timed staging posts for the future. In my view, as on being so closely associated with that document, it needs now, for a plethora of reasons, to be carried out with due alacrity. The person best suited to do that and to lead it, in my opinion, is Deputy Kuttelwascher.

1050 So, sir, I would also say that unlike the sun yesterday I am concerned with tomorrow and the tomorrow after that, and the tomorrow after that, and I know, so is Deputy Kuttelwascher. I can also say that, unlike that sun, I do not have a shadow hanging over me, and I have said to Deputy Kuttelwascher that if he is elected I would be more than pleased to sit, if elected by the States as a member of his Committee.

1055 Deputy Kuttelwascher is undoubtedly, unreservedly, and wholly appropriately, a fine and able politician, and I ask you to elect him.

The Bailiff: Next, Deputy Kuttelwascher, you may speak for not more than 10 minutes.

1060 **Deputy Kuttelwascher:** Thank you, sir.

After I advised all Deputies I was going to stand for this position, I was asked if I would submit some sort of manifesto, and I said my manifesto is very much Guernsey's Economic Vision Investment, Growth and High Value Employment. I am here to talk about policy, and I am 100% behind this particular document.

1065 One thing I would like to say for our Alderney colleagues as well, is on page 3 it does say the policy letter focusses on Guernsey, but the Committee for Economic Development will also seek

to work, wherever possible, with the Representatives of the other Islands, and that, of course, includes Alderney. It is very much about the Bailiwick.

1070 One other very important issue is what we can do within our own gift, and I will refer again on page 5, paragraph 1.9, I am going to read it because it is important.

There are however only limited areas where the Committee for Economic Development can influence the direction of economic activity through its own actions, and where these exist the Committee has already begun to act. In a number of other areas the Committee for Economic Development could support activities that will help deliver the approaches outlined in this policy letter given the financial ability to do so. To this end the Policy & Resources Committee set out in the Budget that the control of the governance of the future Guernsey Economic fund should be considered by the States in relation to this policy letter.

– and that, basically, the control should transfer to our Committee. What was before then known as Kev's Fund, people in the last States may remember it. It is interesting, if we had had control of that fund last year, you would have had an inter-Island ferry service running as a trial last year.

However the majority of the actions outlined in this policy need to be conducted in partnership with other Committees of the States and the private sector.

1075 That is important: most of what we would like to do will be nothing more than advice. The policy really covers seven areas. Improving strategic transport links; improving digital connectivity, infrastructure and skills; developing the Island's physical resources; promotion of the Island; developing the right labour force and economic success; supporting the finance sector; supporting the real economy.

1080 To me, air, sea and digital infrastructure is king: without these there will be no economy, there will be no Guernsey, they are important, and they were the items which were the top of the electors' wishes in St Peter Port South. Now, one of those was keeping the Grammar School. That is now history. There are two left: air links and sea links. One of the problems we have – and some people have criticised us for us saying what have you done about air links – is the airline that provides most of our air links comes under the mandate of another Committee. Anything we
1085 might propose would actually, if it goes to the UK, would in some way or other compete with that airline.

1090 As for sea links, we are considering all possible options – need I be more blunt than that – all possible options to provide the best sea links for Guernsey. One has to be very sensitive to the feelings of our sister Island, and others, but we are considering all options as part of the group that is considering air links and sea links in general.

1095 The digital connectivity plan in here is excellent. It is part of the P&R Plan, if you like. The funding is, or should be, available, and I look forward to that being delivered within a couple of years. Our digital connectivity at the moment – 97% of residential homes at four megabytes per second – is the second highest in the world. But the world moves on, and we have to move with it, and we want to move faster.

1100 One of the successes, I think, which will manifest itself next month is the Digital Greenhouse. At the moment, if you like, it is a drain on our resources. From 1st January, due to a public/private partnership arrangement, I expect that to be turned around to at least be able to wash its face within a couple of years, and do something it has not done yet, and provide a facility to incubate companies. I remember when this was discussed way back in the last States, it was meant to be an incubator of new businesses. I do not think one has yet materialised. One may materialise, I am actually a director of it, but that is another question. I always say if you cannot get others to do what you want, do it yourself. Yes, I am serious, I am dead serious. If you look at my declarations of interest, you can read all about it. It seems to be going forward, in an area which would have
1105 great value for Guernsey; it is a Guernsey company.

We look to innovative products. Northern Trust base are an innovative block chain technology. I did ask if there has been any positive benefit to that so far. I am not aware of another company yet that is involved in anything to do with block chain technology. So you could say, right, that is

1110 fine for them, but what is the spin off? We wait to see that yet. In fact, I went to one presentation where they said it was a great success. There were 180 people there, and sometime after I said, 'But, yes, what was the spin-off? What did you get out of it other than have 180 people?' It drew a blank. So we need results. Just having seminars, presentations and the like is not enough.

1115 We really need to focus our attention on trying to bring companies here, that would bring value to the Island, small footprint, good income, high value salaries – there are 33 pages here – promotion of the Island, tourism, if you like, we have recently received a report which has some inconvenient truths in it about our target tourist market and how to promote it, and it will be seen that the way we have promoted in the past has been too broad a brush, we need to be far more specific, and that is what I would plan to achieve. You would be surprised to know that our target market is the boomers, and the not so old boomers, so it is interesting what they require is not quite the same as what they require at the younger end of the spectrum.

1120 I have got about five minutes have I?

The Bailiff: You started at 10:57:04 so you have two minutes.

1125 **Deputy Kuttelwascher:** Thank you.

We are looking through Skills Guernsey and working with the Department for Education, Sport & Culture to develop the right work forces. We have a member of our Committee who represents us on Skills Guernsey, it is very important, we need to, as far as we can, produce in-house skills, as opposed to importing them, but there will always be a requirement to import skills, because there are not enough people on the Island to go around. Even with 400, say, unemployed, we have got about 4,000 or 5,000 people filling jobs from outside. So there will always be a demand, but as far as we can, we should produce them from within.

1130 I am going to skip towards the end because I think this is important, and it is the timelines. We are now hoping to debate this policy letter in January. If that is successful we will then have control of the Guernsey Economic Fund, and we can then actually move ahead with a number of projects without having to continually go backwards and forwards seeking funds.

1135 The air transport policy letter was going to be submitted in January; it is now February. Telecommunications sector policy statement will come in February, updated digital framework will come in February, skills strategy will come in February. In March we gave our tourism strategy, retail strategy, and there are a few a bit later, recommendations for air and sea transport conclusions, and recommendations for St Peter Port Harbour development. I counted last night, we have got 27 balls in the air, and I would like to catch them all. *(Laughter)* And there is not a lot of time to do it.

1140 So if you want the continuity and stability to go through with this I am not going to just go steady as she goes, I am going full speed ahead. That is my view, and in January that could be a possibility.

The Bailiff: And your time is up.

1150 **Deputy Kuttelwascher:** Thank you very much, sir.
Finished at the right time.

The Bailiff: Deputy St Pier may speak for five minutes in support of his nomination of Deputy Parkinson.

1155 **Deputy St Pier:** Sir, thank you.

I can, and therefore I shall, be brief. It is more important that Members hear from Deputy Parkinson, as the candidate, than from me.

1160 Deputy Parkinson needs little introduction to this Assembly, his CV as a francophone, barrister, chartered accountant and chartered tax advisor will be familiar to most Members. Whilst, of

1165 course, those qualifications have little direct relevance to the execution of the role of President of the Committee for Economic Development; what they have given him, importantly, is a career, direct experience and deep knowledge of our largest sector, financial services. But he is far from a one trick pony; indeed, it is this inside knowledge of financial services that has informed his passionate view for the need for greater diversification of our economy in the 21st century. As a previous Treasury & Resources Minister, Deputy Parkinson also has the demonstrable gravitas required of this role.

1170 Having been unsuccessful in seeking two leadership roles at the beginning of this political term, the Policy & Resources Committee appreciated Deputy Parkinson's ready willingness to step up to the plate and take the leadership of the States' Trading Supervisory Board, following the passing of the late Deputy Dave Jones. My Committee is reluctant to see him move on from that role so early, having only been in the post for a year or so. However, with this important presidency becoming vacant following Deputy Ferbrache's resignation, we once again are grateful to Deputy Parkinson for stepping forward to fill the breach. He has energy and ideas, and whether
1175 or not we agree with all of them is less important than the fact that he has them, as it is a key attribute to the role. In particular, I do agree with his prioritisation of both economic growth and the enhancement of the Harbour Action Area.

1180 However, it must be acknowledged that Deputy Parkinson and I do not agree on all issues, or to put it another way, we disagree on some issues – the pace of corporate tax reform probably being the most obvious. But I have willingly nominated candidates before, with whom I have not perfectly aligned on all matters, and I am sure that both Deputy Soulsby and Deputy Trott can testify that whilst we have found ourselves diverging from time to time, this does not impede effective political working provided you maintain respect for one another and good lines of communication.

1185 It is important that the Committee for Economic Development and the Policy & Resources Committee and their respective Presidents do have close and effective working relationships, and I have no doubt that this will be the case if the Assembly supports this nomination.

Sir, I am pleased to nominate Deputy Parkinson, with the unanimous support of my Committee, and ask the Assembly to support this candidate.

1190 **The Bailiff:** Deputy Parkinson, you may speak for up to 10 minutes.

Deputy Parkinson: Thank you, sir.

1195 It is vital that Guernsey now takes steps to diversify its economy. Against a background of stagnant growth our major industry is threatened by changes in taxation policy in other jurisdictions. Most recently we have changes to the way the UK taxes capital gains arising to offshore companies, and the EU has demanded that companies must have economic substance, if they are to benefit from the zero rate regime. As we have heard this morning, it is not yet clear exactly what that means.

1200 The role of our Economic Development Committee in promoting diversification and fostering growth generally is therefore critical to Guernsey's future. The present Committee has spent 20 months developing a Guernsey Economic Vision, which is long on supporting promotional agencies and training schemes but, I suggest, short on specific ideas for investment and development. The Vision is consistent with the approach taken by previous States, that the States
1205 is a facilitator and not a driver of change. To quote from the document:

The Committee for Economic Development is of the view that its key role is not to pick any such winners but rather to create the conditions where such firms may prosper.

The States of Jersey, by contrast, have directly invested in their economy. Their States is developing a new international finance centre to produce 470,000 sq. ft. of modern grade A office space in six buildings. While Guernsey might not choose a project exactly like that, for investment, the positive effect on the Jersey economy, at least in the short term, is palpable.

1210 I believe Guernsey has significant opportunities to promote a step change in our economy. Guernsey Electricity is working with other agencies, including our Environment & Infrastructure Committee, to develop the Island's first grid scale solar energy scheme. The Harbour, Sea and Air Infrastructure Working Party led by P&R has recently begun reviewing the opportunities presented by our East Coast; and a working party, which I chair, is evaluating the prospects for a
1215 new university on Guernsey. Incidentally, that working party will be holding a two-day workshop with internationally renowned architects and education consultants next week. But very little on the subject of these schemes, or any alternative initiative, emerges from the draft Vision document. It is full of business as usual and, I suggest, short of vision.

The Vision document also pays scant regard to the other Islands in the Bailiwick. They are
1220 referenced, but, while the States of Alderney have their own economic plan, the economies of the two Islands should be developed in tandem, just as the e-gaming business became a joint enterprise a few years ago.

In exploring the potential for a university on Guernsey, for example, we will consider the possibility of establishing an annex on Alderney. It is in all of our interests to see the Alderney
1225 economy prosper.

I believe that Economic Development needs to work more co-operatively with other States' bodies, and to consult better on what it is doing.

Later in this meeting I will be presenting the accounts of Guernsey Electricity and Guernsey Post, both of which are suffering from a failure to amend the Island's regulatory regime. Two
1230 extant Resolutions of the States call for the de-regulation of these businesses, and at the direction of Commerce & Employment, SICRA, the regulator, stood down the staff that it had that dealt with tariff increases, tariff applications. Economic Development has chosen not to action those Resolutions, instead it has toyed with the idea of asking the States to rescind them, without actually bringing forward a policy letter to achieve this.

The practical effects of this are significant. Guernsey Electricity needs to revise its tariffs and, under the Law as it stands, the approval of any revision has to be granted by SICRA, but SICRA no longer has the resources to evaluate a tariff application. If it was asked to approve the tariff
1235 changes it would have to demand an increase in resources to enable it to do the work. The result is an impasse, which is impacting GEL's operations. GEL makes very long-term capital investments in infrastructure and plant, and to do so it has to understand the economic and regulatory landscape in which the company will be operating in future. There is now little clarity about whether competition will be allowed in the distribution of electricity and, if so, to what extent.

I should mention in passing that as generators are added to the network, because people will put photovoltaic on their roofs etc. there will need to be, if you like, a market for transfer of
1245 electricity between one consumer and another, and it is understood that block chain, which was referenced by Deputy Kuttelwascher, may well be the mechanism by which such a market will operate. So it is important for Guernsey's future.

Similarly, Guernsey Post. In Guernsey Post the definition of the reserved area, over which it has a monopoly, is in terms of packages below a certain value, and that value has not changed in
1250 seven years. Consequently, the extent of the reserved area is being eroded by inflation. Under the Law as it stands, a change or even an indexation of that value requires the consent of SICRA which, again, is not in a position to handle any increased revision of the tariffs. Its business is being impacted by the indecisions of Economic Development.

The Committee for Economic Development has been in possession of the Aurigny review since
1255 June of this year, but has made very little progress on developing PSAs for the lifeline routes it has identified. There is still confusion over whether the Alderney Southampton route is to be classed as a lifeline route, or merely strategic; and indeed, two weeks ago Deputy Kuttelwascher told the Assembly he does not know what the status of the review is.

The provision of an air service is not something that can be planned and implemented at the
1260 drop of a hat, it requires months or years of preparation. Any operator that is interested in

providing the Alderney Services needs to know what financial assistance will be available. I want to bring a resolution to this issue very speedily.

1265 I also want to improve the communications of the Committee. We saw recently the problems caused by the sudden withdrawal of funding for sports and arts tourism without consultation and with very little notice. But, as a further example, in October the Committee invited expressions of interest in the operation of a new inter-Island ferry service. However, at no point has the Committee sought the views of the Harbour Master. In terms of the Economic Development intention to bring a report on air route licensing in February, as indicated by Deputy Kuttelwascher, as far as I know, none of the airlines operating into the Island have been consulted.

1270 In short, Economic Development has a crucial role to play in this Government, and that role has probably never been more important than it is at this time. But it will only be able to play its part if it works effectively with other Committees, particularly Policy & Resources, the Environment & Infrastructure Committee and the STSB. It also needs to carry with it a wide range of stakeholders across industry and the general public.

1275 Sir, I believe it is time for a fresh start. The Committee for Economic Development needs to provide more leadership on economic policy, and it needs to be a better partner to other Committees.

1280 Having been a Minister in T&R and President of the STSB, and incidentally a Chairman of the Energy Policy Steering Group in my time, I believe I can provide the co-ordination that is required. I believe that I have the vision and drive to help achieve a step change in the Guernsey economy that is now urgently required. I understand Government in Guernsey.

1285 In my life outside politics I founded one of the largest fiduciary and fund management groups operating in Guernsey today, the Praxis Group. In 1983 I was the sole employee of the Praxis Group in Guernsey, but today the Group employs more than 300 people in seven jurisdictions. I am currently a director of one of Guernsey's largest publicly traded companies, Burford Capital a global leader in legal finance, worth more than \$3 billion, and I have been a director of many finance industry companies, large and small, including Rothschild Asset Management CI, Bank Julius Baer Trust Company in Guernsey and two subsidiaries of Credit Lyonnais, so I do understand business in Guernsey and particularly the finance industry, and I have been involved with businesses large and small.

1290 Incidentally on that subject –

The Bailiff: You have 10 seconds.

1295 **Deputy Parkinson:** – I am careful to manage my potential conflicts of interest, and I will not allow them to conflict with my duties.

Thank you, sir.

The Bailiff: Thank you.

1300 We now have a period of question time which, as there are two candidates, will be 30 minutes of question time. I just remind you that questions shall relate to areas of policy included in the mandate of the Committee, and only to that. No Member may ask more than one question, unless we reach a point where every Member who wants to ask a question has done so. The questioner may not speak for more than 30 seconds, and each candidate, in replying, shall not exceed one minute in their answer. The order in which the answers will be given will be Deputy Kuttelwascher then Deputy Parkinson, then Deputy Parkinson then Deputy Kuttelwascher and in that way it rotates between the candidates. As I say, we will have 30 minutes.

1305 Who wishes to ask the first question? Yes. Deputy Lester Queripel.

1310 **Deputy Lester Queripel:** Sir, one way Jersey has diversified their economy in recent years is by establishing what has become a thriving exportation business for their vegetables they grow on Island, this has brought hundreds of thousands of pounds into the Island. If elected, will you be

pursuing the idea of Guernsey establishing its own vegetable exportation business in an attempt to diversify our economy?

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The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Yes. In our policy letter, Future Vision, there is a section under Golden Guernsey, and that will include vegetables and other things that are of Guernsey origin, not just for supply within Guernsey but for promotion to the outside world. Jersey is well known for its potatoes, we may become well known for other vegetables, but something like that, that sort of Golden Guernsey branding would enable all sorts of things including our Guernsey jumpers, if you like, or maybe we will be able to export other very Guernsey products, so the answer to that is yes, it is on the agenda, it is in our policy letter, and we will start after the policy letter, hopefully, is approved.

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The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes. Agriculture plays a relatively small part in our GDP. We want to encourage it, it serves many purposes other than the economic purposes. It manages our landscape, but in terms of resources devoted to promoting it, that cannot be a major focus with Economic Development because, at the end of the day, the Island's future solution does not rest with agriculture; that will play a small, but important, part.

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The Bailiff: Next question please.
Yes, Alderney Representative Jean.

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Alderney Representative Jean: Would the candidates agree with me, sir, that Alderney's Southampton route is a lifeline route? Alongside your remarks, I would appreciate if you would end with a firm yes or no.
Thank you.

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The Bailiff: Deputy Parkinson.

Deputy Parkinson: The Alderney/Southampton route carries about 25,000 passengers a year compared with the 30,000 passengers carried on the Guernsey/Alderney route. The Guernsey/Alderney route, obviously, also supports the medivac service to Alderney and, for that reason, is probably fractionally more important than the Alderney/Southampton route. But I do recognise that the Alderney/Southampton route is critically important to the economy of Alderney, that there are many, in fact, second home owners, who own homes on Alderney but live in the UK, and who therefore use the Alderney/Southampton route. Personally, I think the route has to be supported, and the extent to which it needs to be supported is a matter of studying the economics, but my proposal is that airlines should bid for these routes and, basically, we will discover who is willing to operate the routes for what cost.

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The Bailiff: Your minute is up.
Deputy Kuttelwascher.

Deputy Kuttelwascher: I start with a yes. I think Alderney should have two lifeline routes because the Alderney/Southampton route actually meets the criteria for a lifeline route, although one may be more important than the other, like the route to Guernsey. There is nothing to say, anyway, you cannot have two. The big disadvantage that Alderney has that Guernsey does not, it does not have any ferry services, so I see the Alderney/Southampton route, if you like, as a lifeline because it has not got a ferry service. I think it is entitled to it. That is my position. It is the position

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1365 of at least one other member of the Committee at the present time. So that is my position, so I
end with a yes.

The Bailiff: Deputy Laurie Queripel.

1370 **Deputy Laurie Queripel:** Thank you, sir.

I would like to ask the candidates, when it comes to helping businesses to relocate to the
Island via *LocateGuernsey*, do the candidates believe any business is good business, or should we
be mindful of the possible negative impacts that could be visited upon businesses already offering
similar services within the Island, perhaps, resulting in jobs being devalued, or even lost? In other
1375 words, should there be a criteria to ensure true and long lasting value is added via the relocation
of off-Island businesses into Guernsey with the help of *LocateGuernsey* or is it just about
competition, perhaps, to the detriment of local business and the local economy?

Thank you, sir.

1380 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Yes. I am very much in favour of trying to attract new businesses. We
have got enough vets, we have got enough pet shops and the like. Sorry, Deputy Gollop, you do
not agree, I did not know you had a pet. So, yes, it is new businesses which bring innovation, high
1385 value; there are one or two on the cards, that I am involved in at the moment. So, yes, I agree, we
do not just want to attract businesses which do exactly what Deputy Laurie Queripel has said. I
think that is our position. It is not possible to stop businesses coming in, if they choose to utilise
that market and set up, as long as they do everything within the law and the rules, they can. But I
certainly would not encourage anything along the lines that Deputy Queripel suggests which
1390 would devalue existing businesses here.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes. What we need to focus on is businesses that have export potential
that will bring money into the Island. Bringing businesses into the Island which will simply
1395 compete with other businesses in the domestic economy, frankly, is not particularly productive, so
Economic Development needs to focus very much on the export areas.

The Bailiff: Deputy Roffey.

1400 **Deputy Roffey:** On a scale of 1 to 10, how open minded are each of the candidates about the
need or otherwise, to extend Guernsey's runway?

The Bailiff: Deputy Parkinson.

1405 **Deputy Parkinson:** I have to say I am a five, because I am very happy to extend the runway
and, of course, if I was still President of STSB and a decision was made to extend the runway it
would be up to STSB to do it. But the case has to be made. At the moment the case has not been
made, to my satisfaction, anyway, for a runway extension. We have a strategic review of air and
1410 sea links, commissioned by Policy & Resources which will come back, hopefully, by June next year
and, hopefully, some clarity will emerge from that review and there may be a strong
recommendation to extend the runway. If the case is made I will support it.

The Bailiff: Deputy Kuttelwascher.

1415

Deputy Kuttelwascher: Yes, I am going to be very specific here. The question was how open minded are you on a scale of 1 to 10. Well, I am always a 10.

1420 In relation to the runway I am very pleased we have gone down the route we have, for once and for all, and have an in depth review of whether or not there is a value for money, an economic and any other case for the runway extension. If, as a result of that, it is a no, well, it is a no. If it is a yes, I will support it. For once, we are actually going to have the in depth review. We had a review a while back by York Aviation. They made three assumptions which were all wrong, and if they knew then what we know now I suspect they might have come up with a different recommendation.

1425 So, yes, on a 1 to 10 I am completely open minded. I had given up on the runway until Deputy Ferbrache came along. Because he was very keen on it. I thought, 'I do not believe it, there is somebody else who has got some common sense.' *(Laughter)*

The Bailiff: Next, Deputy Trott.

1430

Deputy Trott: Thank you, sir.

The Committee for Economic Development has submitted a Green Paper for debate next month that cannot be amended as a consequence of the manner in which it has been presented. Now, sir, some have said that such an approach infers it is my way or no way. Do the candidates agree, and if not, why not?

1435

The Bailiff: Deputy Kuttelwascher.

1440 **Deputy Kuttelwascher:** It is not my way or no way. We are fully aware that numerous policy letters have to come back to the States for States' approval, and if the States do not like it, that is it. That is what it is all about, isn't it, democracy? We will have a view, the policy letters will be amendable and we will take it from there. So it is not any sort of bullying tactic. All these are is an overall economic vision, and when the policy letters come to the States we will have to accept the result. It is as simple as that.

1445

The Bailiff: Deputy Parkinson.

1450 **Deputy Parkinson:** If I am elected, I will want to tweak that vision document, and it will not be coming back to the States in January, it will be delayed until we have got it to a shape where the new Committee, whoever is on it, is happy with it. But the answer to Deputy Trott's question is I believe that document should eventually be amendable. It should be brought to the States under normal processes, and if Members want to move amendments to it, then they should be able to do so.

1455 **The Bailiff:** Those who caught my eye, Deputy Tindall, Deputy Fallaize, Deputy Dudley Owen, Deputy Leadbeater. Deputy Tindall first.

Deputy Tindall: Thank you, sir.

What tone are you going to set for promoting this Bailiwick?

1460

The Bailiff: Deputy Parkinson first.

1465 **Deputy Parkinson:** Well, a positive one. Of course, Economic Development has a primary role in promotion of the Bailiwick and we all try, and the Committee has historically tried and its predecessors have tried, to put the Bailiwick in the best possible light in every market. So it is hard to understand, actually, where the question is coming from, because there can only be one answer.

The Bailiff: Deputy Kuttelwascher.

1470 **Deputy Kuttelwascher:** A very positive one. I attended a *LocateGuernsey* party for people who
had come here, and were due to come here, and it was very interesting, and one of the questions
that was put to me, because I am an incomer, I have been here 23 years, 'Why did you come
here?' I thought at the time, well it seemed like a good idea. That is a bit vague, and it really was
1475 that vague, but only in the last years have I realised the biggest attraction of Guernsey, and the
company I was with agreed, was its safety and security. Not just personally, legally and everything
else. It is a very safe place, and there are not many of those left in the world. So the tone is
definitely positive. That is, to me, one of the most important issues – the safety and security of the
Island. We go from there. All our agencies are going forward promoting Guernsey as a great place
to be and a nice place to live.

1480 **The Bailiff:** Your minute is up.
Deputy Fallaize.

Deputy Fallaize: Thank you, sir.
1485 Deputy Parkinson told the States a little bit about concerns in relation to utility regulations, as
far as the States-owned utilities are concerned. Could the candidates advise the States whether
they believe the solution to the present problem is to bring the States-owned utilities back under
the ambit of SICRA legally, or whether they would wish to pursue the extant States' Resolution,
and get the States-owned utilities out of the ambit of SICRA and look for some other solution?

1490 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Sir, the majority view of the Committee now is that it should come
back under SICRA but, with the proviso caveat that SICRA will have some rather definite tram lines
1495 within which to operate, because historically one of the reasons that, particularly, Guernsey
Electricity and Guernsey Post wanted to come out of SICRA was that they were getting involved in
such a way which was a very expensive exercise for them. Guernsey Electricity were almost being
directed how to operate. They were being told they had to save to spend. They were both;
Guernsey Post and Guernsey Electricity were to supply data which involved outside consultants
1500 coming in. It was a very expensive process, so the view is now back to SICRA, but SICRA will have
some shackles put on it as to how far it can go with interfering with the operation of these
companies.

The Bailiff: Deputy Parkinson.

1505 **Deputy Parkinson:** Now, I would implement the extant States' Resolutions, and deregulate
Guernsey Post and Guernsey Electricity. The STSB, as shareholder, acts as the protector of
consumers in relation to water, dairy and the other utilities that the States provides. The
regulation of two of the States' businesses, out of nine businesses that STSB is responsible for, is
1510 simply anomalous. So SICRA needs to become a competition authority, and it has a vital role to
play, there will be a competitive market in electricity going forward, for example. It has a vital role
to play, but not in the format that it has been, and not covering the scope of work that the SICRA
historically did cover.

1515 **The Bailiff:** Deputy Dudley Owen.

Deputy Dudley Owen: Against the backdrop of Brexit and post settlement uncertainty, the
affirmation of Guernsey's status as a co-operative jurisdiction and the recently adjusted GDP
figures, which give a more accurate size and therefore importance to our finance services sector.

1520 Can the candidates please state what support they will give to maintain our current Zero-10 tax system, the *status quo* for which has broad support from the finance industry?

The Bailiff: Deputy Parkinson.

1525 **Deputy Parkinson:** Well, the Zero-10, the zero rate is now available, according to the EU latest pronouncement needs to be conditioned on economic substance, and we need to understand what that means. P&R will, obviously, be looking at that in the early New Year. But if it turned out, for example, to mean that companies to benefit from the regime had to have their own premises and staff, then I think there would have to be major revisions to the tax regime. If it is merely a
1530 tinkering which says that companies have to have some form of more substantial registration, then Zero-10 will live on.

The Bailiff: Deputy Kuttelwascher.

1535 **Deputy Kuttelwascher:** I am supportive of maintaining Zero-10 as long as our competitors maintain Zero-10, the whole issue of Zero-10 was brought about historically by the Isle of Man going down that route, and we were hot foot behind them with Jersey as well, though we beat Jersey, by a year, to it. the only reason that one might want to change it is the BEPS programme, the Base Erosion and Profit Shifting. It may be that the whole issue of having a Zero regime may
1540 become a reason for being blacklisted, but then everybody would have to change, so for now, I am fully supportive of Zero-10. It attracts business, it keeps business here, and until the outside environment changes negatively I am fully in support of it.

The Bailiff: Deputy Leadbeater.

1545

Deputy Leadbeater: Thank you, sir.

With Jersey stealing a march on us in regard to tourism, including the hosting of a hugely successful super league triathlon this summer, what do the candidates propose to do, in order for us to catch up?

1550

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: The big negative for Guernsey as compared to Jersey is air links. You can fly to Jersey for £30 or £40, you cannot do that in Guernsey. Before we could compete at that sort of level the air links need to be resolved. That is the difference. It is not, for most people, viable or economical to come here for a lot of events because they cannot afford it. I regularly get stopped by people in the street asking when is it that they can afford to leave the Island. Connectivity is a big negative as regards the issues you have raised, whether it is sport, tourism or anything else.

1560

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Guernsey's hotels are broadly full in the summer months, and the air routes are generally busy over weekends, even in the winter months. The problem of unused capacity is hotel space in the winter months, and air links and sea links in the mid-week period. Although sports tourism, particularly in the shoulder months, can play a very constructive part in assisting our tourist industry, the problem is a lot of the events that we might want to attract will happen in the summer months or at weekends. So the tourism product needs to be refined to spread the load, so that we can use the capacity on the Island more effectively. In targeting sports
1565 tourism we need to be very careful about what events we target and particularly when they are going to happen.

1570

The Bailiff: Deputy de Sausmarez, then Deputy de Lisle.

1575 **Deputy de Sausmarez:** In the local context what social and environmental factors, or policy areas, are the most important in terms of economic development?

The Bailiff: Deputy Parkinson.

1580 **Deputy Parkinson:** Well, the environment is one of Guernsey's great attractions, people come here to enjoy the cliff paths and the sea ways around the Island, and so on. So it is vital from an economic perspective that we protect our environment. The priorities though are diverse and Economic Development has to balance a lot of interests, and in some cases there will be conflicts between environmental and other policy. Sometimes it will require this Assembly to resolve those conflicts.

1585

The Bailiff: Deputy Kuttelwascher.

1590 **Deputy Kuttelwascher:** Sir, any major projects like the Harbour action area, any development at the Airport, or elsewhere, will have to have an environmental impact assessment. We already have procedures in place to deal with that. There will be occasions – I mean there has been a recent planning application, and it was allowed, for building on some prime agricultural land. I think that is a bit sad, but that is a personal view. My personal view is you should only build on brownfield sites until you run out of them before you look at digging up a greenfield site. But, certainly it is part of our processes, you cannot avoid it. Happy to go through the processes.

1595

The Bailiff: Deputy de Lisle, and then Deputy Mooney.

Deputy de Lisle: Thank you, sir.

1600 There are concerns over the reduction in jobs in finance, particularly in the banking sector, and also rationalisation of the industry. What measures would candidates implement to reverse these trends?

The Bailiff: Deputy Kuttelwascher.

1605 **Deputy Kuttelwascher:** Sir, the latest information about GDP shows that finance is somewhere near 50% of our economy. We spend rather a lot of money, shall we say, on promoting tourism and not promoting finance, so we are looking at readjusting the interaction between our various agencies, and certainly the Committee for Economic Development is very keen to increase the level of support to promote our finance industry.

1610

The Bailiff: Deputy Parkinson.

1615 **Deputy Parkinson:** Yes, certainly, the employment in the finance industry has been pretty well static for a number of years, as Deputy de Lisle intimates. That is one reason why I believe we have to focus on diversification. Yes, of course, we must continue to support the finance industry, it is our major industry and it is the driver of economic activity on the Island at the moment, but we do have to start de-risking the Island in terms of developing alternative employment and sources of wealth.

1620

The Bailiff: Deputy Mooney.

Deputy Mooney: Sir, do the candidates support the reinstatement of the London City route, even if it is with another carrier? I would just like a yes or a no from both candidates.

Thank you.

1625

The Bailiff: Well, they are allowed to speak for a minute. Deputy Parkinson.

1630

Deputy Parkinson: The London City route seems to be, now it is gone, of great value to the finance industry. They were not particularly noisy about it when it was there, and they did not support it very well. So the question is simply are the finance industry willing to pay what it costs to run that route? I believe, actually, they probably would be. If the fares on London City were put up to say £250 a go, I honestly think there are businesses in Guernsey that would pay that. So, yes, I would support London City under the right conditions.

1635

The Bailiff: Deputy Kuttelwascher.

1640

Deputy Kuttelwascher: The answer is a yes, and one of the reasons I believe that the route failed, under the management of Aurigny, is they only focused on the finance industry, it is a magnificent route for tourism, because of the connections you make to Europe, and if you had one airline like CityFly operating to Guernsey you could fly to all over Europe and not pay your air passenger duty. Not only that, you could then fly all over the world without paying any air passenger duty, because if you flew within 24 hours you could get your train or bus to Heathrow and go to Sydney and everywhere else. It would be a great saving to the people of the Island, and to me, the prime reasons for having air routes is to provide economical fares for the community. And just say here I have a well-known magazine that is put round on all the aircraft all over the world and guess what it has got on there –

1645

The Bailiff: Five seconds.

1650

Deputy Kuttelwascher: – Jersey and not Guernsey. Put Guernsey on the map.

The Bailiff: Deputy Gollop.

1655

Deputy Gollop: One of the candidates was described as purposeful. It says in the mandate of Economic Development, '... has a purpose to secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment opportunities possible by promoting and developing business.' How interventionist does the candidate think the Principal Committee should be in ensuring that the body achieves those objectives?

1660

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: You can only be interventionist if you have got the capacity to intervene. Most of what we do is recommendations. It is very difficult to tell people what to do; you cannot.

1665

One of the things is we are a Committee of five, and although Deputy Parkinson may have some views, and he did say that he wanted to withdraw this Green Paper, it may be that four members of his Committee may disagree with him, in which case he cannot. So I want to reinstate that you can be as interventionist as you want so long as you get a majority of support in this Assembly. We do not have executive Government, thank God, therefore if you feel strongly that intervention is required, it would most probably require some sort of agreement with the majority of this Assembly.

1670

The Bailiff: Deputy Parkinson.

1675 **Deputy Parkinson:** Yes, I said in my speech that I believe the Government of Guernsey needs
to be more interventionist in the economy of Guernsey, and that we need to be bold, and we
need to be willing to invest, It will not necessarily require public funds to develop any new
initiative. For the right projects, private capital would be available to make the project come to life.
1680 But the Government has to provide assistance and initiative to help get these projects off the
ground, and at the moment we are not doing that. I do not think it is enough going forward to
say that we will make the soil fertile and other people can come and plant their trees in it.

The Bailiff: Well, you have already had a question. Is there anybody who has not?
Deputy Lowe.

1685 **Deputy Lowe:** Thank you, sir.

Would the candidates please expand on the Vision document, inasmuch as when Deputy
Ferbrache proposed Deputy Kuttelwascher he said they were actually united in supporting it,
whereas Deputy Parkinson said he would like to tinker with it? Could he expand on what he would
1690 like to tinker, and how he would persuade the other members that are united, and equally could
Deputy Kuttelwascher still confirm to us that, actually, he is still united behind that Vision
document.

The Bailiff: Deputy Parkinson.

1695 **Deputy Parkinson:** Yes, I have said that I think the document needs to provide more vision
and more direction to the future of the economy. At the moment it seems to me to be
unbalanced in parts, there are four pages on tourism and half a page on finance. It needs to be
better focused on what the States of Guernsey needs to be doing to change the economy now,
1700 because a step change is required.

In terms of how the Committee might respond to that, obviously I do not know how the
Committee might respond to that. That would be for a discussion with the Committee, and an
agreement on how to take it forward.

1705 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: I fully support the document in its entirety. I really do not have to say
more.

1710 **The Bailiff:** Anybody who has not asked a question who wishes to do so? No. In that case we
can have some second goes. Deputy Tindall.

1715 **Deputy Tindall:** Sir, can the candidates confirm if they wish to pursue an amendment to the
Strategic Land Use Plan and if so, why do they believe the cost and the time it would take to be
worthwhile?

The Bailiff: Deputy Kuttelwascher.

1720 **Deputy Kuttelwascher:** If anything in the Strategic Land Use Plan or in the Island
Development Plan is a hurdle to developing our economy is identified as such, I would be happy
to propose such an amendment. I want to make an overarching comment here. We have in recent
times put in place all sorts of plans, and they are actually stopping us doing anything. We are now
being controlled by overarching plans, and it stops innovation. We have to be very careful, and
yes, I am happy to amend all these plans, if it is shown that they are proving to be an obstacle to
1725 our economic development.

A Member: Hear, hear.

The Bailiff: Deputy Parkinson.

1730

Deputy Parkinson: Well, I am not aware of any particular instance that Deputy Tindall may be referring to where she thinks an amendment may be required to the SLUP, or where Economic Development's Vision might be in conflict with the Strategic Land Use Plan. Obviously, if there are such areas of conflict then they must be resolved.

1735

The Bailiff: Deputy Lester Queripel was first up.

Deputy Lester Queripel: Sir, Deputy Parkinson referred to this in his opening speech. Bearing in mind that the Committee for Economic Development were heavily criticised recently for not consulting and communicating with the community in an effective and comprehensive manner, if elected, what will you be doing in an attempt to improve the levels of consultation and communication from the Committee to the people out in our community and fellow States' Members?

1740

1745

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, I think this is an area where the Committee for Economic Development definitely needs to improve. Consultation with other stakeholders needs to take place, and that seems to me to have been an area where the performance has been weak. So it would be a priority of mine to improve that area.

1750

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Sir, I believe Deputy Lester Queripel relates to one area where consultation was less than perfect. In other areas it is continuous, we are consulting all over the place. But I want to say I would like to point or give Deputy Merrett the title of being our public relations guardian, because she is really good at that. Oh Deputy Merrett is good at that. I think the issue that brought this up is behind us, and I do not expect it to recur.

1755

The Bailiff: The 30 minutes have now elapsed, so that concludes question time, and therefore you now vote –

1760

Deputy Tooley: Sir. Sorry.

In light of the period of questions and answers, and I am aware that I might be being overcautious, I should like it recorded that I have declared a potential interest in that my husband is employed by SICRA. Is that okay?

1765

The Bailiff: Thank you.

I remind you, Deputy Kuttelwascher was proposed by Deputy Ferbrache, seconded by Alderney Representative Jean, and Deputy Parkinson was proposed by Deputy St Pier and seconded by Deputy Trott. Hopefully, you have voting slips. The voting is by secret ballot, so they are not personalised voting slips. So voting is by secret ballot, so just write the name of the candidate you favour on a voting slip and hand it to one of the ushers.

1770

There is one more. *(Laughter)*

1775

Well, as it will take a few minutes to count the votes, what I suggest we do is that we rise. Those who normally sit on the Bench, apart from Deputy Ferbrache, will come back to resume their normal seats. I would invite the two candidates to stay down below for the moment. We will come back in five minutes. We will come back at 12.00 o'clock. Back at 12 p.m.

*The Assembly adjourned at 11.54 a.m.
and resumed its sitting at 12.02 p.m.*

**Election of a President of the Committee for Economic Development –
Debate continued –
Deputy Parkinson elected**

The Bailiff: Greffier, have the votes been counted?

1780

The Senior Deputy Greffier: Yes, sir. I can confirm the votes have been counted.

The Bailiff: Thank you.

1785

Well, I can read the result. Deputy Parkinson 20 votes, Deputy Kuttelwascher 19 votes. There was one spoilt paper. So I declare Deputy Parkinson elected as President of the Committee for Economic Development. *(Applause)* So, Deputy Parkinson, would you like to take your seat on the Bench.

Greffier, we move on.

Billet d'État XXV

COMMITTEE FOR EDUCATION, SPORT & CULTURE

I. Election of a member of the Committee for Education, Sport & Culture – Deputy Gollop elected

Article I.

The States are asked:

To elect a sitting Member of the States as a Member of the Committee for Education, Sport & Culture to complete the unexpired term of office, that is to the 30 June 2020, of Deputy C. P. Meerveld who has resigned from that office, and whose letter of resignation is appended hereto, in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation and their Committees.

1790

The Senior Deputy Greffier: Billet d'État XXV, Election of a Member of the Committee for Education Sport & Culture.

The Bailiff: Do we have any nominations?

First of all, I have to ask the Committee if they are proposing anybody. Deputy le Pelley?

1795

Deputy Le Pelley: No, sir.

We have no preferred candidate, and we welcome nominations from the floor.

The Bailiff: Are there any nominations from the floor.

1800

Deputy Ferbrache.

Deputy Ferbrache: I have just spoken to Deputy Gollop who, in absence of any other candidate, has allowed me to nominate him.

1805 **The Bailiff:** Is there a seconder for Deputy Gollop?

Deputy de Lisle: Yes, sir.

The Bailiff: Deputy de Lisle.

1810 Are there any other candidates? No. In that case we go straight to the vote. I think we go straight to the vote, don't we? Yes, if nobody speaks about a candidate at this stage, and if no more candidates are proposed and seconded than there are vacancies, I put the election of the candidate to the vote without speeches. So we go straight to the vote on the proposal to elect Deputy Gollop, proposed by Deputy Ferbrache and seconded by Deputy de Lisle as a member of
1815 the Committee for Education, Sport & Culture. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare Deputy Gollop elected.

Billet d'État XXIV

II. Election of a member of the Prialx Library Council – Deputy Le Pelley elected

Article II.

The States are asked:

1. To elect a member of the Prialx Library Council, who need not be a member of the States, to replace Mr. Roger Domaille whose term of office will expire on the 31st December 2017 but who is eligible for re-election, in accordance with Rule 16 of the Rules of Procedure of the States of Deliberation.

The Senior Deputy Greffier: Election of a member of the Prialx Library Council.

1820 **The Bailiff:** I invite Members to propose candidates.
Deputy Green.

Deputy Green: Sir, I would like to propose Deputy Le Pelley.

1825 **The Bailiff:** Is there a seconder for Deputy Le Pelley?
Yes, Deputy Paint.

Any other nominations? No. In that case, we go to the vote on electing Deputy Le Pelley as a member of the Prialx Library Council, proposed by Deputy Green, seconded by Deputy Paint. Those in favour; those against.

Members voted Pour.

1830 **The Bailiff:** I declare Deputy Le Pelley elected.

POLICY & RESOURCES COMMITTEE

**III. Election of ordinary members of the Guernsey Financial Services Commission –
Drs. Schrauwers elected as Chairman; five ordinary members elected**

Article III.

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 14th November, 2017, of the Policy & Resources Committee, they are of the opinion:

- 1. To elect Howard Emerson Flight (Lord Flight, of Worcester) as an ordinary member of the Guernsey Financial Services Commission for a two year term with effect from 1st February 2018.*
- 2. To elect Mr. Richard Hobbs as an ordinary member of the Guernsey Financial Services Commission for a three year term with effect from 1st January 2018.*
- 3. To elect Drs. Cornelis Antonius Carolus Maria Schrauwers as an ordinary member of the Guernsey Financial Services Commission for a three year term with effect from 1st February 2018.*
- 4. To elect Mr. Robert Stead Moore as an ordinary member of the Guernsey Financial Services Commission for a three year term with effect from 1st February 2018.*
- 5. To elect Advocate Simon William Francis Howitt as an ordinary member of the Guernsey Financial Services Commission for a three year term with effect from 1st February 2018.*
- 6. To elect Drs. Cornelis Antonius Carolus Maria Schrauwers as Chairman of the Guernsey Financial Services Commission for a three year term with effect from 1st February 2018.*

The Senior Deputy Greffier: Article III, Policy & Resources Committee – Election of ordinary members of the Guernsey Financial Services Commission.

1835 **The Bailiff:** The Vice-President of the Policy & Resources Committee, Deputy Trott, will speak to this matter.

Deputy Trott: Thank you, sir.

1840 The States are asked to elect the Lord Flight for two years to the Commission of the Guernsey Financial Services Commission, and Messrs. Schrauwers, Moore, Hobbs and Howitt, for a three year term. So two years for the Lord Flight, three for the others. Sir, to further elect Drs Cees Schrauwers as Chairman for a further three years with effect from 1st February 2018.

1845 Sir, if I may be allowed, these nominees offer outstanding professional competence and we thank them for their prior service in the expectation that they will continue in a similar vein, should that be the wish of this Assembly.

Thank you, sir.

The Bailiff: Is there any –?

Yes, Deputy Dudley Owen.

1850

Deputy Dudley Owen: Sir, yes.

May I ask Deputy Trott why one of the Committee of P&R did not support the proposals, please, Deputy Jane Stephens as noted in the proposal.

1855 **The Bailiff:** Any other debate? No.

Deputy Trott will reply.

Deputy Trott: Sir, do I see Deputy Stephens rising? I was just about to give way to her.
(Laughter)

1860

The Bailiff: Deputy Stephens.

Deputy Stephens: Thank you, sir.

1865 Yes, I can answer the question. The paper came to P&R, I felt, in a way that did not give me sufficient time to satisfy myself on the evidence before me that I wanted to vote for the proposal.

The Bailiff: Deputy Trott.

Deputy Trott: Sir, there is nothing for me to respond to. I ask the Assembly for their support.

1870

The Bailiff: I will put all six Propositions to you together. That is the Propositions to elect five members, and then also to elect Drs. Schrauwers as the Chairman of the Commission, unless anybody wishes that any of those Propositions be taken separately. No. In that case, we vote on all six together. Those in favour; those against.

Members voted Pour.

1875

The Bailiff: I declare them carried.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES

**The Mali (Restrictive Measures) (Guernsey) Ordinance, 2017;
The Civil Contingencies (Contingency Planning) (Information Arrangements)
(Bailiwick of Guernsey) Regulations, 2017;
The Population Management (Employment Permit Applications)
(Amendment) Regulations, 2017;**

The Senior Deputy Greffier: The following Statutory Instruments are laid before the States. The Mali (Restrictive Measures) (Guernsey) Ordinance, 2017; the Civil Contingencies (Contingency Planning) (Information Arrangements) (Bailiwick of Guernsey) Regulations, 2017; and the Population Management (Employment Permit Applications) (Amendment) Regulations, 2017.

1880

The Bailiff: I have not received notice of any motion to debate any of those.

COMMITTEE FOR HOME AFFAIRS

IV. The Probation (Guernsey) Law, 2017 – Article withdrawn

Article IV.

The States are asked to decide:

Whether they are of the opinion to approve the draft Projet de Loi entitled 'The Probation (Guernsey) Law, 2017', and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

The Senior Deputy Greffier: Article IV, Committee for Home Affairs – The Probation (Guernsey) Law, 2017

1885 **The Bailiff:** Deputy Lowe.

Deputy Lowe: Thank you, sir.

1890 Following questions from the judiciary, in relation to a particular part of the Law, which require further consideration, I would like to ask that this Projet be withdrawn in order that we can address these questions, and would hope that the Committee for Home Affairs will bring this back in the New Year, sir.

The Bailiff: Are you formally seconding that, Deputy Graham?

1895 **Deputy Graham:** I am.

The Bailiff: Is there any debate on the motion to withdraw this?
Deputy Gollop.

1900 **Deputy Gollop:** We looked at it at Legislation and I had a question which may, or may not, be relevant to Deputy Lowe's speech. But, it was that the new Law puts on a statutory basis that probation officers, their first duty is very much to the Court, which many people would applaud, but my question was what then is their duty to the client –?

1905 **The Bailiff:** Is this on the motion to withdraw?

Deputy Gollop: Well, I wondered if this is the rationale for the withdrawal, because there was not certainty on that.

1910 **The Bailiff:** Deputy Lowe will reply.

Deputy Lowe: No, this is about withdrawing the projet before you today. I mean if you have got any queries like that, Deputy Gollop, please feel free to talk to us about it, and I will, hopefully, get the answers for you.

1915 **The Bailiff:** Obviously, if the motion to withdraw is not carried then there will be a debate on it and you can ask it at that stage. But we will go to the vote on the motion to withdraw the Probation (Guernsey) Law, 2017 from this meeting of the States. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

V. The Income Support (Guernsey) Law, 2017 approved

Article V.

The States are asked to decide:

Whether they are of the opinion to approve the draft Projet de Loi entitled 'The Income Support (Guernsey) Law, 2017', and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

1920

The Senior Deputy Greffier: Committee for Employment & Social Security – The Income Support (Guernsey) Law, 2017.

1925

The Bailiff: Is there any request for clarification or debate? No.
We go to vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

POLICY & RESOURCES COMMITTEE

VI. The Income Tax (Guernsey) (Amendment) (No.2) Ordinance, 2017 approved

Article VI.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Income Tax (Guernsey) (Amendment) (No. 2) Ordinance, 2017', and to direct that the same shall have effect as an Ordinance of the States.

The Senior Deputy Greffier: Article VI, Policy & Resources Committee – The Income Tax (Guernsey) (Amendment) (No.2) Ordinance, 2017.

1930

The Bailiff: Is there any request for clarification or debate? No.
We go to vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

POLICY & RESOURCES COMMITTEE

VII The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2017 approved

Article VII.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2017', and to direct that the same shall have effect as an Ordinance of the States.

The Senior Deputy Greffier: Article VII, Policy & Resources Committee – The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2017.

1935

The Bailiff: Any request for debate or clarification?
We go to vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

COMMITTEE FOR THE ENVIRONMENT & INFRASTRUCTURE

VIII. The Public Transport (Amendment) Ordinance, 2017 approved

Article VIII.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Public Transport (Amendment) Ordinance, 2017', and to direct that the same shall have effect as an Ordinance of the States.

1940

The Senior Deputy Greffier: Article VIII, Committee for the Environment & Infrastructure – The Public Transport (Amendment) Ordinance, 2017.

The Bailiff: Any debate?

1945

Go to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

POLICY & RESOURCES COMMITTEE

IX. The Cutting of Hedges (Amendment) Ordinance, 2017 approved as amended

Article XIX.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Cutting of Hedges (Amendment) Ordinance, 2017', and to direct that the same shall have effect as an Ordinance of the States.

The Senior Deputy Greffier: Article XIX, Policy & Resources Committee – The Cutting of Hedges (Amendment) Ordinance, 2017.

1950

The Bailiff: There is an amendment to this.
Deputy Brouard.

Amendment:

In section 1 of the Cutting of Hedges (Amendment) Ordinance, 2017:

(a) in paragraph (b), substitute ", and" for ".", and

(b) immediately after paragraph (b) insert the following paragraph -

"(c) In section 1C(1), for the words following "may be served by" to the end of the subsection insert:

" _

(a) being delivered to, or being left at, or sent by post to -

(i) the usual or last known place of abode of the owner of the property to which the warning notice relates,

(ii) the principal or last known place of business or office (as the case may be) of the owner of the property to which the warning notice relates, or
(iii) the address notified to the States of Guernsey Policy & Resources Committee by the owner of the property to which the warning notice relates for the purposes of section 48(2) of the Taxation of Real Property (Guernsey and Alderney) Ordinance, 2007, or
(b) being delivered to, or being left at, or sent by post, or being fixed to some conspicuous part of or about the property to which the warning notice relates".

Deputy Brouard: Thank you, sir.

1955 Yes, there is an amendment. Just to indulge the States, if you would be so kind, in the summer we passed an amendment for the Cutting of Hedges Ordinance, which transferred the responsibility of cutting hedges on public roads from the occupier to the owner.

1960 However, it has recently come to light that there was an omission in that the Parochial Administration Ordinance of 2013, section 1C, which amended the original 1953 Cutting of Hedges Legislation still referred to the service of documents being to the property and not the owner. Therefore this extra amendment is just to bring the service of the documents in line with the rest of the policy that has been agreed by the States.

It is being seconded by Deputy Trott, and I would ask Members to support it.

Thank you, sir.

1965 **The Bailiff:** Deputy Trott.

Deputy Trott: Happy to second, sir, thank you.

1970 **The Bailiff:** Any debate?
Deputy Tindall.

Deputy Tindall: Thank you, sir.

1975 Just to confirm that this did not come before Legislation Review Panel and, obviously, because it is an amendment, but it does, of course, comply with all that has been sought, in particular, the Douzaine will be very much appreciative of this clarity.

Thank you, sir.

1980 **The Bailiff:** Any further debate?
Deputy Brouard, do you wish to reply?

Deputy Brouard: Just to say thank you, sir, and thank you to the Assembly, and to Deputy Dawn Tindall.

Thank you.

1985 **The Bailiff:** In that case, we vote on the amendment to the Cutting of Hedges (Amendment) Ordinance 2017. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

Is there any request for any debate on the legislation as now amended?

In which case, we go straight to the vote. Those in favour; those against.

Members voted Pour.

1990 **The Bailiff:** I declare it carried.

STATES' TRADING SUPERVISORY BOARD

**X. Guernsey Post Limited –
Annual Report and Accounts approved**

Article X.

The States are asked to decide:

Whether, after consideration of Guernsey Post Limited - Annual Report and Accounts, they are of the opinion:

1. To note the annual report and accounts of Guernsey Post Limited for the year ended 31st March, 2017.

The Senior Deputy Greffier: Article X, States' Trading Supervisory Board – Guernsey Post Limited Annual Report and Accounts.

1995 **The Bailiff:** Deputy Parkinson, as President of the States' Trading Supervisory Board, will open the debate.

Deputy Parkinson: Thank you, sir.

2000 Guernsey Post's Annual Report and Accounts for the year ending 31st March 2017, are being presented to the Assembly today in accordance with the 2001 States' Trading Companies Ordinance, which requires that they should be submitted to the States each year for their consideration.

2005 I do not intend to spend time today poring over the detail of the accounts, which are largely self-explanatory, other than to reflect on the operating profit of £2.3 million. This represents a very positive performance in the face of a very challenging and competitive marketplace, where its traditional postal volumes continue to face erosion from digital substitution.

2010 My experience over the last year has been of a company that is tenacious in its determination to address this challenge through a range of strategies. Perhaps nowhere is this more strongly illustrated than through the commitment that has been shown to the reform of its Pension Scheme, set out in the Annual Report. I should take this opportunity to commend the GPL staff, at all levels of the company, for their acceptance of the need for this change.

2015 I should also note that the solid results for last year mean that Guernsey Post has been able to make a normal dividend payment to the States of £564,000, coupled with a further one-off special dividend of £1 million. It might be helpful today if I briefly touched upon the relationship that STSB has with Guernsey Post as its shareholder, and how this has evolved since my board's establishment last year.

2020 I would characterise our relationship as one that is close yet challenging. On a formal basis representatives of my board meet on a quarterly basis with GPL board members, although this is supplemented by more informal day-to-day contact as the need arises. The quarterly meetings do, of course, provide an important opportunity to review financial and KPI performance for the year to date.

2025 However, we spend as much time looking ahead at these meetings as we do looking back. With a particular focus on: firstly, reviewing Guernsey Post strategic and business plans and the company's performance against them; secondly, ensuring we understand the key risks facing the Guernsey Post business, and the steps the company is taking to manage these; finally, examining opportunities where we can work together to promote the interests of the company, the States and the wider community.

2030 Guernsey Post's decision to make a special dividend payment this year of £1 million is a tangible example of this working relationship in action. Supporting, as it does, the capital returns target set for the STSB as part of the States' Medium Term Financial Plan. By way of further example, STSB's Property Services Team has been able to agree a lease with Funky Pigeon, one of

Guernsey's key customers for Sir John Leale House, enabling it to continue growing its business in its new larger fulfilment centre immediately adjacent to the GPL sorting office.

2035 Looking ahead, I should caution that we cannot necessarily expect the same level of results from Guernsey Post next year. There are a number of positive areas of performance, including robust control of direct costs, staff and operating expenditure, good revenue performance in its philatelic and direct mail areas, and underlying growth in its bulk mail businesses. However, these are being substantially tempered by a decline in revenues, the majority of which arises from falling mail volumes and weights.

2040 While Guernsey Post is carefully analysing causes for these shortfalls, the STSB's expectation is for a reduced level of operating profit in the current financial year.

As I said in my opening remarks, the rest of the accounts, I think, are self-explanatory. I have not had notice of any questions, but if Members do have any questions on the accounts, I will do my best to answer them.

2045 **The Bailiff:** Are there any questions or any debate?
Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

2050 The excellent set of results and the successful implementation of the pension reforms, I believe, are to be commended. A further return of £6 million of capital to the States of Guernsey, and as a consequence of the results for the year ending March 2017, and reporting operating profit of £2.3 million, and ordinary dividend to the states of a further half million. And a further one-off special dividend of £1 million. All this is especially commendable at the current time when there are difficulties financially all round.

2055 Also it is worth commenting on the recent delivery of 19 new electric vehicles providing a strong environmental focus in reducing corporate vehicle emissions and a strong example, I think, to other companies operating in the Island.

2060 I wanted to talk, just briefly, on internal controls and perhaps ask a question there, which appear to be working without the added burden of the concerns formerly held by the corporation with respect to the OUR and SICRA regulation. I note that the board continues to ensure that there is strong corporate governance at the forefront of everything it does, although Deputy Parkinson did mention earlier, in the discussions with regard to nominations for Economic Development, about further deregulation with regard to SICRA for Guernsey Post. I would like him to, perhaps, comment further on that particular aspect of the future challenge for Guernsey Post.

2065 Thank you, sir.

The Bailiff: Deputy Gollop.

2070 **Deputy Gollop:** One leading figure of the St Peter Port Douzaine, looking at the more micro management style of approach, there is still a worry about the rubber bands, and also about the parking of the vehicles, sometimes on dangerous corners. As, on an operational level, for sound reasons, linked to parcel delivery, one is moving away from the traditional bikes to more of a van based regime, inevitably there could be conflict of road use.

2075 But one area where I think Guernsey Post is showing Environment & Infrastructure the way ahead, is their commissioning of electric vans, as Deputy de Lisle has maintained, and it is a pity we are not seeing that in more States areas, including perhaps the next stage of the bus replacement programme.

2080 But my final point is that it is said in the Chairman's Statement that the single biggest achievement in the past year has been the successful implementation of the company's pension reforms; with effect from 1st August 2016 all of our employees agreed to leave the States of Guernsey Public Sector Defined Benefits Scheme, and they have gone into a new scheme run by Guernsey Post. Now, that clearly is... well it has been described as reducing risk and means far

2085 greater financial certainty. Now, I would like to ask Deputy Parkinson what miraculous political wand did he wave that persuaded all of the employees to make that change, and could he apply it in other areas of the States perhaps?

The Bailiff: Deputy Parkinson will reply.

2090 **Deputy Parkinson:** Right, thank you, sir.

It has been a short debate. I share the view of Deputy de Lisle and Deputy Gollop that the electric vans are an exemplar for other States' bodies and, of course, they are consuming electricity generated by our excellent electricity company, so we are fully supportive of that.

2095 Deputy de Lisle asked for further comments on the deregulation issue. I did try to explain this in the election debate, if that is what it was. The problem is, for Guernsey Post, that the reserved area is defined by value, and it has not changed for seven years, so the area of the market over which they have a monopoly – a legal monopoly – is shrinking because, obviously, prices are going up. At the end of the day, if there is to be a monopoly over letter post, basically, and small packages, then that needs to be updated with the movement in prices. The problem is, quite simply, that SICRA no longer has any staff who could manage to do a price control, so until – I mean clearly everyone in the industry has expected that regulation would come to an end, in accordance with existing States' Resolutions, and either regulation now needs to come to an end or SICRA has to be re-resourced to enable it to undertake a price control. The problem cannot be allowed to continue indefinitely.

2100 Deputy Gollop mentioned the parking of vehicles, which did indeed come up at the St Peter Port Douzaine meeting on Monday, and it is true that vans take up more space than bikes, and the move from bikes to vans, which has been necessary because so much more of the traffic now is parcel post. This is the delivery of goods shipped by Amazon etc. the letter post volumes are declining year on year and therefore bikes were no longer appropriate, but the parking of electric vehicles was noted as an issue at St Peter Port Douzaine, and I undertake to convey that concern back to the board of Guernsey Post.

2110 Deputy Gollop also asked what magic wand we might have waved to persuade all the employees of Guernsey Post to sign up for the new pension arrangements, and I am afraid I can claim no credit for that at all; that was the work of the excellent management team at Guernsey Post. I congratulate them, and I congratulate the employees for agreeing to change the system.

2115 **(Several Members:** Hear, hear.)

I think that answers all the questions that have been put to me, so without further ado, I put the accounts to the Assembly.

2120 **The Bailiff:** There is a single Proposition to note the Annual Report and Accounts of Guernsey Post Limited, for the year ended 31st March 2017. We go to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

I propose that we rise now and resume at 2.30 p.m.

*The Assembly adjourned at 12.27 p.m.
and resumed its sitting at 2.30 p.m.*

2125

Billet d'État XXIV

STATES' TRADING SUPERVISORY BOARD

XI. Guernsey Electricity Limited Annual Report and Accounts – Proposition carried

Article XI.

The States are asked to decide:

Whether, after consideration of Guernsey Electricity Limited – Annual Report and Accounts, they are of the opinion:-

1. To note the annual report and accounts of Guernsey Electricity Limited for the year ended 31st March 2017.

The Deputy Greffier: Article XI, States' Trading Supervisory Board – Guernsey Electricity Annual Report and Accounts.

The Bailiff: Deputy Parkinson.

2130

Deputy Parkinson: Thank you, sir.

I am pleased to have the opportunity today to present the Guernsey Electricity Accounts for the year ended 31st March 2017, in accordance with the States' Trading Companies Ordinance.

2135

Guernsey Electricity's performance in the last financial year has been strong. Despite a decline in electricity usage, following a mild winter and a fifth year where tariffs have remained unchanged, it has maintained an operating profit in excess of £4 million. These results are underpinned by an unrelenting focus on a wide array of key strategic initiatives and, whilst there are perhaps too many for me to highlight here, I will take the opportunity to flag the following.

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Firstly, its business transformation programme, which is delivering significant cultural changes throughout the organisation, as well as a reduction in FTE head count and a real-terms fall in salary costs.

Secondly, completion of several major investments, most notably the commissioning of the Normandie 1 sub-sea cable that is enabling the company to maximise its imports of low carbon electricity and reduce its exposure to fluctuations in the price of oil.

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Thirdly, the closure of its CARE-defined benefits pension scheme, with all new employees now becoming members of a defined contribution scheme.

I am pleased to note that the company's performance means that it was able to return over £5 million to the Treasury, before the end of 2016, and it has been able to make a further dividend payment to the States this year, of £749,000.

2150

Nevertheless, while welcoming Guernsey Electricity's performance over the last financial year, it would be remiss of me not to flag up some of the significant headwinds that the company is now facing.

Key amongst these is the devaluation of the pound against both the euro and the dollar, since the Brexit decision, which is increasing the cost of energy imported through the cable link from France and the cost of oil purchased for on-Island generation.

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Guernsey Electricity has flagged with the STSB the need to review tariffs in the near future to address this challenge. We will be scrutinising the company's proposals in due course, ensuring that these are properly balanced with the necessary focus on cost efficiency within the business and the need to fund its ongoing capital investment programme.

2160

In the short-term, however, we are expecting to see a significant fall in the level of future dividend payments from the company.

I should say, in parenthesis, that, unlike Guernsey Post, there is no pass-through mechanism in the tariff scheme at Guernsey Electricity. So, whereas Guernsey Post is able to pass on the cost increases that are imposed on it by Royal Mail, Guernsey Electricity has no mechanism by which it can pass on cost increases through rising oil prices, or anything else.

Turning, now, to the relationship the STSB has established with Guernsey Electricity, as a shareholder, I would also characterise this very much like the relationship with Guernsey Post, as a challenging one.

Our working arrangements are very much the same as those that I outlined during the debate on Guernsey Post accounts, with the main focus being on formal quarterly meetings with the Guernsey Electricity Board. These provide a forum for reviewing its strategic aims, monitoring its performance against them and understanding the key business risks it is facing. Importantly, these meetings provide an essential opportunity to ensure that Guernsey Electricity is aligned with the States' wider environmental and energy policies and its requirements for security of electricity supplies.

As such, both the STSB and Guernsey Electricity welcome the States' decision to prioritise the development of an updated energy resource plan. Guernsey Electricity has a substantial long-term capital investment plan, not least of which is the planned sub-sea cable direct from Guernsey to France.

Final investment decisions need to be guided by more detailed policy guidance, on issues such as consumer affordability, the environment and security and sustainability of supply that we hope this updated plan will provide.

I very much welcome the commitment that the Committee for the Environment & Infrastructure has given to this plan and both Guernsey Electricity and the STSB look forward to supporting it, with this important work stream. A new energy resource plan clearly has significant implications for Guernsey Electricity's current and future business activities.

At this stage, I have to return to the point I made earlier: the importance of having clarity on the possible future regulatory environment for Guernsey Electricity. The organisation responsible for the oversight or regulation of the company will need to be engaged in the development of an energy resource plan and it is entirely possible that the plan itself will need to include recommendations or appropriate direction to that organisation, to Guernsey Electricity, to play its part.

As I have already said, we currently find ourselves in something of a regulatory vacuum and it is essential that the States is provided with an opportunity to determine this matter, once and for all, for the reasons that I have previously outlined. But also so that the development and implementation of a new energy resource plan is not prejudiced.

Thank you, sir.

The Bailiff: Any debate?

Deputy de Lisle.

Deputy de Lisle: Sir, this is another good news report.

For the second year, an operating profit of over £4 million, with tariff levels unchanged, for the fifth year in a row, and relentless internal focus on controlling costs and optimising value. In addition, the chief executive officer's report indicates distributions to the shareholder of £4 million, in respect of buy-back of shares, and £1 million in the form of a dividend. That is not quite what I heard from Deputy Parkinson, but I am sure he will correct that, if need be.

All this is to be highly commended. It is pleasing also to note the community project initiatives in my parish, of St Peter's, and support given to projects in St Sampson's and the Vale, including that of the Vale Primary School and St Mary and St Michael School, through the electricity company.

Also, the focus is pleasing on environmental management this year, including carbon emission targets and environmental regulation. Air pollution regulation has been slow coming, with sulphur

2215 nitrogen dioxide and small particulates pollution subjecting not only the Bridge, but the whole Island to environmental and public health hazards.

While environmental performance has focussed on carbon emissions this year, the corporation has to speed up its responsibility over wider emission controls as a priority. The Island's aspiration for a green and sustained future requires clear policy guidance from the States, to plan for energy requirements and revisions to an energy policy long-awaited for. The concept of distributed energy resource, through the use of renewables and energy storage, will challenge the traditional methods of centralised bulk energy production as an increasing proportion of Island power requirements are harnessed in this way.

2220 The installation of 330 solar panels at North Side Power Station is commendable, as is the intention to build a solar farm five times of that outside the Bridge area in the future. But, at the same time, continuing to implement a standby tariff restriction to commercial customers above 25 kilowatts, reflects monopolistic tendencies and protectionism, which damages the advancement and opportunity for development of local, renewable energy generation on-Island.

2225 The planned participation in distribution energy resource schemes, through asset ownership and operation, may demonstrate commitment to the low carbon agenda aspired by Government. But internal protectionist measures stifle commercial customers, producing energy from renewables. The concern of social inequity, raised by the Environment Department, again points to a further potential policy drag on the future of energy supply diversification.

2230 If Guernsey is not going to be left behind in the diversification of energy race, into energy innovation and into renewables, there is much that the States need to look at and consider, with respect to the future, underlying energy policy.

2235 Thank you, sir.

The Bailiff: Deputy Gollop.

2240 **Deputy Gollop:** Sir, Deputy de Lisle has already brought a lot of the themes that I think need to be brought up.

I, perhaps, do not know that much about electricity, other than 'Oh, that is switched on.' I used to belong to an alternative energy society. But I was just struggling as to why my pad was not recharging; it was because I had not put the plug on! (*Laughter*)

2245 I do consider that there are issues that need exploring further. It is a curious, historic element of the Assembly, that we are debating an annual report, which is not really a debate at all. Accepting it as an executive board of directors, you could say, all 40 of us.

2250 But we are not actually having a more meaningful energy policy debate and Deputy Parkinson reminded us that he was, in a sense minister for energy, back in the days when he led Treasury & Resources. Later on, we had a lot of good from, I remember, Mrs Burford, who was particular keen in those areas.

2255 But we do need a focus on the bigger picture of energy and its potential contribution to our economy and infrastructure. For example, Guernsey Electricity is a minority shareholding interest in Alderney Electricity; that has been very much in the news recently. Alderney suffers, on a smaller scale, some of the issues that Guernsey has, such as relatively high costs per unit and being on the fringe a bit. Alderney have had the courage, at least, to make more progress than perhaps Guernsey has, looking at the power of wave energy.

2260 Deputy de Sausmarez has made reference to the need for us to have more electric vehicles; and, again, although we are seeing an initiative of two plugs in the Town car park, one feels the States should be leading more in this direction, especially with Guernsey Electricity's resources.

One issue that is common to both Alderney and Guernsey is the question of the paradoxes of encouraging more green development that Deputy de Lisle referred to. In reality, there is a mood in electricity, of discouragement of innovation, on the curious grounds that it is not socially equitable; because, if you allowed beneficial tariffs for the self-generation of new-wave electricity

2265 for innovators who could afford to do that, you would then see a consequential burdening of the remaining management overheads onto the bulk of the population.

I see that is a problem, but it is one that very much needs a fiscal, perhaps, and a political, solution. We heard a lot this morning, in the earlier debate about the future of economic development, about the need to holistically look at energy and the regulation of it and the tariffs.
2270 But we are not really seeing any answers. This report identifies a profit after expenses of £4 million, which seems a lot on first look, but is not, in terms of investment and infrastructure.

If Policy & Resources are successful in demanding, for the Budget and P&R Plan process, a lot of revenue back to make the asset sweat a bit, then that further means you could get a situation where the consumer, or maybe the future investor, is sabotaging their prosperity, because of the needs of our current taxation economy.
2275

Really, what I am wanting for this is, I can thoroughly endorse and accept the wisdom of the team running Electricity at the moment, in the Report, but I am wanting very much STSB, in conjunction with E&I, P&R and Economic Development, to come up with an energy strategy that is progressive, forward-looking and looks at bringing money into the Island, as well as being more environmentally sustainable.
2280

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

2285 The number one priority for the Environment & Infrastructure Department is an energy policy. We have an energy policy in place, but we do need a new energy policy written. The problem at the moment is that we are going through a transitional phase and the transitional phase is even catching out people who supply energy electricity to our doors.

In the post-War, to the 1980's, Guernsey consumption of electricity was going up to about 80 megawatts. It is now 60 megawatts. So I think we get about 60 megawatts through the connection with France and then we top it up through diesel generation or gas oil or, actually, heavy fuel oil, which we know is very environmentally unfriendly.
2290

The way that technology is moving, there is a very real possibility that the French link could be supported by batteries and that the power supply to our homes would be from a triple supply from batteries, rather than having to have the diesel generation kick in.
2295

Also the focus has been on the home-owner having microgeneration, PVs and the like in their own home. But with domestic batteries that are new to the market – and the growth is going to be huge – you will, for what used to be called night storage, simply store the electricity that you get during the day in a battery and it will be released overnight.

2300 All these things are arriving at the market now and it is very difficult to gauge what the transition will look like. But I think everybody has been caught out by this. It is not just governments that provide us with electricity who have been reliant on hydrocarbon fuels, realise the market is moving, probably because of the Chinese and Indian production, especially with PVs. The whole market is changing rapidly and we need to have an energy policy that reflects and adapts to those significant changes that are moving at quite a pace at the moment.
2305

The Bailiff: Can I just say, those Members who wish to do so may remove jackets. I call Deputy de Sausmarez, if she wishes to speak.

2310 **Deputy de Sausmarez:** Thank you, sir.

Just, again, picking up on a couple of points from Deputy Gollop's speech. First of all, I would like to challenge this idea that Guernsey has been sitting on its laurels while Alderney has been forging ahead in the world of renewable energy, because we do have a renewable energy team in Guernsey and I am pleased to say that Guernsey Electricity are, not on the team *per se*, but the renewable energy team works very, very closely with Guernsey Electricity.
2315

I think where Alderney has done far better than Guernsey in the world of renewable energy is in the sphere of publicity. As Deputy Gollop knows, Alderney has put a lot of focus on marine tidal energy. That is not at a point yet that is commercially viable.

2320 The Guernsey renewable energy team is looking into a broad spectrum of renewable energies and, as Deputy Parkinson and Deputy Brehaut made clear, the essential thing is actually the policy framework within which that work can sit. It is an absolute priority for Environment & Infrastructure.

2325 Just picking up on a further point from Deputy Brehaut and Deputy Gollop, Deputy Gollop mentioned the social inequity problem, which is the reason we cannot just go ahead and introduce subsidies for the micro-generation of renewable energy, because it does create a social inequity problem, which is experienced in places where they have done that.

2330 But the other issue is grid management. One of the challenges with renewable energy is that it is not a constant supply. Solar power will produce energy when the sun is shining; wind, when the wind is blowing. As Deputy Brehaut alluded to, the battery technology development is the game-changer in this.

There is a significant grid-management issue related to renewable energies that has to be very carefully thought through and, again, it is one of the challenges that they see in the UK, for example, where there is actually an over-production of energy in some parts of the country.

2335 The future of the energy grid, I do not know if it is fair to say it is more about management; I think it will be more about management than generation, ultimately. But I just want to make it clear that these are all issues that we are very aware of and we are dealing with actively. We are investigating actively. I think, actually, finally, after eight years of the Guernsey renewable energy team doing an awful lot of homework and investing a huge amount of research, we are just about at the point where people are going to see a noticeable difference. Hopefully, everyone is looking forward to that as much as I am.

2340

The Bailiff: I think the debate is straying slightly off the Annual Report and Accounts for the year ended 31st March 2017.

2345 Deputy Inder, do you wish to speak on the accounts?

Deputy Inder: I will try to, sir, but I am happy to be sat down by your good self.

Just following on from, I think, Deputy Gollop's and possibly Deputy de Lisle's speeches and hopefully trying to tie it into the accounts.

2350 In May of this year, Guernsey Renewable Energy Group published the offshore wind feasibility report and, just picking up on something Deputy Brehaut said, this is such a fast-moving technological area, where we are talking grid and battery-wide storage of energy to be used overnight and to be used as and when energy can be called and stored. In that report, there was talk of developing a modest project, within the order of 30 megawatts, of a wind farm somewhere, I would assume off the north of Guernsey, because it is where everything goes over here.

2355 I am wondering, with the development in the energy market and the technologies and battery and storage, is that offshore wind feasibility report still as relevant today as it was only three or four months ago?

The Bailiff: Any further debate on the accounts?

2360 Deputy Parkinson, do you wish to reply to the debate?

Deputy Parkinson: Yes, sir.

Well, we have strayed far and wide, but it has been an interesting discussion. Certainly, electricity is one of the most interesting areas for the Island's economy, going forward.

2365 Just to try and pick up some of the points. Yes, the renewable energy team have mooted a 30-megawatt wind farm, which would be five or six turbines. I think they suggested off the north-

west of Guernsey, of course. But that project, obviously, is no more than a glimmer in someone's eye at the moment.

2370 Other renewable energy projects are underway. Guernsey Electricity is putting solar PV on the roof of the power station. I think they are talking to Health as well about putting PV on some of the health facilities; and there is a live project to build a one megawatt, which is grid-scale, power plant, possibly around [Bordeaux](#), I am not sure.

2375 So there are huge developments going on and the technology is, as Deputy Brehaut said, moving very fast. He also said the battery technology – and Deputy de Sausmarez made the same point – is absolutely key to all of this. At the moment, if there were a load of micro-scale generators, with everyone having solar panels on their roof, there would be times of the day when Guernsey Electricity simply could not use all the power that they were supplying. Then there would be other times, of course, at night-time, when the solar panels are not working, when power would be needed to go the other way. To balance the grid, you would need batteries. The
2380 key development in technology is batteries. We know, from Tesla and other organisations, battery technology is advancing very quickly.

Now, turning to the accounts, there really were not many comments, particularly, on them. Deputy de Lisle complimented the management on the tight cost-control and I echo those thoughts. This is a very well-run company.

2385 The dividends: they are covered in note eight of the accounts and that reports that the dividend of £1 million was paid during the year and, at the 2017 annual general meeting, the company will be proposing a dividend of £749,000, and that is on top of the share buy-back that was agreed during the year.

2390 So that was, I think, perhaps the only comment actually on the accounts. But this is a very interesting area. I have to refer, again, to the problem we have at the moment with the regulatory vacuum. One of the social equality issues about the introduction of micro-scale generation is that we cannot have a situation where everyone who is wealthy and can afford to put solar panels on their roof can take themselves off-grid and then they will leave the grid there for long periods of absence of sunshine, etc. But there is a danger that, with the current structure of tariffs, the costs
2395 of the grid, basically, will fall on the people who cannot afford to take themselves off-grid.

That is a social equity issue that the States will have to grapple with, through the energy policy plan but also in terms of the tariff structure of Guernsey Electricity. Guernsey Electricity needs to migrate its charges from the unit cost to the fixed cost.

2400 I know that they would like to introduce a revenue-neutral rebalancing of the tariffs some time in 2018. As I have said many times already, there is currently a regulatory vacuum and no mechanism by which they get that rebalancing approved.

2405 So there are important changes coming up. We look forward to seeing the new energy policy, hopefully in the next couple of months, first quarter of 2018. It would be nice to sort out the regulatory position, nice to do the rebalancing of the tariffs, which needs to take place; and, of course, meanwhile, Guernsey Electricity is working on these exciting projects and the world is changing very fast around us.

I think this is, actually, for Guernsey as a whole, a huge opportunity. We have fair higher levels of solar radiation here than they do in most parts of mainland England. This is something Guernsey could do very, very well.

2410 With that said, I can do no more than commend the accounts to the States and seek your approval.

The Bailiff: We vote on the Proposition to note the Annual Report and Accounts of Guernsey Electricity Limited, for the year ended 31st March 2017. Those in favour; those against.

Members voted Pour.

2415 **The Bailiff:** I declare it carried.

COMMITTEE FOR HEALTH & SOCIAL CARE

**XII. A Partnership of Purpose: Transforming Bailiwick Health and Care –
Propositions carried as amended**

Article XII.

The States are asked to decide whether, after consideration of the Policy Letter entitled 'A Partnership of Purpose: Transforming Bailiwick Health and Care', dated 9th November 2017, they are of the opinion:

1. To reaffirm the States of Guernsey's commitment to a process of transformation of health and care services in the Bailiwick of Guernsey, based on the key aims of:

- Prevention: supporting islanders to live healthier lives;*
- User-centred care: joined-up services, where people are valued, listened to, informed, respected and involved throughout their health and care journey;*
- Fair access to care: ensuring that low income is not a barrier to health, through proportionate funding processes based on identified needs;*
- Proportionate governance: ensuring clear boundaries exist between commissioning, provision and regulation;*
- Direct access to services: enabling people to self-refer to services where appropriate;*
- Effective community care: improving out-of-hospital services through the development of community hubs for health and wellbeing, supported by a health and care campus at the PEH site delivering integrated secondary care and a satellite campus in Alderney;*
- Focus on quality: measuring and monitoring the impact of interventions on health outcomes, patient safety and patient experience;*
- A universal offering: giving Islanders clarity about the range of services they can expect to receive, and the criteria for accessing them;*
- Partnership approach: recognising the value of public, private and third sector organisations, and ensuring people can access the right provider; and*
- Empowered providers and integrated teams: supporting staff to work collaboratively across organisational boundaries, with a focus on outcomes.*

2. To direct the Committee for Health & Social Care to develop a health and care system premised on a Partnership of Purpose, bringing together providers to deliver integrated care which places the user at its centre and provides greater focus on prevention, support and care in the community and makes every contact count;

3. To direct the Committee for Health & Social Care and the States' Trading Supervisory Board to work together to identify suitable sites for the development of community hubs;

4. To direct the Committee for Health & Social Care to work together with all health and care providers to produce a schedule of primary, secondary and tertiary health and care services that shall be publicly available as the Universal Offer, either fully-subsidised or at an agreed rate;

5. To direct the Committee for Health & Social Care, the Committee for Employment & Social Security and the Policy & Resources Committee, together with any non-States' bodies affected, to consider how the current States' funding of health and care can be reorganised to support the Universal Offer and, if necessary, to report back to the States at the earliest opportunity;

6. To direct the Committee for Health & Social Care to work with:-

- the Committee for Employment & Social Security to create a Care Passport for Islanders, establishing their individual entitlement to health and care services and to explore how it could be linked with existing benefits or new opportunities to encourage individuals to save for their costs of care, in an individual Health Savings Account, a compulsory insurance scheme, or otherwise;*
- the Policy & Resources Committee and representatives of the voluntary sector, to explore a scheme of 'community credits' to incentivise more volunteering within the health and care system;*

7. To agree that the Committee for Health & Social Care should investigate ways in which a technological interface could be developed that serves to create an aggregated service user record from the various patient records maintained across health and care providers;
8. To agree that, in line with the States of Guernsey's Digital Strategy, the Committee for Health & Social Care shall seek to provide user-friendly online access to services, including providing service users with secure access to their own summary care record, where appropriate, their Care Passport and information on maintaining their own health and wellbeing;
9. To agree that the processing of health and care data should be premised on the equally important dual functions of protecting the integrity and confidentiality of such data and its sharing, where in the interests of the service user or the delivery of a public health function, and to direct the Committee for Health & Social Care and the Committee for Home Affairs to explore legal or practical mechanisms to achieve this;
10. To agree that the Committee for Health & Social Care shall be responsible, in accordance with its mandate, for:
 - Setting health and care policy for the Bailiwick;
 - Commissioning, or otherwise ensuring the provision of, health and care services through the Partnership of Purpose;
 - Conducting a series of health needs assessments, constituting a Comprehensive Health Needs Assessment for the Bailiwick, in order to plan ongoing service delivery with a view to improving health and wellbeing and reducing health inequalities;
 - Ensuring the good governance of health and care services;
 - Managing the public budget for health and care; and
 - Ensuring that there is effective regulation of health and care;
11. To agree that the Committee for Health & Social Care should report back to the States on the legislative changes needed to disband the roles of Medical Officer of Health and Chief Medical Officer and, where relevant, transfer their functions to existing services or statutory officials whilst exploring the potential for creating reciprocal arrangements for the independent challenge and peer review of respective health and care policy on a regular or ad hoc basis by other small jurisdictions;
12. To direct the Policy & Resources Committee to undertake a strategic review of the terms and conditions attached to nursing and midwifery professionals employed by the States of Guernsey, and to consider whether such a review may also be appropriate in respect of any other staff group;
13. To direct the Committee for Education, Sport & Culture, together with the Committee for Health & Social Care, to review the training and education provided by the Institute for Health and Social Care Studies to ensure that it continues to meet the health and care needs of the Bailiwick, and to explore options for supporting a wider range of on- and off-island training opportunities;
14. To agree that the Committee for Health & Social Care shall review the processes used to:
 - consider the merits of whether new drugs or medical treatments should be funded to ensure that a consistent approach is used across all decision-making bodies (including the Committee for Employment & Social Security's Prescribing Benefit Advisory Committee);
 - determine access to child or adult social care services, along with reviewing the transition between the two;
 - access long-term care in the community or in residential or nursing homes and work with the Committee for Employment & Social Security to produce a single assessment process in accordance with the resolutions of the Supported Living and Ageing Well Strategy;and in so doing ensure that clear, user-friendly information about the processes and criteria shall be made publicly available;
15. To affirm that the States, in all its policy decisions, should consider the impact of those decisions on health and wellbeing, and make use of any opportunities to improve health or reduce health inequalities, across all government policies;

16. To direct the Committee for Health & Social Care, working with other States' Committees and voluntary and private sector organisations, to establish a Bailiwick Health and Wellbeing Commission that shall be responsible for health promotion and health improvement activities within the Bailiwick;

17. To direct the Committee for Health & Social Care to report to the States in 2018 with proposals for the comprehensive regulation of health and care services and practitioners;

18. To direct the Committee for Health & Social Care to:

- Develop, market and manage an attractive private offer in addition to its universal provision which should be run, as far as possible, on a commercial basis;
- Investigate opportunities to incentivise people to use their private insurance where that option is available;
- Work with the Committee for Economic Development and other interested parties to explore whether the Bailiwick could develop and market itself as a 'destination for health and wellbeing';

19. To note that the Committee for Health & Social Care will continue to work with the Alderney community and the States of Alderney to rebuild confidence in health and care services, including those provided by the satellite campus, and ensure that they are proportionate and responsive to the needs of the island;

20. To direct the Policy & Resources Committee, as part of its ongoing work through the Sark Liaison Group, to engage with the Sark Authorities to establish the merits and cost implications of closer working in respect of health and care, and to report back to the States with recommendations;

21. To direct the Policy & Resources Committee to consider, as part of future budgets, what steps, if any, are required, over and above the transformation of health and care, to ensure the sustainability of funding for health and care services;

22. To increase the authority delegated to the Policy & Resources Committee to approve funding from the Transformation and Transition Fund for Transforming Health and Social Care Services by £2,000,000 to £3,500,000.

The Deputy Greffier: Article XII, Committee for Health & Social Care – A Partnership of Purpose: Transforming Bailiwick Health Care.

The Bailiff: Deputy Soulsby will open the debate.

2420

Deputy Soulsby: Sir, I feel both proud and fortunate to be able to present this policy letter to the States of Deliberation today.

2425

Proud, because this has been a truly collaborative effort, representing the culmination of the work of providers in the public, private and third sectors; users, carers and the wider community, who have all come together to help us design a new model of health and care that will serve the people of the Bailiwick well, in the coming years.

2430

Fortunate, because I know that the last decade has been a difficult one for successive boards and the more recent stability has enabled me to be able to stand here today, building on the work they have done, presenting what is an exciting, once-in-a-generation opportunity, to change the landscape of health and care.

I am also fortunate to have a Committee and officers who have worked closely together to develop this policy letter. All are fully supportive of every one of the 22 Propositions set out in the Billet, and I thank them all for their hard work and positive input in designing a model that is proportionate and appropriate to the Bailiwick.

2435

Members will note, throughout the policy letter, reference is made not to 'health and social care', but to 'health and care'. This appears, on the surface, to be a small difference but actually represents a considerable shift in meaning.

2440 To remove the word 'social' is not to reduce the importance of social care – far from it – but to change the emphasis, to reflect the importance of care in all its form, from state-provided support either in the Hospital or community, through to the support of the third sector, as well as the important role of informal carers. In doing so, 'health' also takes on a wider meaning, to cover health promotion and how we maintain a healthy population. As such, we believe 'health and care' fits well with what the new model is all about.

2445 Now, the case for change has been made in many documents, starting from the 2020 Vision, through to the BDO benchmarking and prioritisation report in 2015 and, most recently, that from KPMG, which is appended to this policy letter.

2450 All say more or less the same thing. If we do nothing, we will see a real terms increase in health and care in the order of £21 million by 2027. Whilst it has been known for some time that the system of health and care needed to change, this policy represents our solution to those challenges. The problem is one of success. The problem is not of too many old people or too many obese people, for that matter. The problem is that there are too many things we can now do to make people better.

2455 This, at the same time as expectations have risen to what are equally unsustainable levels, something that KPMG made explicit reference to in their report, and something of which the professionals on the ground are all too aware.

Now, the Committee began its transformation programme as soon as it took office, firstly, through system grip and then service improvement. By adopting these measures, we have reversed overspend, stabilised expenditure and improved outcomes, through thinking differently and working differently.

2460 I said at the start of this term that if you get things working properly, the finances will follow. That has proven to be the case – for now at least. That work continues and will not stop, as an effective organisation is one that constantly seeks to improve and does not just react when things start to go pear-shaped. However, the Committee cannot tackle the cost of health and care just by looking at what it does. We cannot stem the rate that costs will increase through efficiencies alone, and that is where this policy letter comes in.

2465 It sets out the strategic changes that are needed across the Bailiwick if we are to avoid the costs that are inherent in the current system. A system that is fragmented, where a service-user can have many points of contact and where providers work in isolation, with their own aims and own records; a system that is provider-centred, rather than user-centred, where a service-user is not seen as one person, but as a range of conditions.

2475 A system where there is inequity of access, manifested not just in the costs of accessing a service such as primary care, but in the lack of criteria that means that those in most need of care are not necessarily those who get access to it. Conversely, some get levels of care that they do not need. A system where there is difficulty in finding out what services are available, and a service-user may not get the care they need, not because it does not exist but because they do not know about it.

And, above all, a system where there is limited focus on prevention and early intervention and which puts more resources into treating the sick rather than stopping people from getting sick in the first place.

2480 We talk a lot about waiting times – indeed, I did in my statement earlier today. However, we need to understand why people are seeking treatment in the first place. The unpalatable truth is that so much of our health and care resources go to supporting those with avoidable diseases. Being overweight or obese makes you three times as likely to need orthopaedic surgery, so it can be no surprise that orthopaedic referral rates are going up when the numbers of people overweight and obese have gone up, to the point where they now represent half the adult population. Is it any wonder we struggle to maintain waiting times set over 20 years ago, despite the increase in the number of specialists recruited in that time?

2485 All these issues combine to mean that we have a structurally inefficient and unsustainable system. Now, the sheer complexity of it is demonstrated on page 17; that sea of spaghetti, which

2490 itself is actually a simplified version of reality. But the truth is we do not really have a system at all; we have many individuals and organisations working in health and care, but they do not necessarily work together. To date, the whole has not been greater than the sum of its parts.

2495 This does not mean health and care in the Bailiwick is poor – far from it. How can it be, when life expectancy is in the mid-80's? We have some extraordinary individuals working every day across the Bailiwick to keep us going. As an aside, I should like to thank all those who provide health and care support in the Bailiwick, for the critically important work that they do. Some better paid than others.

But there are fundamental issues we are having to deal with every day that have a negative effect on the great work that is done. Any new model has to address them.

2500 The Committee took an iterative approach. Using what is called a double-diamond design method – probably the first significant example of this being adopted by the States of Guernsey. We began by working with senior staff and key providers, to develop our design principles, the outcomes that we wanted from the new model. Taking the 2020 Vision as a starting point, these were developed and refined as a result of the engagement and the consultation exercises we ran
2505 with other health and care providers, HSC staff, the third sector, service-users, carers and the wider community.

2510 Phrases like to be 'world-class' or 'cutting edge' were not allowed. This was not an academic exercise, nor a tick-box to say we had consulted, but meaningful principles on which to base the design of the new model. The result was a development of 10 key aims owned by the people of the Bailiwick.

Now, I know Members will be able to see them in the Billet, but I think, for the record and for whoever is still listening at home, I should read them out now: prevention, user-centred care, fair access to care, proportionate governance, direct access to services, effective community care, a focus on quality, a universal offering, a partnership approach, and last, but by no means least,
2515 empowered providers and integrated teams.

It is only now that I think we could have had 12 and then the Committee could have sung them to the theme of the *Twelve Days of Christmas*! But probably fortunate for us all that we have not.

2520 The importance of these 10 key aims is such that we are asking Members to endorse them in Proposition 1, in order that everyone knows that they underpin the new model and will guide its future evolution. Of course, that was just the beginning.

Converting these aims into a new model was the next big task. We knew what was wanted, but how do we convert that into reality that took best practice and converted it to a Bailiwick setting, with a combined population of 65,000, but spread amongst two differently sized Islands?

2525 What we did not want was a greater bureaucratic structure, a system that looks up and not across. We are very much aware what we needed was a model that was appropriate and proportionate to the needs of the people of Guernsey and Alderney. Our question was, what is it?

2530 The result, and what is at the heart of the new model, is what we have called a Partnership of Purpose, where health and care providers will come together, physically, virtually and financially, to support shared outcomes, to provide joined-up, user-centred care and which makes every contact count.

2535 The Partnership of Purpose will be a Kite mark for quality health and care provision in the Bailiwick, be most visible through community hubs, where people can access a range of services directly, which will be connected to the main campus at the PEH, together with a satellite campus, focussed on the Mignot Memorial Hospital in Alderney.

The partnership will be responsible for providing a universal offer. A core set of services, provided either free or at a subsidised rate, with each individual having their own care passport reflecting their specific needs. Both provide clarity as to the services available, as well as fairer access to care.

2540 The creation of a Bailiwick Health and Wellbeing Commission, bringing together the public, private and third sectors, will help raise awareness, encourage healthy lifestyle choices and take proactive steps to improve Islanders' general health and wellbeing, mentally and physically.

The universal offer will include social prescribing schemes, such as arts activities, mindfulness, group learning, gardening and cooking. They will help people take greater responsibility for their health and care.

2545 The importance of the role of the commission cannot be understated and represents a first real opportunity to reverse the growth in non-communicable diseases, even if it will not happen overnight. A user app will be available that will begin as a directory of services provided by the Partnership of Purpose, but will evolve to enable appointments to be booked directly and will eventually become the primary means by which Islanders can find details of the universal offer, access their care passport and know their entitlement to health and care services.

2550 Information, in all its forms, will be central to the transformation. Through technology, we can support Islanders in the home, provide electronic access to records and digital signposting to services. Through improving our data, for example, through conducting public health needs assessments, we can better understand the community's requirements and respond accordingly.

2555 No re-design could ignore consideration of the future of the Committee for Health & Social Care. By that, I do not mean the current Committee and whether we should resign or not, should this policy letter be rejected; rather, what its future responsibilities should be. We believe that there is still a need for Government to be involved in provision and commissioning. The creation of a host of different bodies to undertake these roles as has been seen in the UK, was seen by us as a step too far.

2560 Indeed, apart from inadequate financial support, many of the problems faced by the NHS in recent years have arisen because of the near constant creation and reconfiguration of health care organisations. However, we did see there was a need for greater separation of roles. We believe that this will be best achieved by having the provider function in the Partnership of Purpose, for health and care will be an equal partner in that role, with commissioning sitting in the office of the Committee.

2565 Where we did conclude that greater separation was needed was in the area of regulation, which supports the recommendations of various health care bodies over recent years.

2570 We are, therefore, proposing that an independent care regulator be established that will provide appropriate and proportionate regulation, and I should like to emphasise here that what we do not want to do is recreate a health and care equivalent of the GFSC. However, regulation will apply to all providers of health and care in the Bailiwick, including those provided by the States of Guernsey.

2575 The user voice will be important, with the newly established Care Watch, comprising representatives from the Bailiwick community, having an important part to play in ensuring Islanders are heard in the future.

2580 'Partnership of Purpose', 'universal offer', 'care passport', may seem like buzzwords to some, but are intended to convey meaning to what we are trying to do. Health care is full of words that can be impenetrable to most. Just read any document produced by so-called experts in the field and you will know what I mean.

We have tried to produce a policy letter that is both comprehensive and comprehensible. Whilst this is a high-level document, it is not another vision. It is – and apologies for this buzzword but the best I could come up with, I admit – a road map that sets a direction of travel.

2585 We have set out how we will begin our journey this term, on pages 79-84, with a detailed implementation plan for 2018, in appendix three. Immediate attention will be placed on developing the Partnership of Purpose, forming the Bailiwick Health and Wellbeing Commission, undertaking the first health needs assessment on older people, submission of a policy letter on future regulation, the start of the re-profiling of the PEH, development of a principal community hub and commencement of the TRAK system upgrade.

2590

We thank Policy & Resources for their positive response to our policy letter, and also appreciate that more detailed information and analysis will be required before committing further resources. What is essential, however, is that we agree for each element the level of detail required, in order that reasonable progress can be made. Trust will be required, on both sides, to make change happen.

2595

The Committee has been delighted at the overwhelmingly positive response from all quarters to this policy letter, and I would like to thank all those who have given their comments, welcoming the direction we have taken. These include GPs, MSG, physiotherapist, third sector organisations, staff across the States of Guernsey and those eager members of the general public who have read it.

2600

That is not to say there have not been questions and, whilst, as I say, we have received really positive feedback from the chair of MSG, he did make it clear that costs would inevitably rise and that, from his perspective, there would be significant challenges ahead which would require significant investment, and that we are kidding ourselves if we think the cost of health care will go down. Something to which we all agree.

2605

Generally, if there have been questions from those who have responded to us, it has almost exclusively been around wanting to know more detail. What will this mean for them? Questions for which we cannot provide all the answers, at this stage, and neither should we, as the answers are not ours alone.

2610

We aim to approach the next phase, should this policy letter be approved, in the spirit with which we approached the last eight months of its development and which is at the heart of the new model – partnership.

Sir, as I have already said, the policy letter is not a vision. It is more than that. However, I do have a vision – not as President of the Committee for Health & Social Care, but as a mere mortal, which is that, when I need her or him, I have a health and care professional who understands the different options available to me, possible treatments, the ways in which a treatment might be delivered and the implications for me, both clinical and non-clinical, who understands my needs and asks me what I want, who uses this information to recommend a suggested course of action, helps me to decide, and who then co-ordinates activity to make sure it all happens.

2615

As the President of the Committee for Health & Social Care, I want to make that vision happen, and that is what this policy letter is all about. It will not be easy, that is for sure. Whilst we have received overwhelming support for these proposals, there will be difficult conversations to be had, as we are fundamentally challenging the way things are currently done.

2620

However, if the last eight months have been anything to go by, we will make it happen. By 'we' I do not just mean the Committee for Health & Social Care, nor all the Members of this Assembly, not just the health and care professionals or third sector organisations whose contribution is so crucial, but every one of the 65,000 mortals who comprise the people of the Bailiwick. Health and care is not someone else's job. It is all our responsibility. From before a baby is born, through to the end of a person's life, we all have a role to play and, really, if we are to be one of the happiest and healthiest communities in the world, we all need to understand and embrace that reality.

2625

2630

Sir, as I said at the start, I feel proud and fortunate to be able to present this policy letter today. It is ambitious, aspirational and inspirational. But if we all embrace it there is every reason to believe it is also achievable, and I commend it to the Assembly.

2635

The Bailiff: Next, we have an amendment, to be proposed by Deputy Ferbrache and seconded by Deputy Merrett.

Deputy Ferbrache.

Amendment

The States are asked:

In Proposition 12, immediately after the words 'in respect of any other staff group', to insert 'and to report to the States with the conclusions of the review and with detailed plans for the implementation of its findings, by no later than 31st March 2019'.

Deputy Ferbrache: Yes, sir.

2640 Indeed, the amendment is proposed by me and seconded by Deputy Merrett. Just picking up on some of the points that Deputy Soulsby very ably addressed and, if I stray beyond the amendment then I am not going to speak again, say for summing, insofar as it may be necessary in connection with the amendment.

2645 For this policy letter, commendable and collaborative as it is, to be achievable, it has got to be practical. It can only be practical if the staff that work within it work under proper terms of reference and have decent conditions of employment.

Now, we all say, and society forever has said, since before the days of Florence Nightingale, how under-valued nurses and midwives, etc., are. But no society has ever done enough for those categories of workers and no society ever will. As much as we want to, we cannot. We have to be realistic in relation to that, but we have to do our best.

2650 Some of the statistics are absolutely terrifying, if we look at it. I am looking at one of the appendices to the KPMG report, where it says if we do nothing, and I am just quoting a paragraph, infrastructure and staff:

By 2027, the system will require at least 29 additional beds and 171 additional full-time equivalent staff to cope with an increase of 9,000 additional in-patient bed days, 8,000 additional hospital out-patient appointments, 2,000 additional day cases and 1,000 additional A&E attendances. By 2037, these figures would be an additional 62 beds, 335 full-time equivalent staff, 19,000 in-patient bed days; 13,000 hospital out-patients, 3,000 day cases and 1,800 A&E attendances. To cope with this, the system would require significant enhancements to hospital and infrastructure in Guernsey and a capital outlay, at a conservative estimate, of circa £50 million.

2655 Now, £50 million may seem inconsequential in connection with what Jersey are going to spend on their hospital, good luck to them, but £50 million is a figure that would be ballooned, even having no regard to inflation.

When we look at some of the other statistics that we see in the policy letter itself, it tells us something that we should be significantly concerned about. It tells us in paragraph 1.3 that, in real terms, if nothing is done over the next 10 years, health care costs will rise by £21 million. Now, that is 11% – £192.7 million to £214 million.

2660 But when you look further in the Report, what it actually, additionally says, at paragraph 9.20, that, additional demand, the £214 million figure I have already referred to, the increase from £192.7 million:

This figure would increase further to £267.6 million, if increases in medical costs (like drugs and competitive wages for medical staff) and general inflation were factored in.

2665 Well, let us live in the real world. Medical costs, drugs are going to go up. We are going to need more drugs, people are going to live longer. We are going to need more types of service. So when we talk about, if we do nothing, the increase going from 45% to 55% of our revenue costs, our tax-take and what we spend, it will be more than that. Taxes will, undoubtedly, have to go up, unless something radical is done.

2670 Now, in relation to all of that, we also have, almost *sotto voce*, but clearly written, that there is going to be encouragement for private insurance, and we are going to encourage various other things, for people to be more self-reliant in relation to their medical care and their medical costs.

The reality is, though this is an excellent piece of work and I commend all the people that have had an input into it, and Deputy Soulsby said who those people are, we are kidding ourselves, to use one of her phrases, if we think this is the sole answer.

2675 But what we need to know is all the information. The information that Deputy Merrett and I are seeking is that we want a review, in relation to Proposition 12 – and there is very little actually said

about Proposition 12 in the body of the Report – we want a report. Now, everybody wants a report, but what is surprising, by its omission – and therefore I hope there will be universal acclamation and support for this amendment – is that there is no date. Because what Proposition 12 at the moment, says:

To direct the Policy & Resources Committee to undertake a strategic review of the terms and conditions attached to nursing and midwifery professionals employed by the States of Guernsey, and to consider whether such a review may also be appropriate in respect of any other staff group;

2680 Now, we had a group of people here who turned their back on us this morning, and quite right too, because the States last time passed a strategy in relation to disability and has done very little to develop that strategy over the last three or four years. I do not want people turning their back on the successor States, in three or four years, and saying, 'What have you done about sorting these things out?'

2685 In most organisations equipment is, of course, important, medical drugs are important, buildings are important; but the most important thing that you can have to make a good health system are your frontline professionals. There are not any more frontline professionals than nurses and midwives, and others, if we need to include that.

2690 I cannot see how you can factor an economic model, unless you know what it is going to cost you. We do not know what it is going to cost us. We have KPMG telling us what it is going to cost us, but we are not really sure.

2695 So, therefore, there should be a timeline in relation to Proposition 12, and it should be by the end of March 2019. Because, otherwise, things just disappear into the ether of this room. It is a bit as though there is not a ceiling, it just drifts above this ceiling, it goes out in to the stratosphere and pollutes the environment, which I know concerns so many people in this Assembly. Let us have something practical.

2700 There is an error, for which I take responsibility for, in the explanatory note, because where it says the information of the Committee for Health & Social Care's finding, it should actually say Policy & Resources' findings. I am sure that that has not missed the eagle eyes of everybody in this Assembly, and they knew what we were talking about. Sometimes, occasionally, I do know what I am talking about.

2705 In relation to this, I would like to know, in the course of this debate, sir, how anybody can oppose this particular amendment and I ask everybody to vote. Let us have a very quick debate. You have heard my words of wisdom. I am now free from the responsibilities of an office which Deputy Parkinson has already said he is going much better than me, so follow my words in relation to this.

The Bailiff: Deputy Merrett, do you formally second the amendment?

2710 **Deputy Merrett:** I do, sir.

The Bailiff: Deputy Soulsby, do you wish to speak at this stage?

Deputy Soulsby: Yes, I do, sir.

2715 I will speak now. I draw Members' attention to pages 48 and 49. Deputy Ferbrache says there is very little on this subject; there is about two pages' worth about pay and conditions.

2720 The Committee sets out why we want to see a review of nurses' pay and we want it urgently. The longer we have been in office, the more necessary we have seen it to be, and that is why we have been seeking to add to the Policy & Resource [Plan](#) since phase one, and fought to have it included successfully in phase 2(b), and that was approved just two weeks ago.

It is a priority for the States anyway, and really the amendment should be unnecessary. However, we certainly are not going to oppose it. We do support it and hope that Policy & Resources will do so as well.

2725 Health & Social Care, we have done a lot in terms of recruitment since I took office, and things have improved. We have more joiners than leavers, which has certainly reversed the trend that was there previously. However, we are not able to recruit as well as we would like. People are leaving us, citing, in many cases, the cost of living. Not exclusively, there are all manner of issues that we need to sort out. But very much high on the agenda is the cost of living, which I can understand.

2730 Recent pay rises, substantial pay rises, in Jersey have made matters worse and have been hitting morale and, to us, it is a false economy. If we cannot recruit we have to recruit agency, and that is where money is going out of the Island and not into the pockets of people who are actually working for us and resident on the Island.

2735 So we know this is absolutely urgent. The Committee, as I say, has been pushing for this. If this amendment means things might move faster, even though it is a priority, then we are very happy to support it.

The Bailiff: Deputy Le Tocq.

2740 **Deputy Le Tocq:** Thank you, Mr Bailiff.

I am going to reply on behalf of the Policy & Resources Committee, as the lead member responsible for employment matters.

2745 The Policy & Resources Committee will not be opposing this. Indeed, it underlines the need for a significant review of the pay and conditions and, indeed, the structures and the whole ethos. In fact, the relevant section of Health & Social Care's policy letter talks about staff terms and conditions and culture. I think that is something that we are seeking to address.

It is a partnership, obviously. We are responsible for resourcing that and negotiating on pay and conditions. But there are other things that affect us as well.

2750 Deputy Soulsby has mentioned the situation in Jersey and, whilst I do not want to pre-empt anything with regard to pay and conditions, we are certainly concerned that the control of that spending, where the Hospital, for example, and Health & Social Care's institutions in general, have to rely on agency staffing; it is not a model that we want to continue in the future.

2755 I think there are opportunities here as well and, personally, I would like us to become a far more attractive place for training of nurses. Without getting into that, the fact is we are not going to oppose this. It underlines something that needs to be done and, in our negotiations this year, we have stated that we are committed to be involved in this sort of review.

The Bailiff: Deputy Merrett.

2760 **Deputy Merrett:** Thank you, sir.

I will be brief. This amendment is pragmatic, sensible and a straight-forward one. If passed, this amendment will help to ensure that progress is made on a strategic review of the terms and conditions attached to nursing and midwifery professionals, and any other staff groups identified by P&R.

2765 Importantly, it will help ensure the implementation of the findings commence before the end of this States' term. It seeks to bring the conclusion to the review before the States, with detailed plans for implementation, in a timely and reasonable fashion. It shows intent.

2770 Furthermore, this amendment seeks to provide some comfort for the profession and I would hope it may also lead to helping the retention of much-needed and appreciated staff. They will know that the Assembly are very much behind and supportive of Policy & Resources in their undertaking of this review.

2775 Please support this amendment and, by doing so, show support for this profession and give guidance to the Policy & Resources Committee of a timeframe, which this Assembly expects a report to be brought back before this States, updating us all on their conclusions and their plans for implementation.

Additionally, sir, I would like a recorded vote.
Thank you.

The Bailiff: Deputy Brehaut.

2780

Deputy Brehaut: Thank you, sir.

Just a brief speech, and I need to declare an interest, because my wife is a ward manager, or a sister, as people probably like to call them. I just wanted to highlight this, from the socialist rag that is *The Guardian*, from November 2nd. It says:

The number of nurses and midwives coming to work in Britain from Europe has plunged by 89%, since the UK voted to leave the EU, recent figures have revealed. The sharp fall coincided with a sudden increase in qualified European medics leaving the Nursing and Midwifery Council's NMC register, from 2,435 in 2015/16, to 4,067 in the last year. That is a rise of 67%. The NMC data, released on Thursday, also shows a third worrying trend relating to the NHS' already short-staffed workforce, that the number of UK trained nurses and midwives leaving the register rose by 11% from 26,000, in 2015/16, to over 29,000.

2785

Now, I know in the past, as a former member of HSSD, at Budget times, when Health was a little bit under pressure, comparisons with the NHS were always ridiculed and we used to say that Guernsey does things in its own way. It does not need the NHS. But, oh, yes, it does, because it is nurses predominantly from the UK that come to Guernsey to look after Guernsey people. The UK is struggling at the moment. So where is Guernsey going to get our nurses from?

2790

I have declared my interest, but I think, in the interest of the entire community, we just need to ensure that we have people to care for those within our community, in the long-term, in an ultra-competitive market at the moment.

The Bailiff: No one else?

2795

Deputy Ferbrache will reply.

Deputy Ferbrache: Sir, I do not think there is any need for me to reply.
I just hope that the amendment is passed.

2800

The Bailiff: We have had a request for a recorded vote. So we will have a recorded vote on the amendment proposed by Deputy Ferbrache, seconded by Deputy Merrett.

There was a recorded vote.

Carried – Pour 37, Contre 0, Ne vote pas 0, Absent 3

POUR

Deputy Lowe
Deputy Laurie Queripel
Deputy Smithies
Deputy Hansmann
Rouxel
Deputy Graham
Deputy Green
Deputy Paint
Deputy Dorey
Deputy Le Tocq
Deputy Brouard
Deputy Dudley Owen
Deputy Yerby
Deputy de Lisle
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey

CONTRE

None

NE VOTE PAS

None

ABSENT

Deputy Fallaize
Deputy Inder
Alderney Rep. McKinley

Deputy Prow
Deputy Oliver
Alderney Rep. Jean
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Tindall
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Parkinson
Deputy Lester Queripel
Deputy Le Clerc
Deputy Leadbeater
Deputy Mooney
Deputy Trott
Deputy Le Pelley
Deputy Merrett
Deputy St Pier
Deputy Stephens
Deputy Meerveld

The Bailiff: That clearly has been carried, 37 in favour, with none against, and therefore the amendment has carried.

We will move on with general debate. Who wishes to speak in general debate?

2805 Deputy Roffey.

Deputy Roffey: Thank you, sir.

2810 To be honest, I find it quite hard to characterise my reaction to this policy letter. There is very little in it, in fact almost nothing in it, that I disagree with. And yet it still leaves me really, profoundly dissatisfied in some ways.

I suppose my real problem with the letter is Deputy Soulsby has felt the need to stress it is not a vision document. When somebody feels the need to stress that it is not a vision document, then it is something a little bit like a vision document, otherwise why say so?

2815 So my problem is probably its vagueness, some of its management-speak and its slightly woolly, aspirational nature. Not that I have any problem at all with noble aspirations. It is just quite some years – I think three years, about – since former Deputy Luxon came to this Assembly and said, and I paraphrase: 'Give me a wheelbarrow full of extra cash and I will transform Health & Social Care'. I think we are probably at the stage we are needing some really hard-headed specific Propositions to do exactly that. The nuts and bolts, if you like.

2820 It is almost as if this document is a result of one or more consultants' reports being distilled. Now, the problem with consultants is they tend to be really, really good at identifying broad ways in which services can influence and will be transformed. But they are far less good at proposing the nuts and bolts measures for actually doing so. By taking such a high-level approach, they get their cash while avoiding all of those devils that are lurking in the detail. Nice work, if you can get it.

2830 Let us start with the Partnership of Purpose. Let us apply the Mrs Le Page test, which is so often rolled out in this Assembly. What will Mrs Le Page make of that phrase? I think, to her – I am sure it is not to the Committee concerned – it will be pure management babble. It reminds me in some ways of Gordon Brown's equally obscure 'Prudence with a purpose' catchphrase, when he first became Chancellor.

If it means that health and social care providers in Guernsey should be far less fragmented and work much more closely together, to provide a better and, at the same time, more cost-effective service, then three cheers for that. But why not just say so? Even better, bring forward specific proposals to make it happen.

2835 Always bear in mind – and this is one of the devils in the detail – that private providers might not actually always agree with the States on the best way forward; some of them may hold

genuinely, well-motivated, different opinions on the best way to move the system forward. They cannot just be treated as if they are part of the States.

2840 That said, I have to agree that health and social care at the moment is far too fragmented in Guernsey. It is just that without straight forward, specific proposals to tackle that problem, then I think this much-vaunted Partnership of Purpose, seems to me a bit more of a catchphrase than a policy.

2845 By the same token, I do not really think that the proposed care passport passes the Mrs Le Page test either. How is her passport going to help her when she gets that problem with her back again and cannot afford to visit the doctor?

2850 Again, I think it is a really good idea to spell out, very simply, what services Islanders have access to, which ones are free, which ones they have to pay for and so much. But can we just strip out a bit of the jargon? I could go through the rest of the policy letter in the same tone, but I will not. My concern really is quite simple. Years after we were first promised that irritating word, 'transformation', we are still not getting any of the detail.

2855 I am going to hold off in being critical, because I think it is a heck of a super tanker to turn around and I know the membership of this Committee and I know they are all motivated and I know they want to do the right thing. So, fine, I will pass the policy letter, as it stands today, and really wish them well; because, as Deputy Ferbrache has pointed out, they are going to need our best wishes really.

What is coming down the line, in terms of demand, is absolutely enormous and we will not be able to afford to do it the way we do it today. So they have my support in trying to do something about that.

2860 But one thing is for sure, once this vision – sorry, I wrote that word before I heard it was not a vision – once this vision is passed today, I think we should be looking for the follow up of some rapid, practical delivery, against the concepts within this document. I do not think we are being sold the Emperor's New Clothes, but if something more specific does not emerge in the next year or two I will begin to have my doubts.

2865 **The Bailiff:** Deputy Dudley Owen.

Deputy Dudley Owen: Thank you, sir.

2870 Deputy Roffey has rather echoed a number of my sentiments actually. The model recommended by the Committee has been summarised well, in seven points, in section 9.6 of the policy letter. The organigram gives a very good visual reason why the proposed model will be better than what we have now.

The proposals are undeniably sensible in the whole and make a strong attempt to purposefully reorganise our health care system, to get the best care and value for our community and, perhaps if the system shapes up to excellence, then we could also attract the so-called health tourists.

2875 Given that this is just a first phase of transformation strategy, I understand why the policy letter is high level and aspirational and even a little woolly in areas, but I am genuinely surprised not to see any delivery dates or timelines against the actions for transformation with the Propositions; not just for the first phase –

2880 **Deputy Soulsby:** Point of correction, sir.

The Bailiff: Yes, Deputy Soulsby.

Deputy Soulsby: Appendix 3 does set timelines and dates.

2885

Deputy Dudley Owen: In the policy letter itself, rather than the appendices or even the Propositions, is what I was going to go on to say. But also an estimated completion date.

2890 Bearing in mind we have had, since the amendment now passed, from Deputies Ferbrache and Merrett, to set the delivery date for Proposition 12, I wanted to ask the President of the Committee also to give clarity for the delivery schedule of actions, which I think are covered in Propositions 2, 4, 5, 6.1, 9, 11, 13, 16 and 20. I am not sure that, without specified delivery dates within the Propositions, that we are able, as a States, to be able to hold the Committee accountable for the transformation plan.

2895 This also leads onto the costing of the project, as a whole, and a lack of detail or even estimated costing against various items, such as a care passport and a digital map. The President has said that this is a road map, but, for me, it is lacking in structure. I would like the metrics against this map.

2900 Only one thing stands out for me, from the policy letter, as a glaringly negative, and it is the mooting of the community credit scheme. To monetise the value of our voluntary community, to convert compassion, love of thy neighbour, help for a stranger, or the desire just to give into a currency from which we would earn benefits, such as cinema tickets or restaurant vouchers, for me, is really quite incompatible and jars with the very generous and compassionate nature of our community.

2905 I may have completely misunderstood this concept, but certainly the UK model that I looked at confirmed that volunteer actions converted into currency on this scheme as it is. It reminds me of carbon credits or, even worse, buying penance as forgiveness.

2910 Frustratingly, the Proposition covering a rather odd idea, for me, is coupled with a very sensible Proposition in number six. So it is not clearly worded and I would be grateful for some clarity by Deputy Soulsby, please, whether or not the words at the end of the sentence 'or otherwise', if we vote out that first bullet point, otherwise you will go onto the second bullet point and that will be carried.

So some clarity there would be gratefully received. Otherwise, in the absence of clear numbering, I wonder if I may request that each of those Propositions is taken separately, depending on the clarity that Deputy Soulsby gives to us?

2915 Thank you.

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, Mr Bailiff.

2920 I rise to give my wholehearted support to the Partnership of Purpose policy letter and ask this Assembly to agree all the Propositions outlined in section 12, on page 89 of the Billet, as now amended.

2925 I shall not repeat the content of the excellent overview given by the President of Health and Social Care in her opening remarks. Instead, I would like to give some more detailed analysis on some key areas within the paper, which Deputy Roffey is craving. These will include proposals on digital health, population needs assessment, the health intelligence unit, ongoing learning and how we will support the private offering.

2930 Very briefly, before I do so, may I just say this? The policy letter, as already described, is an ambitious transformation plan, regarding the provision of health and care services, which will take a decade to deliver. It is a road map on a journey, not only for the Committee and the States but for all our partners and stakeholders and, importantly, the public we serve.

2935 Please may I join Deputies Soulsby and Ferbrache in paying tribute to all the dedicated health professionals, such as our carers and nurses, doctors, consultants, physiotherapists, pathologists, radiologists, porters and cleaners and, indeed, everybody who works in our local health and care system, paid and voluntary. They are a constant in this drive for change and we owe them our gratitude as we embark upon this Partnership of Purpose.

I shall also, briefly, refer to page 85, section G of the policy letter, entitled 'Engagement and Consultation' and to the wealth of reference material contained in appendix 2. This graphically outlines the painstaking work conducted to devise this initiative. However, as said, should the

2940 States agree the proposals, it will only be the start of a challenging journey for our whole community to build and maintain our health and care services.

Sir, I now wish to give some detail upon specific areas of the policy letter and I shall start with digital health. Technology, both in the clinical setting and in the home, is changing how care is delivered. It brings the potential for improving care, ensuring that it is personalised and responsive to the needs of the service user.

2945 By joining up services digitally and the greater use of apps, tele-health and tele-care, we can improve how people access services and, importantly, the relationship that Islanders have with their health and care professionals.

Positive steps are already being taken. We are improving the network across the entire HSC estate. We are investing in technology for community nurses to support mobility, and the new children's system provides secure remote access to facilitate agile working.

The use of technology, to be successful, has to be business- and operational-led. To support this, a digital forum is being established, with clinical lead, to drive forward improvements which will benefit staff and service-users.

2955 Following suggestion from midwifery, steps are being taken to enable videos of natal babies to be securely uploaded, allowing parents to still be part of the special, neo-natal movement, when they cannot directly be there, either due to their own ill-health or other family commitments.

Moving on, I should also like to explain what we mean in the policy letter by 'aggregated patient record'. In the health and care system, having a complete picture of a patient's health record is key to providing high quality care. When we are unwell or in need of care we expect those looking after us to have the information needed to make informed choices about our care. However, what happens currently is that providers can only see the information contained within their own institutions, and not held elsewhere within the system.

2965 But health and care data is not about institutions, it is about the service-user. Through aggregated data, we can pool information from different systems together and ensure that a relevant sub-set of information is available to each health and care professional who has the necessary content.

This is not about everything being visible to everybody. It is unlikely to be relevant to the emergency department, if you are a patient with a suspect broken arm, if you are undergoing fertility treatment. The sub-set will be relevant to the needs of the health and care provider. There will be clinical safeguards that health and care professionals would have the ability to 'break glass' to access more sensitive or privileged information where necessary. Triggering the 'break glass' procedure would create an audit which could subsequently be monitored.

2975 As set out in the policy letter, HSC believes that the objectives in relation to aggregated data are straight-forward and, for the most part, uncontroversial. It would seem logical that most Islanders, if asked, would want their data to form one overall health and care story, where they can see all of it and those taking care of them can see the relevant information. However, the practical arrangements for delivering this have proved difficult to date, and Guernsey is not alone in this problem.

2980 This concept then leads onto the wider aspects of health and care data sharing. The 2013 information governance review across the UK health system identified a culture of anxiety around the sharing of data for direct care, particularly when the information needed was to be shared across organisations. As a result of this identified anxiety, a new seventh principle was added to the Caldicott Principles, the guidelines covering the use of health and care data. That is, the duty to share information can be as important as the duty to protect patient confidentiality.

2985 Dame Fiona Caldicott, the national data guardian for health and care, has spoken about the benefits associated with the sharing of health and care data. In her words:

Information about me can be combined to create knowledge about us, which is vital for a wide range of uses.

HSC, through recommendations, wish to put beyond doubt that the processing of health and care data should be premised on both protecting confidentiality and sharing, where in the public

2990 interest and the interest of the service user, or the delivery of a public health function. HSC looks forward to working with the Committee for Home Affairs – a Committee on which I am also a member – to practically achieve this.

Sir, this leads us to the analysis of the needs of our overall Island and the introduction and concept of a population needs assessment.

2995 Of course, information is not simply about the individual. Through a series of population needs assessments, we will be able to build a picture of the community's needs and, in turn, identify how services can best be delivered to meet those needs. Population needs assessments are important tools in prioritising how resources are directed. For example, such an assessment took place in Cardiff and the Vale of Glamorgan earlier this year, with the aim of identifying the key care and support needs, prevention issues and assets in the region.

3000 The needs assessment itself included public surveys, focus group interviews, a survey of local professionals and organisations, including the third sector, service and population data and the analysis of key documents and previous work. The assessment identified a broad and persistent issue of inequality between and within the communities.

3005 This included improving information and timely access to services, including mental health and primary care, tackling social isolation, supporting carers, linking with education and housing providers and focussing on prevention, including healthy behaviours and practical life-skills.

This mechanism can be put in place to deliver measurable improvements against the issues, making evidence-based decisions as part of the prioritisation process. This understanding of the health needs of the population is vital to formulate strategic health goals, and HSC will be developing the health intelligence team to support this.

3010 The development of staff, which Deputy Ferbrache spoken excellently on: our staff are our most precious resource and it is a key underpinning element, which will also be achieved by undergoing a learning horizon initiative. The health and care system is blessed with hundreds of qualified and vocational professionals, who routinely undertaken professional development.

3015 Just last week, the Institution of Health and Social Care Studies arranged a Sharing the Evidence seminar to share practical experience across the spectrum of HSC services, of how people are developing and using evidence base to inform their practice. Such opportunities need to be delivered, ensuring that all practitioners have the opportunity to share ideas and insights, with colleagues across HSC and beyond.

As the policy letter makes clear, further steps will be taken to empower and encourage individuals and teams to access the senior management teams and the Committee, to share ideas, insights and opportunities. We are looking forward to working in partnership with professional services and the wider community, and will be proactively seeking to develop these opportunities.

3025 Finally, sir, I turn now to how these proposals will support the private offering. Many Islanders choose to avail themselves of medical insurance, which is often supported by their employers. This funding increases the flows of finance into our overall health and care service provision and enables choice.

3030 Part of the dialogue will be seeking to understand the decisions that Islanders take in relation to their health. We understand at the moment that many Islanders with private health insurance choose not to use it. Of those who do, a significant number choose to go off-Island. We want to understand why and ensure that the local medical services provide a competitive alternative to other jurisdictions.

This will both ensure that all these choices are available for Islanders and serve as an economic enabler for the Island.

3035 When we think about private care in Guernsey we often think about Victoria Wing, but we know that Victoria Wing is, compared with some of the more modern phases of the Hospital, beginning to look tired. This needs to be addressed. But, importantly, private care also needs to be seen in a far broader manner than simply a single ward, incorporating the full range of health and care services.

3040

It cannot be stressed enough that increasing the attractiveness of private care is not about reducing the quality and scope of public services. This is about offering something different, including the environment the service is delivered in. Or the time or the day of the week, or any other factor which may be of benefit to the service-user.

3045 To deliver this successfully, it needs to be delivered commercially. This means proactive marketing of high quality facilities and staff offering competitive treatments at convenient times. HSC will return to the Assembly with proposals for how this can be best achieved. This is likely to include steps to upgrade the physical infrastructure and develop the resources to manage and market them appropriately.

3050 Given that the investment will result in improved revenue stream for the States of Guernsey, it is highly likely that application will be made for funding from the bond.

Sir, I ask all Members to support this Partnership of Purpose.

Thank you, sir.

3055 **The Bailiff:** Deputy Stephens.

Deputy Stephens: Thank you, sir.

3060 Deputy Soulsby has already referred to the P&R Committee letter of comment that is appended to the Report; but, in addition to that, I wanted to make it clear that I recognise the importance of the work in transforming the delivery of health and social care and helping to slow the anticipated increase in the future costs. For instance, by managing the strategic risks relating to the ageing demographic. I also recognise it is important to develop a defined and prioritised programme for delivery, including the associated costs of all types, including capital, time and social, and outcomes to be achieved, to ensure that the expected provision justifies the significant
3065 upfront investment.

And I anticipate the success of the delivery programme will depend on staged commitment of funding, based on identified and quantified benefits of each preferred option, so that an informed decision can be made and cost-avoidance can be maintained.

3070 I also know that this is an enormous undertaking and one that I anticipate HSC will need support in. My response to this report is, well, what might I do to help?

If I skim through the Propositions, I can identify some obvious opportunities. So, leaving aside the issues that have been dealt with in the amendment and craving the indulgence of the Assembly, I will just pick out one or two of the Propositions where I think the support of the Policy & Resources Committee and my support, in particular, may be useful.

3075 If I look at Proposition 6, there is opportunity here for the Policy & Resources Committee to work with HSC on exploring community credits, if approved. This really does depend on what HSC are expecting to achieve, and the P&R role should be facilitation and policy guidance.

3080 Turning to Proposition 9, the processing of health care data is key to effective service area working. It is mentioned in the CYPP as an overarching action. Work is being progressed in parts, but I would add that an integrated approach would be much more preferable. This will have implications for commissioning as well, if data cannot be shared with providers to co-design and run effective services.

3085 Then Proposition 10, well, P&R are working on progressing the commissioning frameworks that will support HSC's commissioning activity and, still reading that Proposition, I am very supportive of the health needs assessment and the design of strategic planning data that will inform and evidence future policy development.

Proposition 14 raises service access and transition links which are being considered within the continuing work from the CYPP, the Disability and Inclusion Strategy, and SLAWS.

3090 The Policy & Resources Committee continues to support the implementation of other policy areas listed under Proposition 14. For instance, the proposal to produce a single assessment for accessing long-term care in the community or in residential and nursing homes, in line with the earlier recommendations made in SLAWS. These are absolutely vital to success, in my view.

3095 Proposition 15 reminds me that the Policy & Resources Committee has a policy co-ordination responsibility, and here it is vital to success that HSC's policy is not looked on in isolation and that suitable impact assessments are carried out when policies are being designed and before approval is sought.

3100 Policy & Resources Committee are working with HSC on the matters raised in Proposition 16, also in relation to the voluntary sector and the Health and Wellbeing Commission. There are links here to commissioning activity, a mental health and wellbeing plan, the CYPP, healthy and active priority outcomes, and the early intervention and prevention focus of the CYPP.

From an inclusion perspective, moving the drug and alcohol strategy to HSC, to be delivered through the Commission, increases accessibility and helps remove the criminal aspect, focussing instead on health needs, which I applaud.

3105 Propositions 17 and 18 raise the regulation of service providers, and this is an important issue and also in line with issues raised in SLAWS; also linked to the commissioning and HSC's intention to have a provider arm of services, for which there will be a settled service standard.

3110 I hope Members will approve Proposition 22 to increase P&R's delegated authority to approve funding from the Transformation and Transition Fund, for transforming health and social care services, subject to existing arrangements for use of the fund, with the required level of scrutiny and assurance for the particular circumstances, for this will greatly assist the next stage of the project.

So, sir, I would finish by saying there is much in this report to like, there is much work to do and I am looking forward to future developments.

Thank you, sir.

3115 **The Bailiff:** Deputy Green.

Deputy Green: Sir, thank you.

3120 Like others, I note that obviously there is a very aspirational quality to much of this document, and there are quite a lot of buzzwords which are flying around.

I think what I would like to try to press members of the Committee and Deputy Soulsby to try to explain, when they speak and when she sums up at the end, is some clarity on what difference this will actually make in terms of how things will actually change.

3125 As far as I can see, there is no real idea at the moment in terms of what will actually change on the ground. There is no idea of what this will actually cost really. There is no real idea about how many additional people might need to be employed to implement some of these changes. There is no idea really about how proposed savings for next year are going to be met.

3130 I think we need to bring this right down to practical, common sense, observations and to have some clarity on what this will mean, what will change, what it will cost and what additional staff are actually going to be required.

That said, I do offer something of a cautious welcome. I just think we need more detail.

3135 The document does talk about the patient 'passport' and I think I would like some reassurance from the Committee in terms of what that is actually going to mean. I get the idea that it is to set out the entitlements that an individual will have, in terms of what services are for free and what services may, potentially, be charged for. But the cynic in me suggests, or feels to some extent, that this could be used as a potential instrument to, in effect, in the future, charge people for services that are currently free. I would like some proper reassurance today that, frankly, ordinary people in the community are not going to end up having to pay for health services and other services that they currently enjoy for free, and that this is not a kind of Trojan horse for that kind of key change.

3140 I am interested, very much, in the observations about trying to make primary care more affordable and fair access to care. But, again, I would like to know how. I would like to know the clarity on exactly how that is going to be achieved.

3145 Because so far I do not think we have had that clarity. I do not think we have had any concrete proposals, and I think we need to press for clarity on that and we need to press on when that can actually be seen. When we can actually expect some concrete advances on that.

The other thing is there is an observation at paragraph 7.39 about a health ombudsman, which is page 64 in the policy letter. It is a fairly brief paragraph on the health service ombudsman and it talks about, and I quote:

The Committee notes that it has been suggested that Guernsey would benefit from an independent health ombudsman. Such an approach will be considered as part of the regulation workstream falling under the Transformation Programme to assess the potential cost and benefits of such a statutory post holder.

3150 I would certainly try to encourage the Committee to go down this road, because I think we do need to have some proper, impartial body who can deal with all complaints, right across the Health Service, irrespective of which particular pigeon hole in the service it actually arises in. Something that would be a statutory body, that would be over-arching across all of the services, so there can be true accountability in this area. I think that is something that I would definitely encourage the Committee to take forward with real determination.

3155 In terms of the Propositions, there are some interesting Propositions in here. Proposition 15, I think, is a significant advance, which is again, I quote:

To affirm that the States, in all its policy decisions, should consider the impact of those decisions on health and wellbeing, and make use of any opportunities to improve health or reduce health inequalities, across all government policies.

I seem to remember that there was a similar suggestion in a report by the Medical Officer of Health in about 2013, about the importance of all Government decisions in Guernsey being put through the check of what impact it would have on health, and particular impact it might have on health inequalities. I am glad that is actually being reflected in these Propositions.

3160 The other Proposition, I think, that bears some point in emphasising is Proposition 19. In light of the difficulties that have taken place in relation to Alderney and in relation the health care system up there, I think it is important that Proposition 19 crystallises the intention of the Committee, which is very much that they will continue to work with the Alderney community, and the States of Alderney, to rebuild confidence in health and care services. I think that is absolutely essential.

3170 So, like others, I would press for greater clarity. I think it is very much an aspirational document, an aspirational tone to the document. In many ways, I applaud that. But we do need to press for greater detail and greater clarity about what this is all going to actually mean.

The Bailiff: Alderney Representative Jean.

Alderney Representative Jean: Thank you, sir.

3175 In the spirit of Christmas, with all the gratitude that I can muster, I would like to thank the President for Health and Social Care in Alderney for all her efforts so far. They have been excellent, and she is an excellent communicator and her Committee is doing good work.

3180 I see that we are mentioned in Section 8. I am concerned about a few things which, if she could, pad out with a little bit more detail for me. One of the things I do care about is the high cost of primary care for families with children in Alderney who are struggling to pay the higher costs.

We must also bear in mind that anything that you are doing that reflects on that, if there are any insurance schemes or anything that can help, we would be really pleased to hear about them in Alderney, as the average rate of pay there is not as high as Guernsey.

3185 We have been through very sensitive times in Alderney, with the Lyons affair and the Eagle Medical Practice now, which seems is not up and running again – so we are now running with only

one practice left. I want to be sure that they are being well liaised with and their needs are taken into account, because that is what we have got left.

3190 I am really grateful for the statements where you talk of the rebuilding of the relationship in Alderney, which I know that you and your Committee have done an enormous amount to do. We have had very good meetings with you –

The Bailiff: Through the Chair.

3195 **Alderney Representative Jean:** I am sorry, sir, if I was not, I really did not intend to do that. I am very sorry.

We are very grateful to you, (*Laughter*) but what I would really like to know is that these are not just words, sir.

Thank you.

3200

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Thank you, sir.

3205 In paragraph 7.15 and 7.16 of this policy letter, we are told that the States has already made a clear commitment to improving the lives of children and young people, through its Children and Young People's Plan.

This plan recognises that every States' Committee, and civil society as a whole, has a role to play in ensuring that children and teenagers in the Bailiwick are safe, happy and flourishing.

Then 7.16 goes on to say:

In the past few years, the Committee has taken many steps to improve the services that it provides directly to children and young people, including child protection for the most vulnerable. At this stage, transition between children's and adults' services, for people who will need some form of lifelong care or support, remains a particular weak point, and the Committee is already working to review and strengthen this area.

3210 I take great comfort from that, but I do have a question for Deputy Soulsby in relation to what we are told in those paragraphs. The question relates to our signing up to the United Nations Convention for the Rights of the Child. I think I have got that title right; I stand to be corrected by Deputy Soulsby if I have not.

3215 I believe I am right in saying that the last time I asked about our submitting our application to sign up to the convention Deputy Soulsby said that the application was being drawn up and would be submitted as soon as possible. Is Deputy Soulsby able to please give us an update on that issue? I apologise if we have already submitted the application and it has been accepted, and I have missed that somewhere along the line.

Thank you, sir.

3220

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

3225 I point to Proposition 22, which is to approve funding from the Transformation and Transition Fund for transforming health and social care services by £2 million to £3.5 million.

Now, I thought at the end of the last term that we had agreed to provide £8 million for transformation to health. I would like to know exactly where that has gone and how it has been spent, because –

3230 **Deputy Soulsby:** Sir, point of correction.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Health and Social Care has never received £8 million and it has never received £8 million for transition either. It is £1.5 million.

3235

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Well, that is not what I understood, sir.

3240 Also I thought that Health had given back £3 million this term and that now you are looking for £2 million to £3.5 million. It just seems to me that there is a merry-go-round with costings and I would expect, in a policy letter of this type, to have some understanding of what money has been spent already on transformation and what it has been actually used for. Because I thought there were going to be new ways of working, innovation, rationalisation, transition and transformation, within Health, in order to try and contain the budget over time.

3245 Whatever Deputy Soulsby can do to actually address some of those issues would be helpful, I think, before the States being asked to commit another £2 million to £3.5 million to transformation work.

The other point is –

3250 **Deputy Soulsby:** Sir, just a point of correction and clarification.

The Bailiff: Deputy Soulsby.

3255 **Deputy Soulsby:** It is not £2 million to £3.5 million; it is an extra £2 million, to make a total of £3.5 million.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Well, it is all words, sir. *(Laughter)*

3260 It is all new models, it is all strategies, it is all vision and reports. To be quite honest, I think our people need action and they need health services. What is being related to me is that health professionals in MSG, for example, are ever more difficult to get hold of and see. I think we need actions and policies brought to the States that direct positive action.

I will leave it at that for now.

3265 Thank you, sir.

The Bailiff: Deputy Inder, do you wish to speak?

Deputy Inder: I was trying to help him out, but it might be too late.

3270 I understand, in the 2016 Budget, Health were given an additional £8.2 million for the Health department budget in 2016. I am wondering is that what Deputy de Lisle was referring to?

Deputy de Lisle: That is correct, sir.

3275 **The Bailiff:** You have sat down now, Deputy de Lisle.
Yes, Deputy le Clerc.

Deputy Le Clerc: Thank you, sir.

3280 I am standing to give support to my colleagues at Health & Social Care. Employment & Social Security are mentioned many times through the document and actually we have been working very closely with our colleagues since our election in May 2016. Particularly today, Deputy Soulsby mentioned earlier on, about the launch of the under-21 free contraceptive. I think that shows the willingness of the Committees to work together to find solutions to some of these issues.

3285 But I would just like to also point out, on page 123, it talks about the universal offer and I know Deputy Dudley Owen has questioned some of the timelines. To me, that sets out that we will be working together in quarter one and quarter two on the universal offering.

If Members recall, during my uprating speech earlier in November, I spoke about Family Allowance and I spoke about the £6 and £12 grant. At that time, as this paper had not been released, I was unable to give more information on where our direction would be going on that.

3290 I would just like to draw attention, particularly, to the Family Allowance and an outstanding Resolution, and I will just read that out. There is an outstanding Resolution which directs the Committee on:

... whether the universal payment of Family Allowance should be altered, reduced or cease and the costs thereof redirected to allow the States to provide additional financial support for some or all of the following children's services: medical and paramedical, including but not limited to primary care, dental, optical and physiotherapy, and breakfast clubs, after school homework clubs ...

3295 So I think this is clearly setting out that we need to be working with Health & Social Care and we have got a direction from this Assembly to use that Family Allowance as part of the funding towards redirection of some of those children's services.

And again, with the primary care in our Policy & Resource Plan, we indicated very clearly that we would be reviewing the £12 and £6 grant, which costs approximately £3.4 million a year. Just to give some background on that, the grants were introduced in 1991, as a step towards what the States, at that time, envisaged would soon become a comprehensive health insurance scheme, covering primary care, secondary care and hospital services.

3300 This vision was not achieved. Instead, States' insurance cover was limited to the cost of secondary care, where the financial risk to Islanders was greatest and the primary care grants have not been increased for many years, while primary care appointment costs have increased significantly.

3305 We go on to say:

It is now unclear what policy objective is being achieved by the grants in their present form.

It says:

The Committee has some sympathy for this view, especially if some of the expenditure could be successfully re-allocated to assist individuals and families not in receipt of Supplementary Benefit, but for whom, nevertheless, primary care costs are prohibitively expensive.

We go on to say that we will be working this term to review that.

3310 So it is just to re-emphasise that Employment & Social Security have got a mandate to work closely with HSC to review some of the services that we currently provide, and we will be doing that in the quarter one and quarter two of next year.

Thank you.

The Bailiff: Deputy Mooney.

3315 **Deputy Mooney:** Sir, it cannot be stressed enough that the benefit for Alderney is not limited to section 8.

3320 The full policy letter represents real transformation for services across the Bailiwick. At each stage of development, the implementation and central question will be: how will this improve service delivery and health and care across the Bailiwick? Crucial to the development of Partnership of Purpose will be active engagement with the States of Alderney. That will be very much looked forward to.

One of the things which the Committee did establish was a forum called Care Watch, that has been set up in Alderney and Deputy McKinley is actually a member of that.

The other key aim is in relation to regulation, which is very much haphazard ...

3325 I urge you to support this Proposition.

The Bailiff: Deputy Gollop.

3330 **Deputy Gollop:** Like Deputy Mooney, Mr Jean and other Members, I too welcome the positive focus on little Alderney and realise it has been through a challenging time in the last few years.

But I think this is an opportunity to, not only look afresh at the Island, but to consider implementing as much as you can of the report that Aberdeen University worked with the Committee on about a year ago.

3335 I, from a personal point of view, imagine that I could do with, in my own life, a Partnership of Purpose, and a care passport – not a pet passport, but a care passport – showing what I could and could not get, and perhaps welcome the pro-active sense that we are moving away from a model that was reactive, based on acute care, to one based more on community.

3340 As Deputy Le Clerc was saying, this is a Report that implies a strong partnership with Employment & Social Security, which means actually we might be evolving slowly out of the curious paradox that existed when, for example, myself and Deputy Green joined the then Social Security Department board that Deputy Allister Langlois chaired. In a way, we discovered early on that Social Security had evolved piecemeal into a second health authority. We were like a shadow health board all the time.

3345 We were looking at the same issues, the same costs. You had different pharmaceutical advice, different advice on travel arrangements; we were taking over, for complicated budgetary reasons, an idea of looking at cognitive therapy in the community, possibly it being a Social Security function, and all sorts of other curiosities like, for example, pharmaceuticals being provided entirely through Social Security and the Health Care Fund, except of course, pharmaceuticals on the Hospital. And so we could go on.

3350 That parallel has continued, subsequently, because since that time we, for a while, shared a chief officer and officer intelligence. We have also had Deputy Le Clerc sat on Health for a while, as did then deputy minister, Deputy Sandra James; and, more recently, Deputy Yerby has been a vital political conduit between the two boards.

3355 But I do recall, to be fair, that much of the work of this, it might have a new face of jargon to it, as Deputy Roffey has identified, but the thinking goes back to when Mr Hunter Adam was actually the minister. The then chief officer very much had a vision about 2020, about taking the agenda forward and actually holistically, trying to look at how it was that we had a lot of health care provision in Guernsey, in social care, but it was somehow fragmented across different divisions.

3360 I think this is an important piece of work that requires even more careful reflection and development of, trying to square the circle and modernise it. I had the privilege of sitting in one or two of the focus groups. I know they were not really meant for politicians, but it was very interesting to be there and hear the inspirational views of people who were there, including Dr Allsopp, who we all respect, who is, I think, very much a key supporter of this whole programme. We do need new thinking. We need to make the system both more modern and more efficient. 3365 We need to make it more responsive to patients' needs. We need, where possible, to reduce the dependence on expensive, acute facilities and we really do need to be in sync with all these other ideas of longer working lives and healthy futures and Guernsey produce, and Supported Living and Ageing Well.

3370 That does not mean to say I am entirely uncritical of some of the assumptions behind it. I felt there is an assumption there that some radical change needs to occur, because our demographics are going in the wrong way and we are running out of money. But neither needs to be true. Our economy might grow. We might suddenly experience a baby boom or, more likely, have migration that took us up again. Also, more and more significantly, you cannot assume that the economic dynamics of our situation will change. But the question of how much taxation the 3375 Assembly is prepared to look at is still, I think, an unresolved question.

At the moment, we have a commendably low rate of Income Tax and we do not have the demotivating effects of a progressive tax system, or the horrors of a corporate tax at a time when even America are significantly reducing their corporate tax rates.

3380 But what we do have are hidden taxes and charges around. Already, the Guernsey consumer, in terms of the GP, is getting a less good bargain than a few years ago. Clearly, the ability of people to pay GPs is now an issue.

3385 We have the issues with the ambulance service, which is not free at the point of use, necessarily, and of course we have the rising costs of some of our residential homes. Much of our health care expenditure, which in the UK would be channelled through central government and the national health system, is effectively channelled through Social Security or other mechanisms. I think that is an area we need to really look at carefully and see how far we are going to re-shape financing.

3390 It could be that the Assembly has a greater appetite to raise contribution rates or create a new form of contributions, or change taxation, in a way that we do not know. I think we should not assume that we have no scope there.

The other area that worries me, perhaps even more, is there is an implication that the future of health care is a problem and it is a problem we therefore need to ration. We have that, because our system is actually too heavily dependent on the model of the state paying, using one mechanism or another, whether it be through social insurance or through taxation.

3395 Now, we do not have really long debates on how many restaurants we should have on the Island or how many cafes, or how many travel agents or even for the sake of argument, how many legal services or lawyers. The reason we do not is that the vast majority of custom for those is a matter of private or individual corporate choice. It can only be seen as a good thing if we suddenly see an expansion of retail or an expansion of restaurants, because that shows the economy is working. We are having choice, everything is getting better.

3400 But there is very much a concern that we have inherited, perhaps, from the UK a bit that any expansion in the demand for health care is a massive problem, so we somehow have to come up with a system which regulates it, which marginalises it, which discourages it, which somehow limits the desire of people to have operations or go to the doctor or seek cosmetic surgery or live in the extra care home of their choice, or residential home. That is because we are rationed by an austerity model of status thinking, because it is linked to a funded taxation, which is not entirely sustainable.

3405 Therefore, I do not see this entirely as a vision of expanding health care. It is a development of the work Deputy Luxon started, and I think Deputy Dorey, of budgetary management and fiscal prudence. I think until we, as an Assembly, are clear whether we want a health system that is competent and adequate, but is affordable, versus a world-class health system that fulfils people's genuine needs, I do not think we have got an answer between the question of what we can afford and what we aspire to, and how far the private and public sectors are working together, or how far we can use an insurance model or health tourism.

3415 I do not think the answer to health care is to see it as some 'bad' that we have to restrict, because otherwise our society will collapse, or our economy will collapse. If there is a great demand for health care of every kind, we should encourage it. The challenge is not to restrict it or restrict the professionals that work in it, who contribute to our economy with their skills, ambitions and expenditure; the challenge is to find more efficient ways of paying for it.

3420 So I think this is as much an exercise of economic development, as it is purely of health care.

The Bailiff: Deputy Tooley.

Deputy Tooley: Thank you, sir.

3425 Having lived and breathed this policy letter for the last 19 months, I found this a very difficult speech to write. There is not a word in the policy letter that we, as a Committee and staff, have

not chewed over, considered, discussed and re-jigged. So it was difficult to decide what not to include and hard to simply paraphrase into soundbites, for all the complaints about buzzwords.

3430 I do want, though, to highlight a few critical points – the most important of these being the collaborative and cross-Committee working. It would be easy for the Assembly and the wider community to see this as HSC’s programme, but if it is to be successful then it needs the engagement of all the States’ Committees and the wider health and care system.

3435 A prime example of this will be found in the Bailiwick Health and Wellbeing Commission. This concept, originally borne out of the Healthy Weight Strategy, brings together public, private and voluntary organisations with a common purpose, and will be an effective way to increase the resources available and the value they return, in order to support health promotion.

3440 Having discussed and refined the idea further with voluntary sector representatives, the Committee has concluded that, with dynamic, independent leadership, such a Commission would be a more effective way of co-ordinating the efforts of private and public partners and delivering health promotion and improvement services than the current in-house model.

3445 Initially, focus will be on delivering the Healthy Weight Strategy and the Drug and Alcohol Strategy, but it will have a longer-term focus on driving wider community behaviour and wellbeing. This must be coupled with an emphasis on personal responsibility, encouraging people to make the decisions that will enable them to maintain their health and wellbeing, and to actively participate in managing their own care.

3450 For patients who struggle to speak for themselves, this will require effective advocacy. Social prescribing has a part to play here. There is a growing recognition, both locally and internationally, of the merits of social prescribing, where health care professionals refer people to a range of non-clinical services. Such an approach recognises the range of social, economic and environmental factors which can affect health, and seeks to address people’s needs in an holistic way.

To support the positive work already ongoing in this regard within primary care, the Committee intends to create a Bailiwick map of local groups and activities that can serve as a key resource for social prescribing.

3455 The Committee are aware that working together with small teams who have a health or healthy lifestyle function and are linked to other States’ Committees, particularly the Committee for Education, Sport & Culture, and the Committee for Environment and Infrastructure, will be enormously beneficial, and we are in discussion with these Committees at present. But it is anticipated that in future all Committees and States’ departments will, to a greater or lesser degree, play their part in supporting the work of the Commission.

3460 There is a recognition that health promotion initiatives, especially messages about leading healthier lifestyles, making good choices for long-term health and behaviour change, would gain more momentum if they were identified, promoted and delivered by society itself, with the support and expertise of the public health function, rather than by Government. That is where the Bailiwick Health and Wellbeing Commission will come in.

3465 The transformation of health and care will be marked, not only by an ethos of personal responsibility, but also of responsibility for one’s friends and family and the wider community. We will explore a model of health and care community credits, such as those seen in Japan, which has among the longest overall life expectancies in the world and has faced challenges relating to a rapidly ageing population, decline in the capacity of the family to care for elderly members and skyrocketing health care costs.

3470 The *Fureai Kippu* – with apologies to anybody who can actually pronounce Japanese, which does not include me – literally a ticket for a caring relationship, are national schemes which are designed to develop networks of mutual support. This is dedicated to providing elderly care. Individuals are able to earn time-credits by providing this care to elderly people, or people with disabilities, and those credits can then be transferred to relatives or friends in need of care. Or they can be saved for a time in the future when the volunteer may be sick or old.

3480 Similar schemes are being trialled in Dorset, where credits can be exchanged for a positive life and health-enhancing education and fitness activities. The mechanisms of such a scheme would need to be fully explored so as to ensure that it was fair and equitable, did not disadvantage Islanders and, most importantly, that it respected and did not undermine the altruism which generally underpins volunteering and informal care giving in the community.

We cannot over-play the importance of a strong public health function to the transformation of health and social care. It is essential that we have this, in order that the States are well-informed about our population and are able to make good, sensible decisions about health and care policy.

3485 As directed by the States, the Committee for Health & Social Care have conducted an internal review and has sought recommendations from our neighbours in Jersey about the role of the Medical Officer of Health. We have come to the conclusion that the role of Medical Officer of Health, as a statutory function, is largely obsolete. But there are certain key functions which fall within the Medical Officer of Health's remit, which are still clearly necessary. We have concluded that these functions can be transferred to existing services or statutory officials. For example, closing orders for domestic and commercial premises would be better attributed to the director of environmental health and pollution regulation, who has the necessary skill set and experience to make such decisions.

3495 The Committee also concluded that the functions of the Chief Medical Officer, which was another role generally held by the Medical Officer of Health, now largely fall under the remit of either the Medical Director or the Director of Public Health. The Committee, therefore, proposes that any such functions which are enshrined in Law should be transferred in the same manner as the functions of the Medical Officer of Health.

3500 A director of public health will then become the lead officer for the three domains of public health, which are: health improvement, health protection and health care – public health. The post-holder will provide leadership and expertise in respect of a range of health issues, including outbreaks of disease and emergency preparedness, the social determinants of health and wellbeing and encouraging behaviour change that promotes health and wellbeing. That behaviour change needs to start with us. Health and care should be considered in all policies brought by all Committees to the States. There is a wealth of data on this, but I will read excerpts from just one list, the Adelaide Statement on health and law policies, World Health Organisation, Government of South Australia, 2010:

The economy and employment. Economic resilience in growth is stimulated by a healthy population. Healthier people can increase their household savings, are more productive at work, can adapt more easily to work changes and can remain working for longer. Work and stable employment opportunities improve health for people across different social groups. For security and justice, rates of violence, ill-health and injury increase in populations whose access to food, water, housing, work opportunities and a fair justice system is poorer. As a result, justice systems within societies have to deal with the consequences of poor access to these basic needs. The prevalence of mental illness, and associated drug and alcohol problems, is associated with violence, crime and imprisonment. Education and early life. Poor health of children or family members impedes educational attainment, reducing educational potential and abilities to solve life-challenges and pursue opportunities in life. Educational attainment for both women and men directly contributes to better health and the ability to participate fully in a productive society.

3510 It goes on: agriculture and food, infrastructure, planning and transport, environmental sustainability, housing and community services. All improve where health is considered within policy.

We know that we cannot do this alone. We know that there are health inequalities in Guernsey. Some of them are highlighted at 7.2 in the policy letter. You are more likely to smoke if you live in rented accommodation. You are more likely to have poor health if you live in States' housing, etc.

3515 These findings should come as no surprise, because they echo those found in other jurisdictions. There is no biological reason for the majority of health inequalities, as Professor Sir Michael Marmot, Chair of the 2010 Independent Review of Evidence-based Strategies for Reducing Health Inequalities in England, and the World Health Organisation's Commission on Social Determinants of Health has identified.

3520 Access to health services is crucial. Improving out-of-hospital services through the development of community hubs for health and wellbeing, supported by a health and care campus at the Princess Elizabeth Hospital site, delivering integrated secondary care, and a satellite campus in Alderney, the principal community hub at the PEH will bring together a range of community services currently scattered across Guernsey; and a walk-in clinic will be established at the campus to offer a convenient access to medical and social services.

3525 These community hubs will be sites which include a number of first-port-of-call services, such as GPs, opticians, pharmacists, physiotherapists, memory clinics, counsellors or dentists, and community services, such as providers of aids and adaptations, health promotion services, or clinics for long-term health conditions.

3530 The Committee will work with other organisations to identify sites for hubs which may be developed around existing GP practices or community centres, extra care housing sites or Beau Séjour Leisure Centre, among other potential options.

3535 Through community hubs, it will be possible for Islanders to directly access services, which currently require referral. This direct access will enable Islanders, particularly those with long-term conditions, to increase the control they have over their own lives and health care needs, and to enable more expedient care.

3540 The Committee intends to develop a principal community hub within this term, and will work with the States' Trading Supervisory Board to identify a suitable site. The Committee believes that the footprint and location of the former King Edward VII Hospital would be a viable location to house both public-facing services and many of the Committee's child and adult social services, which are currently located in many ageing and unsuitable properties.

Castel Hospital, we were reminded yesterday, was highlighted as being unsuitable for its services in the 1940's, but we still have teams operating from the Castel Hospital, as the slates blow off the roofs onto their cars.

3545 This community hub could also provide a base for shared, back-to-back support for a small number of local health and care charities, potentially enabling the release of scarce resources to allow greater efficiency. We would explore the need for this further with the voluntary sector. The inclusion of the third sector within the community hub network is vital. It will, therefore, be essential under the new system that the commissioning of services is timely and appropriate, and a new structure must be put in place that reflects the different services required and funding to be provided.

3550 Yesterday, at a drop-in for staff members, held at the Princess Elizabeth site, staff spoke very enthusiastically about this move. They highlighted the huge benefits they could see this delivering, the relationships that are formed when services, state, third sector and volunteer-run, work together, communicate not simply on the phone, or by email or informal meeting situations, but over a cup of tea in a staff room. Being established together makes a difference.

3560 The Committee anticipates that people who attend community hubs will have the option to access a range of virtual services, as well as face-to-face health and care services. This could include anything, from private rooms for talking therapy sessions or post-operative consultations via tele-conferencing, to the provision of a digital directory of services or general health and wellbeing information. It will be critical for all community hubs to have the connectivity and IT facilities to support high quality virtual services, as well as enable on-site providers to have access to the technology they need.

3565 Providing user-centred care is a key aim of the new model for health and care. The delivery of services within a hospital setting is not simply more expensive, it often does not provide the optimum care and experience.

3570 Service-users should not be viewed as consumers of particular interventions or treatments, but as people with a lifelong health journey and needs, who should always feel as though their health and care needs are being met by an integrated team, even if the professionals in that team are employed by more than one different organisation.

This will require excellent communication between the many professionals and organisations involved in providing health and care services, and processes will need to be embedded to ensure that communication happens regularly and well.

3575 Health is predominantly related to how society itself is organised. Or, more importantly, most health inequalities result from factors which governments can take steps to address. One such step is Making Every Contact Count.

3580 The Marmot Review, having highlighted a social gradient in health, where the less affluent a person's position, the worse his or her health is, provided evidence for the reducing of health inequalities and described the importance of measures to address the wider determinants of health, as well as interventions to prevent ill health, by improving behaviours.

3585 Making Every Contact Count is an approach to behaviour change, which uses the millions of day-to-day interactions that organisations and people have with other people to support them in making positive changes to their physical and mental health and wellbeing. Making Every Contact Count enables the opportunistic delivery of consistent and concise healthy lifestyle information and enables individuals to engage in conversations about their health, at scale, across organisations and populations.

3590 Drawing on behaviour change evidence, Making Every Contact Count maximises the opportunity within routine health and care interactions for a brief, or very brief, discussion on health and wellbeing factors to take place. These interactions take a matter of minutes and are not intended to add to busy workloads of health, care and the wider workforce staff. They are structured to fit into and complement existing professional, clinical care and social engagement approaches and evidence suggests that the broader option of the Making Every Contact Count approach, by people in organisations across health and care, could potentially have a significant impact on the health of our population.

3595 It is an effective and evidence-based approach. Birmingham Children's Hospital, for example, has trained 120 staff and saw benefits that included staff having conversations about their own health, increased demand and uptake of lifestyle services by staff and an increasing number of referrals to external lifestyle services.

3600 Within community pharmacy in the UK, there are now over 3,500 qualified health champions working in over 2,100 Healthy Living Pharmacies, who are engaging members of the public by using every interaction as an opportunity for a health promoting intervention, Making Every Contact Count.

3605 With local authorities in the UK having statutory responsibility for public health, a wide range of partners and frontline services are becoming engaged in the core delivery, ranging from allied health and social services, to fire and rescue and housing services. It is an approach we already use in Guernsey, under the Drug and Alcohol Strategy. KPI 5.5 calls for an increase in the numbers of identification and brief advice interventions delivered in many settings.

3610 Making Every Contact Count's approaches can help to tackle health inequalities by supporting individual behaviour change across a range of behaviours. Of course, for all this, we need dedicated, professional, frontline staff, and we welcome the timeframe set on the strategic review of nurses' pay, which has been set by the successful Ferbrache/Merrett amendment. We must stress the importance of this and the need for a clear timetable on the way forward.

3615 To end as I began, this target operating model is not policy for HSC alone. It is a partnership. It requires all of us to be engaged and committed to it. Now is the time to set the tone for this transformation programme across the Assembly, as individuals, as community and as Members of the States of the Guernsey. Only then, will it truly be a Partnership of Purpose.

Thank you.

3620 **The Bailiff:** Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

I rise to commend the Committee for Health & Social Care on their policy letter. As Disability Champion and dealing with individual cases since last year, the number of cases that end up interfacing with various areas of Health & Social Care and Employment & Social Security is clearly vast in number. The interface that people with disabilities have with these services is probably one of the greatest interfaces that they have in their lives in the Island.

A number of cases and problems, I can see resolved, or being looked at, in this policy letter. I would just like to highlight a couple of things. I am very glad to see that the Disability Alliance is quoted in the paper, for a 'person-centred community care and support system', access in all of its forms, buildings, policies and customer services, respite care available according to need, information about existing support services and timely and comprehensive access to general health services.

In Proposition 14, specifically, it says:

... determine access to child or adult social care services, along with reviewing the transition between the two;

Now, I think it is really important – just that last sentence: reviewing the transition between child and adult services. For instance, the absurdity of somebody developing a mental health condition when they are seventeen-and-a-half, and being told they cannot be taken onto child mental health services because, by the time they would get into child mental health services, they would be then discharged to adult mental health services. So that transition from child to adult, where you are interfacing with the social care system, is something that I am very glad to see in the policy letter and I do hope that we see some movement on that.

The policy letter clearly identifies the need for joined up services and continuity of care, and that was one of the big issues and clear issues that came out, even right from the election process, when we had disability hustings, sitting down. The continuity of care, because there was such a high turnover of staff, sometimes you would get different staff; and, again, I am glad that we have passed the Resolution and it has been highlighted about nurses' pay and conditions, because, of course, that will go some way to improve retention and recruitment. Although, I understand work has already been done on this.

Re-organisation of the fragmented services, putting them together, definitely makes a lot of sense, as Deputy Tooley was saying, about the community hubs. It makes sense, for instance, if you are a wheelchair-user, that you would access a physio and be able to access the wheelchair services on the same site.

I do hope that, when setting up with these partner services, we do follow through with the service level agreements. Again, a lot of the issues that come through from Islanders having problems, sometimes they are dealing with third sector and, as the States, if we do not have a service level agreement with those sectors, there is not much we can do to improve those services; and yet, in some cases, Islanders are having to deal with that one service and have no choice, because there is not actually any competition in those particular services. So setting up service level agreements when you are going in for partner services is welcome.

The talk of respite care provision in 4.17, it says:

It is estimated that there are between 2,000 and 4,000 people providing unpaid voluntary care across the Bailiwick. Temporary respite care can provide opportunity for carers to take time to prioritise their own health and wellbeing, confident that their loved ones are being cared for.

I think it is good to see that provision within the policy letter and I do commend the Committee for looking at it and wanting to take it further.

I wondered whether there was a scope, along with the provision and looking at where services are sometimes provided, in extending respite care for parents, for instance, who during the school holidays, they do not have specialist care for their children, who would have been cared in school time and might only get one or two days' care and they have to take time off work. Now, they might be able to pay for a subsidised respite care. They might not necessarily need it for free, but in order to enable them to go back to work, the provision needs to be there. At the moment,

there seems to be a lack of specialist respite care and it comes up to Deputy Gollop's point about rationing some of the care services.

3670 There is a need, and I wonder if, in trying to ration some of the services, there is an unmet need out there and I do hope the Committee, when they are establishing and looking at the respite care, can include that within their review of how and what services might be provided with subsidy or as the universal offer, and whether respite care would be on the care passport – your access to respite care would be on the care passport, as it stands, so that you would know that you have access. Will you have a right to access that?

3675 The only concern I have with the policy letter is in section C, about needs analysis. I completely agree with the idea of needing more information and data. I am disappointed, though, that it does state that it is going to be looking more at older people's needs to begin with and I wonder if the transformation is possibly missing out on prevalence studies, for example, in autism; and, again, it is about an unmet need and possibly a reservation, in wanting to identify that unmet need, because the services would not be there. But if the need is there and potentially, depending on where people's incomes lie, they would be able to have a subsidised rate, it would not necessarily be a universal offer. But it does not take away the fact that that need is there.

3680 Even if we could not provide it for free, for everybody, what levels of service are there? By not identifying that unmet need, are we pushing the can down the road and ending up with problems later down the line and not giving people the right tools to access life really?

3685 That would be my only criticism and I wonder if there is going to be more detail in the needs analysis of exactly how that is going to be set up. I see there are more resources and more staff required, but it still seems quite general to me and I wondered if there were specific prevalence studies that would be able to take place within the analysis, or whether it is going to remain quite general.

Thank you.

The Bailiff: Deputy Tindall.

3695 **Deputy Tindall:** Thank you, sir.

I read this policy letter with a keen sense of anticipation of what would be proposed by the Committee for Health & Social Care. I was not disappointed.

3700 I found it was easy to read, with plenty of innovative ideas, created through real, true consultation. I was not concerned by the jargon, which seemed to be the issue for Deputy Roffey. I believe there is sufficient substance behind the words used.

3705 I have also appreciated the Committee members elaborating on various separate areas, and I look forward to Deputy Yerby's contribution. I note the timelines in appendix 3, and I consider that this is a clear itemisation of when the actions will be taken and the detail to be provided to us.

I therefore, sir, wholeheartedly support these Propositions.

The Bailiff: Deputy Leadbeater.

3710 **Deputy Leadbeater:** Can I invoke Rule 26(1) please, sir?

The Bailiff: Is there anyone who has not yet spoken, who wishes to do so?
Deputy Yerby.
Do you still wish to invoke the Rule?

3715 **Deputy Leadbeater:** No, sir. *(Laughter)*

The Bailiff: Deputy Yerby then.

3720 **Deputy Yerby:** Well, after Deputy Tindall put me up to it, sir, I suppose I do have to speak now.

As Members will have worked out, we divvied up the content of the policy letter between us. Deputy Tooley got to put a human face on it, and quite deservedly so. I do not think anybody could have put a human face on it better than she did, just then.

3725 Somehow, for reasons I cannot quite imagine, I have ended up with the dry, technical and slightly nerdy part of the policy letter!

Even the term that I use to unpack it is going to be a bit jargonish, but hopefully quite dear to Deputy Roffey's heart. Because what I am going to talk about is procedural justice. The elements of the policy letter that have led to some questions today and that I am going to focus on relate to the development of things like a universal offer, a care passport, access frameworks and prioritisation of our investments.

3730 Because it is almost unavoidable that we are now entering an age where the range of health care and social care available to people is so vast, the amount of conditions that we are able to treat, the amount to which we are able to extend life, is so great that it is going to exceed our resources.

3735 Members of the States, including Members who have consistently voted to keep the financial envelope of the States the same, have been saying, 'Well, let's not talk about rationing health care.' But, sir, we have to. We have to be realistic about the fact that what is out there and what people might very well expect to receive is likely to exceed what public resources we are prepared to put to it.

3740 That invokes real questions of equity and inequity. Do we just put our resources towards the issue that is shouting the loudest, or the issue that is most well-developed? If so, we will be helping people in some situations, but not in others. Do we put all our resources into hi-tech and specialist health care? If so, what happens to Mrs Le Page when her back is troubling her, but she does not have the money to go to the GP?

3745 We can protect people from catastrophic health expenditures, by providing insurance for secondary health care, as we have done to date. But we are not protecting the ordinary and poorer Islander who cannot afford the regular expenditure on primary care. As Deputy Roffey was speaking, an email popped into my inbox that said – it was a development-focussed email – 'We will not achieve the end of extreme poverty without health coverage for all.' That is a challenge, internationally, but it is a challenge at home, as well – a challenge that Deputy Roffey's In-Work Poverty Report has highlighted.

3750 The reason for dwelling on the risks of injustices in a system where there is not enough money to buy everything that we might need, and that people might reasonably expect, is because there has to be, then, frameworks in place, criteria, which are fair and thought through and grounded in questions of health and equity, which explain what we are going to invest in and what we are not, and why. That is really the idea underpinning the Committee's wish to create a universal offer.

3755 It is not a small or a simple task. Even in creating a schedule of services that will be provided under the new Medical Specialist Group contract, it has taken considerable time and discussion among specialists and leaders of health and social care.

3760 To do that across the whole system will be an even more substantial and more complex piece of work. But it is an essential part of the picture; especially if we are going to draw together people, providers who have never traditionally been in the remit of publicly-funded services – for example, bringing opticians or pharmacists or others into the umbrella of a Partnership of Purpose. We have to be speaking a common language, sharing a common framework, for what it is that we think is essential to deliver to the public, and what might go beyond that.

3765 I am not talking simply in terms of will we provide a service or not? But what financial envelope will be provided within; what waiting times are reasonable? So thinking in the way that we have been thinking about secondary care, for a long time, across the whole spectrum of health and care.

3770

If we do not do that, if we are just led from one decision to the next, by those who shouted loudest, by what happens to be next on our agenda, the procedural unfairness and the real day-to-day unfairness for those who get the wrong end of the stick, is really great.

3775 When I first started working as a civil servant, at what was then HSSD, it was the days of the FTP and, at that time, I do not think Health had developed a particularly rigorous health-based criterion for determining what services it would invest in or disinvest from. The consequences of that was that if a decision to pull resources from one service to another ... it could be found to be really unfair. It could be found to be creating health disadvantages for some people, while maintaining others in a very advantaged position, relative to them.

3780 By establishing more clear and consistent and health-based criteria for how we are going to spend our resources, we are setting up a framework within which we can make much fairer decisions. I do not want to pretend that that is the invention of this Committee. That has been a process that has been in train within HSC, and HSSD before it, for a number of years, but it is something that we recognise as very important and that we have made a pillar of this policy letter.

3785 But if we can talk about the universal offer as, effectively, mapping the territory of health and care in Guernsey, then the creation of the care passport, whatever that will ultimately look like, is giving people the tools they need then to get around that terrain.

I say whatever it will ultimately look like, because we are at a fairly preliminary stage of developing our policies here. The challenge for us is that health and care policy is so vast, so wide, that we could either stay in our little box of our Committee for four years and come out with very technical detailed and costed proposals towards the end of our term, which the States may well want to rip up and start again, or we can seek to give Members some indication, at this point in time, of what it is that we are aiming to achieve, and then work on those elements in more detail, bring them back bit by bit to the States.

3795 I do not want to give Members the impression that we are taking this as a green card to go off and do whatever we see fit with health. We recognise that many of these are important and substantial decisions, which are going to require the whole States coming on board with us. But we do not want to shut Members out of that process for the majority of it. We also do not want to give the impression that we have been doing nothing for the last 18 months! So it was time to come and put this in front of Members. But we are still working out the detail of what many of these things will involve.

3800 The care passport, as I said, will be a tool for individuals to navigate the system. It will set out individual entitlements. Deputy Green asked whether it would be a Trojan horse to allow us to introduce charges for services that are currently free at the point of use.

3805 Speaking for myself, rather than for the Committee as a whole, I would not wish to give Members of this Assembly, or the public, an assurance that every part of the current charging for the system is going to remain in future as it is today. The current system contains some real injustices. If we think, for example, about the way that GP services are charged; there is a States' subsidy in there, but it is £12. Often an appointment costs about £60. People who can afford to pay £60 can usually afford to pay £50. So it is doing nothing really in terms of increasing accessibility to primary care.

3815 So where is the justice in that? That is an issue that we have identified that we need to look at further and it might very well mean thinking again about the funding that is currently in the system and how we can use it more effectively. Is the money that is currently providing a universal grant better suited providing more targeted access for those in most need? It is exactly the same question this Assembly contemplated when they supported Deputy Dorey's amendment to look at repurposing Family Allowance, for children's services in Health and in Education.

3820 It is a question that needs to be considered, and it is a question that requires a decision of this Assembly. So it is certainly not a Trojan horse. It is a process that needs to be gone through and something that will have proper democratic sign-off if any changes come as a consequence of it.

So what about Mrs Le Page? What will this care passport mean to her? Well, right now, I cannot tell her in words that would mean something in her day-to-day life, but health is complex,

it is a huge beast and we cannot set out all the solutions in words that will immediately mean something to Mrs Le Page.

3825 If we were to do that, if we were just to focus on what was described as 'good old Guernsey common sense', then we will be turning our backs on some of the fundamental issues, which are complex, which are boring questions of finance and Law and regulation and organisational structure. Those things need to be contemplated and need to be worked through, in order to deliver real and meaningful changes in the lives of the Mrs Le Pages.

3830 I think what comforted me about the process leading up to this policy letter is the growing recognition that change in health care needs to be incremental. It needs to bring the community along a bit. The community, as a whole, needs to have a role in it. Deputy Hansmann Rouxel asked whether our needs analysis would be general, or whether it would dive into questions such as prevalence of autism or other conditions. I think what I would say in response to that is yes to both.

3835 We need to look across the whole spectrum of health need, but we are not going to achieve that in one fell swoop. That has often been the Achilles' heel of past debates on health. 'Can you tell us how much it is going to cost, down to the last penny; or how much it is going to save?' No. But we can work that out bit by bit. If we have got a general sense of direction, we can start to develop the individual plans that Deputy Dudley Owen asked for. We can start to develop the separate needs analysis on particular bits of health policy that Deputy Hansmann Rouxel asked for. If we were to try to focus on developing the whole big picture in one go, then we would be locked in our ivory tower for the next decade or two.

3840 We hope that, in bringing this policy letter, we have given enough of a sense of what we intend to do and the principles that we intend to base this on, to be able to then work up some of those real meaningful changes and to bring them forward within the life of this Assembly.

3845 But it does have to be incremental. As Deputy Stephens said, it does have to eat the elephant piece by piece. That does not mean that we do not recognise the importance of all the diverse issues on our agenda and it, especially, does not mean that we will leave the most vulnerable behind.

3850 I have been so reassured by how central to the Committee's considerations the questions of equity and the questions of giving a voice to the voiceless have been. But it is a gradual process. It is complicated. It is something that we would very much like to take the whole Assembly with us on and we hope that, with your support, we will get there during this term.

3855 **The Bailiff:** Deputy Soulsby, you may reply to the debate.

Deputy Soulsby: I will wait for everybody to take their seats, sir, I think.

3860 I thank everybody for their contribution. We heard from Deputies Roffey, Green, Dudley Owen and de Lisle that this is a vision, despite what I said in my opening speech. They wanted to see things happen. Well, things are happening. Deputy Roffey, Health & Social Care may be a tanker, but we have turned it around, converting a £4.9 million overspend into an underspend and giving back £2 million already this year to boot. So we have not just been sitting around contemplating the life, the universe and everything. We have actually been doing stuff. We have undertaken system grips, service improvement.

3865 The policy letter is designed to enable us to have the authority to make fundamental strategic change. Of course, we could have put more and worked up far more detail, but you would not have seen it before, probably, the end of this term, and it would have run to thousands of pages. Then what? We would probably get told off about buzzwords. Well, 'Partnership of Purpose', 'universal offer' and 'care passport' are not those of consultants. They are basically our fault. It is us trying to make what is a very complex area comprehensible.

3870 Deputy Roffey should really know, more than most, just how incredibly complex and complicated Health & Social Care is.

3875 Deputy Dudley Owen, we have a detailed plan for 2018, appendix 3, which has as much value as the main body. As in 9.38, we will present detail for the rest of this term in our annual update to the Policy & Resource Plan.

3880 I thank Deputy Stephens for her support and how it will be more than just words. Also, for wanting us to look at the idea of community credit, which, to answer Deputy Dudley Owen, really our aim is trying to help to encourage participation. You will see in our report how we very much understand that tension between the altruistic nature of voluntary service and how community credits would fit in there. That is something that has been questioned in other areas where this has been brought in and, in some places, community credits have worked very well; in other places they have not. This is why we need to look at the evidence and see what the best work is.

3885 In terms of Proposition 6, I think it is an all or nothing. It is either support care passport and for us to look at the care passport and the community credits, or neither.

Deputy Green wants us to recommend a health ombudsman. Well, we will decide after proper consideration and he will find out our conclusion next year when we will be submitting our policy letter on regulation.

3890 I thank Alderney Representative Jean for his positive comments. A lot of work is going on to help the people of Alderney and this will continue. In terms of cost of primary care, this is something we will be working on with our colleagues at ESS, when developing the universal offer. On that, I thank Deputy Le Clerc for her support and look forward to working with her and her Committee next year.

3895 I thank Deputy Gollop, I think! We have not a crystal ball and, in the absence of one, we cannot base a future on something other than best estimates and based on the evidence we have now. He said this is as much about economic development as Health & Social Care. I would not go that far, but I do believe that, through Health & Social Care, we can do something to help stimulate the economy.

3900 I thank Deputy Hansmann Rouxel and am pleased we addressed the concerns that she has, as a very able Disability Champion. This reflects how our consultation engagement is real. In terms of service level agreements, these are going to be essential and this is where a lot of hard work will be needed over the coming months. I appreciate her comments about health needs assessments. I think Deputy Yerby dealt with that, as well as a number of other questions that people have asked, which has saved me the effort now.

3905 Deputy Lester Queripel, regarding the UN Convention on the Rights of the Child, this is a workstream being run through Policy & Resources and I am sure, in due course, they will be able to update us on that matter.

Deputy Tindall, I thank her for her very positive comments and for appreciating the amount of detail which actually is in the report.

3910 I believe my able Committee members have answered all the other questions as far as we are able. Again, I would like to thank them for their hard work.

3915 In closing, I would just like to say that, in my manifesto, I spoke about the need for focus, and the most important area of focus, for me, this term was a transformation of health and care. That is why I put my hat in the ring and stood for the position, to which Members kindly elected me to in May last year, which seems a long time ago now.

3920 That transformation has already begun. This is not a vision, it is starting to become reality already. We have begun the transformation, through thinking differently and working differently. By approving this policy letter, Members will open up a once-in-a-generation opportunity to truly change the landscape of health and care in the Bailiwick. It will not be easy and we cannot do it alone. I thank Deputy Roffey for his comments, saying they need our best wishes. But it is not 'they'. It is 'we'.

If we want to be one of the happiest and healthiest communities in the world, we cannot just sit there waiting for things to happen. We have got to go out there and make them happen. I ask Members to approve all Propositions and help us to make change happen.

3925

The Bailiff: Members, as you are aware, there are 22 Propositions. Proposition 12 has been amended, through the Deputy Ferbrache/Deputy Merrett amendment. Does anyone wish any of the Propositions to be the subject of a separate vote?

3930 **Deputy de Lisle:** Twenty-two, sir, please.

The Bailiff: Deputy de Lisle would like 22 to be voted on separately. Any other requests for any separate vote?

3935 No. In that case, we will take Propositions 1-21, including the amended Proposition 12, all together. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.
And we will vote on Proposition 22. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare 22 carried.

3940 So that therefore concludes the debate on the Partnership of Purpose: Transforming Bailiwick Health and Care policy letter.

It is now nearly 5.20 p.m. I am just wondering whether we embark on Waste Strategy, or whether we resume in the morning?

Shall I put it to you that we rise now and start afresh with waste in the morning? Those in favour; those against.

Members voted Pour.

3945 *(Laughter)*

The Bailiff: We will rise now and resume at 9.30 a.m.

The Assembly adjourned at 5.19 p.m.