



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 28th February 2018

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

Volume 7, No. 6

ISSN 2049-8284

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,
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, M. M. Lowe, 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, J. P. Le Tocq

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

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 D. A. Tindall, (*absent de l'Île*) Alderney Representatives L. E. Jean, S. D. G. McKinley, O. B. E.
(*absent de l'Île*)

Business transacted

Evocation	406
Convocation	406
Statements	406
Policy & Resources Committee – General update	406
States of Alderney – General Update – Deferred	413
Policy & Resources Committee – States’ Financial Position at the end of 2017	413
Overseas Aid & Development Commission – Fairtrade	422
Questions for Oral Answer	424
NICE-approved drugs – Access and funding for Guernsey patients; urgent review	424
Condor Freight and Passenger Services – Termination of MEIF II fund	429
TV licencing policy – Free licences for over-75’s	432
Sites for a cremation chapel of rest and accessible centre – Island Development Plan approved planning uses and environmental areas	433
Student funding for training courses and degrees – Age limit	434
Billet D’État IX	436
I. States’ Assembly & Constitution Committee – Election of President – Deputy Roffey elected	436
Billet d’État VIII	452
II. Planning Panel – Re-election of professional members – Mrs Linda Wride and Mr Jonathan King re-elected	452
The Road Traffic (Compulsory Third-Party Insurance) (Recovery of Expenses) (Guernsey) Regulations, 2017.	452
III. The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018 – Approved	453
IV. The Administrative Decisions (Review) (Guernsey) (Amendment) Law, 2018 – Approved	453
Procedural – Continue until conclusion of business	454
VI. Liquor Licencing: Permitted Hours – Category ‘G’ Licences – Approved	454
States’ Assembly & Constitution Committee – Election of President – Deputy Roffey elected	455
Scrutiny Management Committee – Election of a Member – Deputy Merrett elected	455
V. The Implementation of Income Support and Transitional Provisions – Debate Commenced	456
<i>The Assembly adjourned at 12.29 p.m. and resumed its sitting at 2.30 p.m.</i>	<i>458</i>
Billet d’État VIII	458
V. The Implementation of Income Support and Transitional Provisions – Debate continued – Propositions carried	458
VII. Schedule for future States’ business – Proposition carried	480
<i>The Assembly adjourned at 5.25 p.m.</i>	<i>480</i>

PAGE LEFT DELIBERATELY BLANK

PAGE LEFT DELIBERATELY BLANK

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 VIII of 2018. 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 28th February 2018 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 XIV of 2018. I hereby
5 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 28th February 2018 the item listed in this Billet is submitted for debate.

The Bailiff: Members of the States, good morning to you all.

STATEMENTS

Policy & Resources Committee – General update

10 **The Bailiff:** We start this meeting with a general update statement from the President of the Policy & Resources Committee, Deputy St Pier.

Deputy St Pier: Thank you, sir.

On behalf of us all, may I first of all begin by wishing Deputy Oliver Happy Birthday! (**Several**
15 **Members:** Hear, hear.) Of course because it is that time of year, also by taking the opportunity to do so in advance for Deputy Parkinson tomorrow, Deputy Le Tocq for Sunday, and in arrears for Deputy Stephens for yesterday.

Sir, I am pleased to provide a general update to the Assembly on the work of the Policy & Resources Committee and a progress report against some of our domestic and external
20 challenges.

Next week, I will be in Whitehall to discuss Brexit with both the Ministry of Justice and with the Department for Exiting the EU. Co-ordinating our response to Brexit remains a priority for the

Committee, and Deputy Trott will provide a much more detailed update on this work in a statement to this Assembly next month.

25 In brief, the Brexit Group continues to provide co-ordination of the work being undertaken by the Policy & Resources Committee, the Committee *for* Home Affairs and the Committee *for* Economic Development – to whom ongoing thanks are due for the work they are doing.

30 In November 2017, the States directed that Brexit legislation be laid before the three legislatures of the Bailiwick by the summer, and the drafting of that legislation has been given a high priority and is underway. We are considering the timing of future Brexit related policy letters to consider with the Committee *for* Home Affairs and the Committee *for* Economic Development such as on immigration, on the extension of the UK's membership of the World Trade Organisation, and on customs arrangements with the UK. This will ensure the States' Assembly continues to play an important role in managing the Island's responses.

35 Another significant focus is our response to the EU Code Group. This month Guernsey participated in the first meeting of the OECD's Voluntary Group established in response to the EU Code Group process.

40 It appears that the EU Code Group is amenable to the Voluntary Group being involved in assisting with defining 'substance' and in a mapping process to seek what 'substance' means in different types of businesses. This is a positive development, and we are feeding in information to the OECD Voluntary Group so that the mapping work can start.

The Policy & Resources Committee will need to ensure that resources can be deployed to assist with the necessary research, analysis and development of a proposed response to the issue of 'substance'. This will then enable us to proactively engage with the Code Group.

45 We are of course continuing to work closely with Jersey in particular on these matters, and I am pleased to report that this is only one area where joint working is now being prioritised.

The Chief Executives of both Guernsey's and Jersey's public sector are establishing a joint Channel Islands Public Service Board. A further meeting is taking place in Jersey shortly in order to finalise the terms of reference for and membership of that board, and officers in both Islands are drawing up a long list of potential opportunities for joint working.

50 I welcome the support that Jersey's Chief Minister, with whom I speak monthly, has given to this process, and the Policy & Resources Committee looks forward to working with Jersey in providing appropriate political oversight to the joint Public Service Board.

55 The Chief Executive of the States will provide an update on this as part of his wider update report to be included with the Policy & Resource Plan update that comes to the States in June.

The Policy & Resource Plan update will, of necessity this year, be more of a benchmarking exercise to give us a clear view of our current position in respect of the 23 priority areas agreed by the States in November last year, as well as considering how we will monitor and report on progress for future years.

60 It may be that as the picture becomes clearer, we will have to reconsider the feasibility of pursuing all 23 areas simultaneously. I say this not because Members are not fully committed to them all, but rather in recognition of the fact that we have committed to delivering a great deal with fairly limited resources.

65 The point was evident in a meeting with other Principal Committee Presidents last month, and further regular meetings will be set up with them to monitor progress in relation to the Policy & Resource Plan.

The Chief Executive's report will also include an update on the public service reform framework that was endorsed by the States' Assembly in 2015.

70 On behalf of the Policy & Resources Committee, I provide the political leadership for public service reform, and ahead of the Chief Executive's update I am pleased to be able to provide an update on two aspects of the reform framework – people and technology.

The pay bill expenditure for 2017 is broadly in line with forecast expenditure – which was £216 million. A trend for increased head count in the public service continues, but this does not

necessarily mean increased staff costs overall. A key reason is a drive to reduce our reliance on agency staff across certain areas, and in particular within Health & Social Care.

This trend for additional head count is a result of changing behaviour within the public service and the way that we work. This includes reduced hours contracts, term-time working, a rise in part-time posts, increased flexible working and an increase in short-term contract posts.

Overall, staff turnover is 13%, compared to 14% a year earlier; 12% is seen as a good benchmark compared with other public sectors and commercial employers.

Reduced sickness absence continued to be a positive trend in 2017 and should be strengthened with the launch of a workplace wellbeing campaign.

The States of Guernsey was proud to sign the Disability Charter earlier this month – and is now looking at how best to implement recommendations for the various action plans, across our services.

To support increased flexibility and mobility within the public sector workforce, we have started data collection and analysis of the current status of terms and conditions across the public sector. The aim is to have a clear evidence based picture across all pay groups to inform the employer of the current position and to inform the States-wide review of terms and conditions.

This work will be progressed during 2018, with a particular emphasis on the nurses pay review that Policy & Resources are under Resolution to return to the States in early 2019. Work has commenced on setting the governance and terms of this review, in collaboration with union officials and the Committee *for* Health & Social Care. Once options emerge there will clearly be a need to engage with employees and their representatives as part of the reform process.

Another area of public service reform that the Chief Executive will update is Smart Guernsey – the digitisation of services to provide greater accessibility and efficiency. Central to the delivery of this is the Future Digital Strategy, which continues to progress. This is a major redesign of how technology services and systems are delivered – to give context, the scale is similar to the MSG contract in terms of value. The approach is based on three pillars: first, technology that works when it is needed – addressing the years of underinvestment in IT; second, in supporting change across the States in how we deliver services; and third, in enabling economic development – the first States' IT project that specifically includes this as an objective. The Chief Information Officer will be briefing each of the Principal Committees in the coming weeks.

Whilst Future Digital Services progresses, we recognise that we must simultaneously increase our investment in technology in critical areas. The creation of Information Systems and Services from April last year has allowed us, for the first time, a full review of the current state of technology allowing targeted investment where the need or benefit is greatest. For example, in 2018 one of the priorities is a major investment for a wide ranging technology upgrade in Health & Social Care replacing the core infrastructure and applications.

The work I have described on people and technology demonstrates that the States is delivering on its commitment to securing improvements that support better services. It is essential that we invest, we receive a demonstrable return in improved performance, and the same is true at Committee level as well.

For example, the Policy & Resources Committee has deployed people and financial resources to support service areas that are part of the Committee *for* Home Affairs' mandate, such as the Joint Services Emergency Control Centre and the Population Management Office. It is important that these deployments are used to make long-term improvements, and not simply to provide a series of short-term fixes.

Sir, briefly: we shortly expect to lodge a policy letter following a review of the Ecclesiastical Court's probate function; we also have a policy letter seeking some changes to the TRP legislation; since my last general update, we have worked with St James' Chambers to implement the recommendations of the recent review of its relationship with the States; following the last Budget Report, we are in dialogue with H.M. Receiver General regarding the potential use of monies held in trust for the Crown; we have just embarked on a review of the governance at arm's length bodies; working with others, we have started work on the review of the Population Management

130 Law; and have made progress on defining a new population objective; we have been working with the States' Trading Supervisory Board on proposals for the future management of the States' property estate and hope to be able to consult with other Committees imminently; we are in the process of finalising a joint policy letter with the Committee for Employment & Social Security on combining the collection of taxes and Social Security contributions into a single Revenue Service; finally – but by no means least – we have started work in earnest across Government on the Harbour Action Area, with a view to prioritising the delivery of some projects to commence by October 2019 in order to optimise the economic development opportunity which they can bring to the Island.

135 **The Bailiff:** Deputy St Pier, I have to interrupt you. Under the Rules you have exceeded the 10 minutes that are allowed for your Statement.

Are there any questions arising from the Statement?

Deputy Laurie Queripel.

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

I would like to ask Deputy St Pier, bearing in mind that ultimately Deputies are responsible and accountable concerning the use of public funds, are the Policy & Resources Committee anticipating bringing a report to the States for debate in regard to the Guernsey Investment Fund, so that Members will have a better chance or opportunity to understand how the fund will work – among other things, what safeguards, governance and oversight arrangements have been put in place?

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

155 **Deputy St Pier:** Sir, we do not intend to bring a report to the States on that matter, it sits firmly within the mandate of the Policy & Resources Committee, it is simply part of the portfolio management of the total reserves that we manage, which are overseen by the Investment Board Sub Committee of the Policy & Resources Committee. It is no different to the other portfolio assets that we have. In the context of nearly £1.8 billion or so of assets overall that are overseen, this is a very small percentage, and there is no particular reason that we should treat it as anything other than a normal investment.

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

165 **Deputy Lester Queripel:** Sir, the President made no reference in his Statement to the Assembly giving the go ahead to P&R to invest money in the impact fund referred to in the Overseas Aid & Development Commission's policy letter we debated in November. Is he able to give us an update on where we are with investing in that fund please?

The Bailiff: Deputy St Pier.

170 **Deputy St Pier:** Sir, yes, I will also be presenting a separate statement on the financial performance of the States in 2017 to which that question probably more relates. However, in answer to the question, 'Has there been any progress on the impact fund?' the answer to that question is no there has been no progress on that matter.

The Bailiff: Deputy Roffey.

175 **Deputy Roffey:** Going back to the question asked by Deputy Laurie Queripel, would the President of P&R not accept that there are two aspects to the new fund? One is investment of our core reserves which is quite right, falls squarely within their mandate, the other though surely is an

economic driver, which every Member of this Assembly is interested in and interested in how that money could be deployed. With that in mind, would he reconsider whether or not it is worth bringing a report to the States to explain how it is going to be used in that respect?

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, the primary objective of the Guernsey Investment Fund as set out in its prospectus is its investment return. That is the basis on which decisions will be made by the Independent Board – will it or will it not produce an investment return for its investors? The by-product will be, we hope, the investment in local new businesses and technology and services. But it is not primarily an economic development initiative, albeit that we absolutely see that benefit arising from that.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Yes. Taking the President back to his reference to the monthly Presidents meeting, I understand that these are informally convened with no compulsion to attend for Presidents of the major Committees. Would the President be able to confirm please if these are still taking place?

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, they are not taking place in that form any longer. The meetings I was referring to will be specifically convened for the purposes of the ongoing monitoring of the policy & Resource Plan which is obviously part of P&R's mandate to oversee that process. So there will be a need to continue a process of dialogue with the Principal Committees as part of the ongoing management plan.

The Bailiff: Deputy Yerby.

Deputy Yerby: Sir, in respect of this Government's priorities, Deputy St Pier says we have committed to doing a great deal with fairly limited resources and prepared [inaudible] Committee to doing less ... However, his recently lodged requête says that he and his Vice-President would be prepared to divert States' time and resources to areas outside that already substantial list of priorities. In that context, would he not agree with me that it would be irresponsible even to think about cutting down on our core and collectively agreed commitments without first tackling the question of whether we can and are prepared to find the resources we need to deliver them?

The Bailiff: Deputy St Pier.

Deputy St Pier: Well, that is precisely why we have the Policy & Resource Plan to help us prioritise what our priorities are as a Government over all.

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes. Deputy St Pier mentioned customs arrangements. I had the privilege to hear a senior officer's briefing a month ago, and more recently Deputy Le Tocq and another officer talk about the challenges of Brexit to semi-private audiences. Will the customs arrangements issues be consulted on with the wider public and commercial businesses, particularly if they have some impact, for example, on the sale of goods or current duty free arrangements, or anything of that nature?

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

Deputy St Pier: Sir, I do not anticipate any significant change.

235 **The Bailiff:** Yes. Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

Can the President please update the Assembly on the progress of the ESG policy development with regard to investments?

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

Deputy St Pier: There have been no developments since the matter was last raised in the Assembly, a matter of weeks ago.

245 **The Bailiff:** Deputy de Lisle.

Deputy de Lisle: Yes, sir.

Can I ask the President can the States stick to the promise of some cuts in the size of the public service, given the wealth of initiatives that the President has indicated are ongoing at the current time?

The Bailiff: Deputy St Pier.

255 **Deputy St Pier:** Sir, Deputy de Lisle is perhaps pre-empting my next Statement in relation to the financial update which clearly demonstrates the States is sticking to and is committed to both its Budget and the Medium Term Financial Plan.

The Bailiff: Deputy Dorey.

260 **Deputy Dorey:** Sir, the Assembly agreed the P&R Plan, so will the President, when he reports back on the next stage of the P&R Plan, include the resources necessary to progress all the items on the P&R Plan. As he indicated, there was not necessarily the resources and the costs involved, so the Assembly can make a decision whether we want to progress all those items or not?

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

270 **Deputy St Pier:** Sir, as indicated in my Statement, I think the update that we will be debating in the Assembly in June is likely of its nature to be an interim update in the sense that we have only just finalised the Plan in November. In order to get the report to the States in June we will pretty well have to finalise that report by the end of March because it will need to go to Scrutiny in April as provided for under the Rules. So there has been a very little period of time since the Plan was approved before the first update. Sir, we do see this first one as being, as I indicated, more of a benchmarking exercise, so I do not think it is going to contain the level of detail which Deputy Dorey has asked for in his question; although I absolutely do see that as being part of the process emerging from this iterative development of the Policy & Resource Plan process.

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

280 Sir, please may I ask the President if he believes that urgent work regarding the management of States' property ... particularly taking up the opportunities of moving from rented accommodation into States-owned buildings in order to achieve savings across the Committees?

The Bailiff: Deputy St Pier.

285 **Deputy St Pier:** Sir, Deputy Prow raises a very important issue. It is one that the Policy & Resources Committee have been working on with the States' Trading Supervisory Board and also with input from Deputy Prow's colleague Deputy Oliver and with a view to setting out the better management of the entire estate of the States. That is a process which is reaching a conclusion.
290 We are anticipating that there will be consultation with all the Principal Committees within the next month on that issue in order to address the kind of issues which Deputy Prow has raised in his question.

The Bailiff: Deputy Trott, the Vice-President, wishes to ask a question of his President.
295 Deputy Trott.

Deputy Trott: Yes, sir.

A sort of obvious one, if I may say so, sir. Would the President mind finishing his speech for the benefit of all Members of this Assembly with, of course, the exception of his fellow Committee
300 Members who have had the pleasure of reading it in its entirety.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, all I was going to say to conclude was to highlight the importance of the
305 principles that I know that this Assembly collectively shares: a strong and diverse economy; support for enterprise; small government; fair and progressive taxes; support for families; protecting our heritage and culture; balancing our environmental needs (*Laughter*) with our social and economic needs, and a greater transparency and democratic engagement. All of these, of course, underpin the Policy & Resource Plan that the States' Assembly emphatically agreed just
310 over three weeks ago. I look forward to bringing an update to the States' Assembly on this in June.

The Bailiff: Deputy Lowe.

315 **Deputy Lowe:** Thank you.

Deputy St Pier just answered Deputy Prow's question regarding the property, and certainly at Home Affairs he will be aware both this term, the term before, the term before, there was a report in 2004 – yes, 14 years ago – how States' property could be worked better looking at what we can do to save rent. Certainly all of last term Home Affairs also asked not to have a lease extended on
320 private property. I am now hearing that there is a possibility they are going to extend it because they have not had time. Could he confirm that actually he will do his utmost to stop any leases being extended in the private sector, when we have empty States' properties available?

The Bailiff: Deputy St Pier.

325 **Deputy St Pier:** Sir, that is not within my mandate to provide the confirmation which Deputy Lowe is looking for. She clearly highlights the same issue as Deputy Prow, which is recognised, which is recognised by both the Policy & Resources Committee and the States' Trading Supervisory Board and Deputy Oliver in the work that we have undertaken together, absolutely
330 with a view to the better strategic and operational management of the entire estate, in order that we can absolutely address the kind of questions which Deputy Lowe has raised.

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you for a second bite.

335 Deputy St Pier mentioned the bonus we would all get from smaller government, and he also mentioned the Civil Service. How far will politicians and other stakeholders be able to engage with P&R in reviewing the overall public sector and Civil Service to ascertain, as they do in Whitehall, whether some officers are over graded in terms of pay and others are under graded, because perhaps an overall review would reap significant rewards for our future?

340

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I think in reviewing the extensive different terms and conditions that apply, I think there are at least 14 different sets of terms and conditions across the States. That process, which I referred to in my Statement as being ongoing this year, and is moving forward, I do not see that that is one in which Members of this Assembly would have detailed input in terms of the individual members of the public service whether they are being over graded or under graded. We need to do it in a more disciplined and holistic fashion, and I think that is the process which is being undertaken.

350

The Bailiff: Well, I see no one else rising. We will move on.

**States of Alderney –
General Update –
Deferred**

The Bailiff: The new item would have been a general update to be given by Alderney Representative McKinley on behalf of the States of Alderney, but as we have heard *Les Représentants d'Aurigny are trappés à l'Aurigny*, because of the weather, we will move on and I suggest that item be deferred to the next meeting.

355

**Policy & Resources Committee –
States' Financial Position at the end of 2017**

The Bailiff: We will now have a Statement from the President of the Policy & Resources Committee on the States' financial position at the end of 2017.
Deputy St Pier.

360 **Deputy St Pier:** Sir, fortunately I am not time constrained, so I do not need to gabble quite so quickly, and will therefore be guaranteed to get to the end of my Statement without the need for any intervention from the Vice-President. I perhaps should have saved the best wishes for –

The Bailiff: I did allow you extra time for the best wishes.

365

Deputy St Pier: Very kind – sorry, sir. I cannot use that as an excuse.

So, Mr Bailiff, sir, 2017 was a good year. In fact, I would go further and say that 2017 was a very good fiscal year, which is a really encouraging indicator of renewed strength in our economy.

Over the last year, I am becoming accustomed to delivering good news and today I have many reasons to be cheerful. The headline numbers – and I should stress that these are provisional and are still subject to final adjustments and audit – are as follows.

Our revenue income has grown to almost £430 million – an increase of £23 million, or 5.5%, over the 2016 revenues. This result is also significantly ahead of the budgeted position of £403 million.

Committees have collectively underspent against their budgets by over £5 million. This is a 1.5% nominal reduction against the recorded expenditure in 2016 and seeks to address the question raised by Deputy de Lisle in his question on the previous Statement.

On top of this and the original budget for 2017, we have, as approved by this Assembly in November, re-instated the full transfer to the Capital Reserve to £42.9 million.

In order to give Members of the Assembly a little more colour around these numbers, I would like to focus on a few areas that merit attention.

Firstly, it was an exceptionally strong year for Income Tax receipts. ETI – the Income Tax collected through employers' payroll – has grown on a like-for-like basis by 4%. This continues the solid real-terms' growth experienced in 2016 and indicates strength in our economy. The change is largely accounted for by growth in earnings, and an increase in the numbers employed in the economy.

Total employment has increased every quarter since the second quarter of 2015 until the third quarter of 2017 – the most recent stats available. Consequently, there were over 1,000 more people working in our economy in September 2017 than in March 2015. That is unequivocal evidence of growth in the economy supporting those higher Income Tax receipts.

For Company Income Taxes, overall receipts in 2017 were £70 million, a 22% increase on 2016. Analysis has shown that, as actual assessments in respect of 2016 have been completed, additional tax has often needed to be paid. This indicates that 2017 was a 'catch up' year, where improved 2016 results were being collected, along with revised assessments for 2017. Once again, this gives us all reason to be cheerful as clear evidence that the economy has picked up.

Of particular interest is that the numbers also indicate strength in the retail sector as the new tax on large retail profits has generated nearly 100% more than originally anticipated – £2.9 million instead of £1.5 million estimated.

2017 was also a very strong year for Document Duty receipts with the total number of Local Market conveyances up 13% on 2016 and Duty up £0.5 million and that is after excluding a couple of exceptional transactions. Open Market conveyances also increased by 7% with Duty up by £400,000. Overall the budget for the year was exceeded by £2.2 million. Again, this is clear evidence of confidence returning to the marketplace and our economy.

Our investments continued to perform well during 2017 in line with global markets. General Revenue benefited from investment returns of £4.4 million – that is £3.5 million in excess of budget.

Overall, the long-term investment reserve saw an 11% return in 2017. In other words, this saw our reserves increase by £185 million. The returns on the medium-term investment reserve and the common investment reserve, while good, did not reach quite these levels. In fact, over the last five years, had all our reserves – including those overseen by the Committee for Employment & Social Security – been invested in line with the long-term investment reserve, the medium term reserve and the common investment fund would have grown by a further £150 million – that is £150 million on top of the growth that we have actually experienced.

Now, we simply cannot ignore that opportunity cost. Therefore, in light of this experience, as I have previously indicated to the States, with effect from 1st January this year, Policy & Resources are now investing all funds over which we have oversight under a single investment strategy. I also intend to write to the President of the Committee for Employment & Social Security suggesting that our Committees explore ways that we might be able to consider our investment strategy across both Committees more holistically to achieve a higher return overall, whilst of course preserving the appropriate segregation of funds.

It is worth mentioning at this point that we have – as was noted in questions on the previous Statement – announced the commitment of £25 million to the recently launched Guernsey Investment Fund. This is only a little over 1% of our total portfolio. Critically, this fund is independently managed; and its investment objective is to achieve a return for its investors, including ourselves. This is not soft or cheap money. A couple of years ago, we asked ourselves, 'If we can obtain the same return from investing using local investment managers rather than off-Island investment managers, then why wouldn't we?' So this investment is simply an extension of that philosophy. In other words, 'If we can obtain the same return by investing in local businesses rather than overseas businesses, then why wouldn't we?'

When I updated the Assembly in September on the financial position to the end of July, I reported that the States' Trading Supervisory Board was estimating a return of capital to General Revenue in 2017 of £3 million – a shortfall against its budgeted target.

I am pleased now to be able to report that the original target of £5 million was actually achieved. This return will be transferred to the Capital Reserve to contribute to funding the current capital portfolio.

In terms of capital expenditure, despite having a capital portfolio with an estimated value of £236 million, only £9 million was spent from the Capital Reserve in 2017. The Policy & Resources Committee believes it will be vital to seek to accelerate the development of capital plans in 2018 in order to ensure that our public services have the infrastructure they need and our economy benefits from this investment.

In terms of revenue expenditure, I can now report that the Committee *for* Health & Social Care underspent its budget in 2017 by approximately £2.5 million, after having already returned £2 million as a recurring saving to General Revenue. This is excellent news and continues the trend of restraint seen in the second half of 2016. Although, as the President of the Committee *for* Health & Social Care has previously warned, this trend is unsustainable in light of inexorable increases in demand without the transformation of services through the Partnership of Purpose on which the States has now embarked.

I should also update the States on the position in Alderney following my report of a forecast overspend in the region of £450,000 earlier in the year. I am pleased to say that, given delays in the FABlink project, including a delay in Land Use Plan expenditure, increased operating income from certain fees and contracts and a tighter control of costs in general, this overspend has reduced to under £100,000.

Unfortunately, not all of the news can be good, and I have to report that the Committee *for* Education, Sport & Culture has, as predicted, overspent its authorised budget by almost £2.2 million. This overspend was driven by a combination of failure to meet savings targets and material overspends in certain areas, including salaries. The savings target for the year was £2.4 million, although some in-year short-term measures addressed part of this in 2017, the majority remains outstanding and to be found in 2018 with a further target added for this year.

These targets will never be met by tactical or one-off measures. They can only be delivered by wholesale transformation in the delivery of services. Our two Committees have now established the Oversight Group in line with what was set out in the 2018 Budget. This group is charged with overseeing the development of a plan, with a clear line of sight to deliver these savings over the medium term period. I am confident that the two Committees can develop such a plan. However, until that plan is both developed and implemented, an overspending position will persist, and I know that the President of the Committee *for* Education, Sport & Culture will be making a statement to the Assembly on 21st March on the financial position that the Committee has inherited.

My final area of focus relates to the financial impact on the States of the activities of the Office of the Public Trustee which has resulted in the Committee *for* Economic Development showing an overspend at the year-end of £400,000. This is due to provision having been made for £1 million in respect of fees incurred by the Public Trustee which may prove to be unrecoverable.

This is an unfortunate position and one which we must ensure is not repeated. The opportunity to strengthen the governance and legislation in relation to the Office of the Public Trustee and its interaction with the States of Guernsey is one that we must take. I have been advised that governance and process have already been strengthened, and further work is being undertaken in that respect. Fortunately, the underlying result for the Committee for Economic Development without this charge would have been an underspend of £600,000 for the year, which has mitigated the impact a little.

Before I summarise the 2017 position, I am afraid I do have to return to being slightly less optimistic. I have no reason to believe that the revenues in 2018 will be anything other than positive following recent trends. However, there are some economic and fiscal headwinds that we still need to navigate.

There are significant expenditure pressures arising in 2018 some of which are included in our budget, such as the introduction of Income Support. However, others such as an overspend for Education, Sport & Culture, further costs in relation to the Public Trustee and Income Support costs in relation to waste charges are not budgeted for, but are unavoidable. In order to be able to accommodate these and other cost pressures both in 2018 and future years – and invest in new or improved services to support the delivery of the Policy & Resource Plan – it is vital that we still deliver on the targets for revenues and expenditure that we set out last year as part of our Medium Term Financial Plan. The need to deliver cost effective and efficient public services will not and should not change as a result of the improvement in the economic and fiscal cycle. It is incumbent on us all to challenge the *status quo* and ensure that opportunities to change the way public services are delivered – particularly where they have already been identified such as in PWC's work last year – are fully explored and implemented.

The declining numbers of an economically active age – those who are of an economically active age – in our community has again been highlighted by an increasing dependency ratio in the last Annual Electronic Census Report.

Although more people are working beyond the age of 65, they are typically earning less than their younger selves, and the ageing demographic remains a challenge to our long-term revenues, which is something we will still need to address. This is one of the challenges which the Population Management Law Review Group have recognised needs to be taken account in their work.

The current position is positive and very welcome but cannot be assumed as ongoing, particularly when faced with the uncertainties such as Brexit and recognising that the global economy may be moving towards the end of a long growth cycle. We have to ensure that we continue to act prudently and that we plan for the next five, 10 and 20 years – and the challenges that we know lie ahead.

Sir, returning to 2017, we have recorded a surplus of over £23 million, after allowing for £8 million to reinstate the full transfer to the Capital Reserve, versus a budget which planned to break even. This surplus is just under 1% of GDP.

There may be some in the Assembly, the media, or in our community who on hearing this will be asking whether a return to budget surplus in 2017 means that Government will take the brakes off spending? The answer is an emphatic 'no' because they are asking the wrong question. The questions we should be asking are: how much of this surplus should we be using to rebuild the reserves depleted in the years 2008 to 2015 when we ran deficits? Should we be using some of these funds to replenish the Future Guernsey Economic Fund to enable greater support for future economic development initiatives? (**A Member:** Hear, hear.) Does this mean that we can help relieve the tax burden on hard pressed working families, many of whom have experienced little growth in their real earnings for a number of years? Can additional resources help delivery of our agreed policy priorities in the Policy & Resource Plan by enabling the acceleration of transformation? These are the questions which the Policy & Resources Committee now finds itself in the fortunate position of needing to consider, and in due course we will bring recommendations to the Assembly.

525 In considering this, I would also like to investigate the idea of participatory or community budgeting as a means of our community sharing in the decisions around where to invest; an innovative approach which, if carefully managed, could pay social and economic dividends.

530 Fortunately, in recent years, we have not had the harsh austerity that has been experienced by governments elsewhere; but we are now reaping the benefits of fiscal discipline and control. It has not been easy – either practically or politically. Do not forget that at its peak, we ran a deficit of £37 million in 2010. And it is not over. But we can take pride in having delivered on our promises to taxpayers.

535 At the same time, we have invested in our economy through the commitments made from the Future Guernsey Economic Fund, including to the Digital Greenhouse, Locate Guernsey and Guernsey Finance. We have also further underwritten our confidence with a commitment of £25 million to the Guernsey Investment Fund to support the development of information and technology. With more people working in our economy, corporate tax receipts and property transactions increasing, we have evidence that economic strength is delivering stronger revenues; Government expenditure restraint continues; and we have put in place rigour and discipline in planning for our future through the Policy & Resource Plan. These are reasons to be cheerful; 540 these are reasons to be confident. The time is now right for all of us to collectively and unashamedly share and build on that confidence.

A Member: Hear, hear.

545 **The Bailiff:** We now have a period of not exceeding 15 minutes for questions to be asked within the context of the Statement that has just been delivered.
Deputy Graham.

550 **Deputy Graham:** Thank you, sir.
I would be grateful if the President of Policy & Resources Committee could update the Assembly on the state of the Guernsey States' Bond; £330 million was the figure, time moves on. I would be particularly grateful if he could tell us what has been spent so far, therefore by indication what remains, and the investment return on the remainder?

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

560 **Deputy St Pier:** I am afraid I do not have all the answers to those questions to hand, sir. In relation to the further deployment of the fund, there has not been significant further deployments since the Budget Report, so I would refer Deputy Graham back to that report, because there has not been significant commitment since then, and of course the States will still need to make a decision in relation to whether it wishes to use the Bond in respect of the Waste Transfer Station in view of its decision at the back end of last year.

565 In terms of investment return, the substantial part of the Bond that has not been deployed is invested in the long-term reserve which achieved a return of, as I referred to, 11%; some of it is in the medium-term reserve. However, as I explained in my Statement, from 1st January there is now a single investment strategy. In short therefore, without having the detailed numbers to hand, I can confidently give the reassurance to Deputy Graham that the investment performance substantially exceeded the costs of servicing the Bond.

570 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

575 In relation to the underspend identified in the budget of the Health & Social Care Department, does the President know what proportion of that is attributable to unfilled vacancies?

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I am not able to advise again that detailed response to that question. The President for the Committee for Health & Social Care will be far better placed than I am to provide that answer. All I will say is that absolutely there are a substantial number of unfilled vacancies in the Committee for Health & Social Care and have been for a substantial number of years; and as was recognised in the budget, if that position is addressed during 2018 that will put further budget pressures on the 2018 Budget. That was acknowledged, and indeed provision made in the Budget Reserve, as was explained in detail in the Budget debate.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

Given the news that P&R is investing all funds under a single investment strategy and is looking to work more holistically with ESS as well, to develop a broad policy, surely the need for an ESG policy is even more pressing. Can the President please go further than his last, rather coy, answer and indicate a timeline within which this policy will be developed?

Thank you.

The Bailiff: Deputy St Pier.

Deputy St Pier: I admire Deputy de Sausmarez' persistence, sir, in her question on this issue. I am reluctant, I am afraid, though on my feet, to be able to give a detailed timeline. I think that would be foolish, but I do absolutely recognise the significance of the question, the importance of it, and certainly I think the ongoing and improved and increased dialogue there has been with the Committee for Employment & Social Security on investment matters does enable us to work more closely together to address that issue, hopefully to the satisfaction of Deputy de Sausmarez.

The Bailiff: Deputy Roffey.

Deputy Roffey: I was waiting for Deputy Lester Queripel to get to his feet. Because he has not, can I ask whether the improved financial situation facilitates P&R fulfilling the very clear will of this Assembly in investing a seed funding, a tiny amount of central funds, in a Guernsey impact fund in order to make a difference round the world while showing a return for our own funds as well.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, of course the Statement related to 2017, and of course we are only six weeks into 2018. We are aware of some of the budget pressures that exist in 2018 and, as was indicated, the only way that we will increase the budget for the Overseas Aid & Development Commission to allow that investment to take place is through the Budget Reserve. So I think we have to be cautious. However, having said that, if the improved trend on revenues is maintained through 2018 that does give us the opportunity to examine all of these questions, as I indicated in my Statement. There are a number of questions that we can ask ourselves, including that one, and I have no doubt that the President for the Overseas Aid & Development Commission will be seeking to engage with the Policy & Resources Committee on this topic further during the year.

The Bailiff: Deputy Green.

Deputy Green: Sir, thank you.

Deputy St Pier mentioned the fact that only £9 million or so was spent on capital expenditure in 2017. Would Deputy St Pier agree with me that clearly that was a breach of the relevant fiscal

rule in terms of the fiscal framework which says that we should be spending 3% of GDP per annum; and would Deputy St Pier agree with me that perhaps the time has come to review that rule?

The Bailiff: Deputy St Pier.

Deputy St Pier: Well of course the rule is to some extent discharged by the expenditure from the general revenue account to the Capital Reserve. The question of course is, quite rightly, what Deputy Green is challenging is where the rubber really hits the road when the money leaves the Capital Reserve to actually fund capital projects. The rule clearly needs to be reviewed anyway, as was indicated earlier this year as a result of revisions to the GDP statistics, because in light of that, that clearly shifts the parameters. In light of recent experience also, it is appropriate to review whether the rule remains current and valid.

So I do not think that it needs to be reviewed purely because of last years' experience. There are a number of reasons why it should be reviewed. What we really need to ensure with capital is that we do spend it – not to a particular figure, or a particular percentage, but we do spend it – on the right projects at the right time and at the right price, and that has to be our priority, and we have to help ensure that happens in 2018 for the benefit of infrastructure and our economy.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, would the President agree with me that whilst some of the savings from last year were a result of vacancies, the vacancies last year were actually far less than in previous years, and that underspend so much more reflects the efficiencies made within the Committee and the approach of the thinking differently, working differently?

The Bailiff: Deputy St Pier.

Deputy St Pier: I am grateful to Deputy Soulsby, sir, for giving me the opportunity to confirm that that is of course the case, and the opportunity in particular to convert many of those places that were being filled particularly by agency staff, of course, to permanent posts – again as I referred to in my Statement – has yielded significant savings to the States and is a credit to all of those involved in making that happen.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I was extremely disappointed to hear that P&R have not made any progress regarding investing money into the impact fund, as the Assembly agreed they should do. Does the President agree with me that the money will not serve the purpose it is supposed to serve by sitting in the States of Guernsey bank account, and the sooner it is invested in an impact fund where it is supposed to be, the better?

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I really do not have anything further to add to the previous Statement.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you.

Sir, the independent review on the Fiscal Framework by Professor Woods called for more investment in the States' ability to capture live economic data, to broaden decision making, and to assist in having a solid grasp of the economic lie of the land, as they put it. What progress has

680 been made along these lines? As an example, sir, there has been a lot of interest in productivity improvement, or the lack of it in the UK, and I also wondered whether some of the UK analysts perhaps could contribute their knowledge in this area and assist in an index for Guernsey perhaps in that area and others.

Thank you, sir.

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

Deputy St Pier: Sir, I think really building on responses to this line of questioning in the States recently about our economics, skills and resources, we have to consider the scale of government and really whether it remains appropriate for us to tool up to the level that other jurisdictions are able to. We are only a community of 63,000 so is it one of our priorities to enable that to happen, and are we prepared to incur the additional Government expenditure that would be required?

690 So absolutely we recognise, and we are, as I have said before, striving to improve our data capture and analysis, but we are seeking to do it in a proportionate way that reflects the scale of us as an economy, as a community and as a Government, and I think we will continue to see improvements but we are not looking to throw significant additional resources at it because we do not feel it is warranted.

The Bailiff: Deputy Gollop.

700 **Deputy Gollop:** Thank you.

Round about Friday 16th February the States of Guernsey proudly announced the Guernsey Investment Fund, Deputy Trott, I remember, flagged it up, but he on behalf of Policy & Resources said some surprising things. Firstly, it was a comparatively small fund in the scheme of things – slightly more than £25 million; and the other was that he did not want politicians interfering with its objectives in any way as that was not the best way of securing positive results.

705 My question is how far will this fund be used to support real projects on the Island that benefit all kinds of employees and diversity of business, as distinct from perhaps one or two sectors, and how far can the States ensure that there is a trickle-down effect for the largesse and wealth hopefully created?

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

Deputy St Pier: Sir, I was actually off Island so I did not hear Deputy Trott's comments, but I undoubtedly would have endorsed all of them. Particularly in relation to ensuring that politicians had no involvement whatsoever in the making of decisions in relation to this fund. This is an investment fund, it is the responsibility of the Investment Board of the independent board of directors to determine whether investment proposals pitched to them will or will not yield the target return of the fund for the benefit of investors. That is the primary objective and purpose of the fund. Their target group of investments are those with a Bailiwick association that are innovative or have an innovative services products or technology, and it is their job to determine what the opportunities are. It certainly is not aimed at all sectors; that is in terms of the wider economic development activity for us as a Government, that firmly sits within the remit of the Committee for Economic Development. We have the Future Guernsey Economic Fund to help secure and support those objectives, and that Committee will be the Committee responsible for forwarding forward recommendations in relation to economic development activity.

725 **The Bailiff:** Deputy Dorey.

Deputy Dorey: Thank you, sir.

730 In the 2018 Budget Report the predicted surplus was £9 million and now it is reporting it at £23 million does that not highlight why resources need to be found to progress the items which are included in the Policy & Resource Plan, because there is adequate financial resources to progress them?

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

Deputy St Pier: Sir, as I indicated in my Statement, I absolutely agree that one of the questions that we should now be asking ourselves as a Committee, and indeed as a States, when we bring recommendations to the States is exactly that question. Can and should we be using part
740 of the surplus which exceeded our expectations in order to help us address the priorities which this Assembly has set? Sir, I absolutely accept that that is one of the questions. I do not have the answer to the question in terms of what the numbers should be, but it is an appropriate question to be asking, absolutely.

745 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Sir, I know sometimes at times I am known for being wildly idealistic. There are occasions when I want to support the Bailiwick's principal industries of finance, construction, tourism, hospitality and retail, and I want them to grow their businesses for the benefit of our
750 Bailiwick and its people, I want a strong diverse economy with supporting infrastructure and I believe that is the key to the success of every Islander. Does he concur with my aspirations?

The Bailiff: Deputy St Pier.

755 **Deputy St Pier:** I think so, sir.

The Bailiff: Deputy Trott, I give you a chance as you have not asked a question yet.

Deputy Trott: Sir, ETI is up, employment is up, Corporate Income Tax is up, Open Market property sales are up, our revenue surplus is up, and investment returns have added £185 million to our long-term reserves. May I ask the President of P&R, sir, where is it all going wrong?
760 (Laughter)

The Bailiff: Deputy St Pier.

765 **Deputy St Pier:** Sir, I think for the secret group of *chavistas* in the Assembly – of which of course Deputy Trott and myself, together with all the Members of the Policy & Resources Committee, are signed up members – clearly what is going wrong is that our fiscal conservatism is failing woefully in our ability to deliver a left leaning Government which is fat and spending far
770 too much.

The Bailiff: Deputy Soulsby, and this will be the last question.

Deputy Soulsby: Sir, is the President aware that HSC has had to invest up front to be prepared for winter pressures – which as the current cold spell has proven was money well spent, but which
775 means with the budget reduction for this year's finances will be extremely tight?

The Bailiff: Deputy St Pier.

780 **Deputy St Pier:** Sir, yes I have been made aware of that issue and, again, as I indicated in response to the previous question, we are only six weeks, six or seven weeks – eight weeks I guess now – into the year. Therefore, I think we do have to acknowledge that the pressures which exist were recognised as likely to exist within particularly the Committee *for* Health & Social Care as our largest spending Committee. Therefore, as I indicated in my Statement, we do have to continue to be cautious about our spending in 2018 because of those pressures.

785 It is unlikely that we are going to have the same experience for the Committee *for* Health & Social Care that we have had in 2016 and 2017, and I am grateful to the Committee *for* Health & Social Care for certainly keeping a close dialogue on their spending pressures with the Policy & Resources Committee because it is so essential given the size of the Committee's spending.

790 **The Bailiff:** Well, the permitted 15minutes have elapsed.

Overseas Aid & Development Commission – Fairtrade

The Bailiff: So we will move to the next Statement to be delivered by the President of the Overseas Aid & Development Commission on Fairtrade.

Deputy Yerby.

795 **Deputy Yerby:** Sir, it gives me great pleasure to announce that Guernsey has once again achieved re-accreditation as a Fairtrade Island – a status we have held for twelve years now, since our first accreditation in March 2006. This means that we are proud to promote Fairtrade across our community, and are active in increasing local support for it.

800 The concept of Fairtrade is simple and elegant, and it is focused on ensuring that farmers and labourers in the world's poorest countries get a better deal.

The Fairtrade Mark is a label States' Members will have seen on many products – most famously tea and coffee, chocolate and bananas, but there is a lot more out there: from rice to wine, sports balls to cut flowers, honey and spices to gold and silver jewellery.

805 The Fairtrade Mark tells you something about the producers of the product. It tells you that the production meets minimum social and environmental standards – including, for example, the avoidance of child labour; basic health and safety protections; and careful management of soil fertility and water resources. It tells you that the producers were paid at least a minimum price for their goods, as well as a premium to be reinvested in their communities or in developing their businesses.

810 As consumers, we may choose Fairtrade products for ethical or for economic reasons – because they give us some comfort as to the working conditions of those who have produced our food; because they support entrepreneurship in developing countries; because they offer a direct route to help improve the lives of the world's poorest, through trade rather than aid.

815 And that is where we come in. Fairtrade relies on basic economic principles: the supply of decent, ethically-produced goods relies on there being a demand for it. And there is. We know that in the UK, for example, at least one in three bananas sold is Fairtrade. That demand grows as people understand what the Fairtrade Mark is about, and how it can help disadvantaged producers. So Fairtrade towns and islands – like us – apply for that status to show that we are committed to raising awareness of Fairtrade across our communities, and to encouraging its use.

820 Deputy Gollop is the only remaining States' Member of the group of nine who signed a requête, led by former Deputy Mike Torode, that first committed Guernsey to becoming a Fairtrade Island, and that sought, especially, to underline the States' particular support for Fairtrade, with Fairtrade refreshments being served in all Government buildings and at all Government events. That commitment goes on and, while the Overseas Aid & Development

Commission has agreed to take the lead in championing Fairtrade across the States, it will depend on all of us to really support and embed Fairtrade across our areas of work.

Fairtrade Fortnight began this week and will run until 11th March – two weeks in which the local Fairtrade Steering Group will be working especially hard to raise awareness, with public events, school assemblies and a range of other opportunities to learn about and support Fairtrade, to which all are invited. It is hugely encouraging to be able to mark the start of Fairtrade Fortnight with the good news that Guernsey has received re-accreditation, and so I want to close by putting on record my thanks to all those whose hard work has got us this far, and who will continue to put every effort into ensuring that Guernsey lives up to its status as a Fairtrade Island.

The Bailiff: Are there any questions?
Deputy Gollop.

Deputy Gollop: I am sorry I missed the Fairtrade Breakfast this year, but in relation to Deputy Yerby's speech, how far is she aware, on behalf of the rest of the States, whether Fairtrade products are used throughout the States? I am thinking here not just of Health & Social Care's numerous catering facilities and Education, but perhaps, for example, leisure centres, the Harbour, the Airport concessions and so on, and even vending machines. How far is she aware that Fairtrade now is universal, has the monopoly of provision?

The Bailiff: Deputy Yerby.

Deputy Yerby: As an occasional consumer of refreshments served in public buildings and at public events, it is my experience that Fairtrade products are not as universal as we might have hoped. One of the things that the Overseas Aid & Development Commission has committed to do as part of taking in the Fairtrade responsibility is to be in communication with all Committees of the States to audit where Fairtrade is currently used and to explore opportunities to make it as widespread and common as our initial commitment was.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: I strongly endorse the principle of Fairtrade. Does Deputy Yerby agree with me that on the basis we should think globally but act locally, we should also source out Fairtrade products on Island if we are aware of them?

Deputy Yerby: Absolutely, Fairtrade products and locally grown products are seldom in competition, you do not get many local growers of bananas, for example, so yes in terms of making ethical food and consumption choices, both Fairtrade and local purchases are very much part of the picture.

The Bailiff: I see no one else, so that concludes the Statements that can be delivered at this meeting.
We move on to Question Time.

Questions for Oral Answer

COMMITTEE FOR HEALTH & SOCIAL CARE

NICE-approved drugs – Access and funding for Guernsey patients; urgent review

870 **The Bailiff:** The first Questions are to be asked by Deputy Roffey of the President of the Committee *for* Health & Social Care.
Deputy Roffey.

Deputy Roffey: Thank you, sir.
875 Question one is given that the National Institute for Clinical Excellence has far more expertise and experience in assessing both the efficacy and cost effectiveness of drugs and drug treatment regimens than anybody in Guernsey, why are Guernsey patients with serious or life threatening conditions being denied access to drugs which are NICE approved and available on the NHS?

880 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Responsibility for and the funding of provision of medicines is split between our Committee, which is responsible for medicines used within its facilities, and the Committee *for* Employment & Social Security, which is responsible for those prescribed for use in the community.
885 While recognising the impact of decisions on individual Islanders, the Committees seek to ensure limited resources are used fairly and equitably, maximising the value of care delivered to the population as a whole. Given the involvement of our respective Committees, these responses have been agreed with Deputy Le Clerc.

NICE guidance is treated as advisory and provides a useful review of evidence and cost effectiveness.
890 It is not appropriate for NICE guidance to be automatically adopted as this would fail to reflect the unique health and social care responsibilities of the Committee *for* Health & Social Care, the budget available, or the additional costs inherent in delivering services in a small jurisdiction.

It is also important to note that NICE guidance reports typically set out standards of care or patient pathways representing an ideal service, not taking into account the practicality or affordability of full implementation. In NHS England, where NICE decisions are binding, it is not unusual for NICE decisions to effectively displace services which at a local level have a high priority, such an approach would be hugely detrimental and costly locally, inevitably leading to restriction of more effective interventions.

900 **The Bailiff:** Any supplementary questions?
Deputy Roffey, you have just switched your microphone off rather than on. There you are.
Deputy Roffey.

905 **Deputy Roffey:** The President's Answer to Question one suggests that NICE guidelines leave the NHS to spend disproportionately on drugs to treat potentially terminal conditions. But does she not accept that that is hard to square with the fact that the UK is far from being in the forefront internationally in this respect and that most of these drugs have been approved for funding in other EU countries well before they are in the UK?

910 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: I cannot comment on whether certain drugs or which drugs are supported within one jurisdiction or another. I am just stating what works best for Guernsey and the Bailiwick as a whole.

The Bailiff: Any other supplementary questions?
Your next Question then, Deputy Roffey.

Deputy Roffey: Thank you, sir.
Is it correct that the Committee *for* Health & Social Care's advisory body on the funding of prescription drugs has a guideline that no drug can even be considered if the cost per quality adjusted life year exceeds £30,000?

The Bailiff: Deputy Soulsby.

Deputy Soulsby: The Committee *for* Health & Social Care has in place a comprehensive policy G1033 surrounding priority setting. By covering all health and social care interventions this overarching principle based approach enables comprehensive consideration of priorities for investment, or indeed disinvestment, of services, care or treatment based on population need, so to maximise the value for society as a whole. The starting point under section 6 of G1033 is that intervention for which cost effectiveness is estimated to be above £30,000 will not be funded, these interventions may be funded if it is considered that exceptional circumstances apply. It must be noted, however, that the Committee *for* Health & Social Care has consciously adopted the policy that investment decisions about all conditions, at all stages of life, need to be treated in the same way. This means that end of life treatments are subject to the same decision-making principles and processes as all other treatments. This differs to the approach in NHS England where a differential operates around end of life care when considering cost effectiveness.

The Bailiff: Any supplementary questions? No.
Your next Question then, Deputy Roffey.

Deputy Roffey: Thank you, sir.
Where there is an obvious budgetary need to restrict free access to new and very expensive drugs, would the President not agree that if the Committee *for* Health & Social Care is saying that its funding position is worse than that of the NHS, then the States should be deeply concerned over that situation?

The Bailiff: Deputy Soulsby.

Deputy Soulsby: The challenges associated with the delivery of sustainable health and care services are not unique to either Guernsey or the UK. These common challenges are well understood and are particularly acute within the UK. Guernsey is pro-actively taking steps to address the local challenges with agreement for system-wide change and improvements in the overall health and wellbeing of the population.

As Members will recall, the Committee *for* Health & Social Care in conjunction with the Committee *for* Employment & Social Security, and the Policy & Resources Committee have been directed to consider the potential reorganisation of the current States' funding of health and care so as to ensure that public funding is used efficiently and produces the best possible health results.

The population-based approach to decision making as reflected within the current commissioning policies is the fairest and most equitable way to ensure maximum value is achieved from the Committee's limited resources. It should also be noted that, as stated in Question one, funding of medicines dispensed in the community is obtained from the Guernsey

965 Health Fund managed by the Committee *for* Employment & Social Security. Only those medicines dispensed at Health & Social Care's facilities are funded from general revenue.

The Bailiff: Any supplementary questions? No.
Your fourth Question then, Deputy Roffey.

970

Deputy Roffey: Conversely, if its funding situation is not worse, then why is Guernsey being more restrictive than the NHS is over access to drugs for those patients with the most serious life threatening conditions.

975 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: As detailed in my answer to Question one, the Committee *for* Health & Social Care adopts a population-based approach to the discharge of its commissioning intentions seeking to deliver the greatest benefit to the health and wellbeing of the people of Guernsey. This means that drugs recommended by NICE do not have priority over other interventions, which may deliver a wider and greater cost effective benefit.

980

The Bailiff: Any ...? Deputy Gollop.

985 **Deputy Gollop:** One supplementary that may arise from a situation like this is if a patient is transferred for medium- to long-term treatment from Guernsey to a United Kingdom hospital or place; would they then be eligible to receive the drugs as part of the larger population quantum, without necessarily a specific cost to Guernsey?

990 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Anything that would be treatment in the UK would be recharged to Guernsey. So, I do not quite understand the angle of the question, sorry.

995 **The Bailiff:** Your fifth Question – Oh sorry, Deputy Oliver. Deputy Oliver has a supplementary.

Deputy Oliver: Sorry, thank you, sir.

Following on from Deputy Gollop, if people go to long-term care in England and England allow that drug to be taken, would Guernsey then have to pick up the bill even if Guernsey do not actually allow that drug over here?

1000

The Bailiff: Deputy Soulsby.

1005 **Deputy Soulsby:** I think the definition of long term care in the UK, by definition that person would then be treated and be part of the UK. Any individual circumstances are looked at on their own merit, and the individual circumstances.

The Bailiff: Your fifth Question please, Deputy Roffey.

1010 **Deputy Roffey:** Would the President agree with me that Guernsey patients who are denied funding for cancer drugs in particular in Guernsey are in a far worse situation than their counterparts in the UK, both because it is much harder to become involved in clinical trials for emerging drugs and because they have no access to the Cancer Drugs Fund?

1015 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: It is more difficult for Guernsey patients to access clinical trials often for structural reasons such as Guernsey being outside the EU, although commissioning guidance is in place locally on how clinical trials are considered.

1020 The efficacy of the NHS Cancer Drugs Fund has been questioned in the 2017 review by King's College, suggesting the majority of the 27 drugs considered failed to show any evidence of meaningful clinical benefit, the fund did not represent good value for patients and society, and it may have resulted in patients suffering unnecessarily from toxic side effects of the drugs. Since March 2016 the Cancer Drugs Fund has operated under different rules through NICE, but as yet
1025 the effectiveness of the new regime has not been formally evaluated.

The Committee does not believe that in assessing treatments for funding when prioritising health and care resources any particular disease or condition should be afforded preferential treatment. Nor does it support the end of life premium used by NICE in its evaluations, believing instead that the needs of the public as a whole is best considered by applying the same
1030 evaluation criteria regardless of the disease, life stage, or type of service or treatment.

The Bailiff: Deputy Roffey, a supplementary?

Deputy Roffey: I have two supplementaries, if I may.

1035 The first is that I note in that Answer the Committee disagrees with the use by NICE of a so-called end of life premium, but wouldn't the President agree with me that that is a debate this whole community needs to have, and that many people would actually disagree with that conclusion?

1040 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, I say that this is within the mandate of Health & Social Care and it is something we will discuss with Employment & Social Security. I think we are actually leading the way in terms of the policy we have got, which is fair and equitable and I think it forms a good
1045 base from which we can then deal with the answer to the next question.

The Bailiff: Your second supplementary, Deputy Roffey.

Deputy Roffey: Thank you, sir.

1050 Well, few people would have more sympathy than me, a Health Minister having to ... or President having to make difficult decisions on the rationing of health care, which always has to happen. Does the President accept that many Islanders will be deeply shocked to learn that Guernsey people are being denied funding for drugs for life threatening conditions that they would be able to readily access if they lived in the UK?

1055

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, I think there are two aspects to that question. One about 'readily accessed'; that is not necessarily the case in the UK. We know that the NHS is looking to have a billion pound deficit by the end of the year. Various NHS Trusts cannot afford those drugs and it is a postcode lottery in the UK.
1060

Also I think the population as a whole, what we have is a really equitable policy where everybody's conditions are treated for the population's whole, not because one particular group which shouts loudest gets the treatment that they want, and that is precisely why we have this
1065 policy.

The Bailiff: Deputy Ferbrache.

1070 **Deputy Ferbrache:** Sir, this is a cumulative question really, on the basis of questions three,
four and five, ably put by Deputy Roffey. Can the President say, because I am concerned, having
heard her answers, that there are shortfalls in the Guernsey system ... We want to rightly
commend her and her Committee for the savings they have made over the last two years, but I
think what the people of the Bailiwick want is that the drugs, the cancer treatment, the measures
that Deputy Roffey has referred to are made available to Guernsey and the Bailiwick people. Now I
1075 understand the President saying they are not. What is she going to do to address it?

The Bailiff: Deputy Soulsby.

1080 **Deputy Soulsby:** Sir, again there are two aspects to that question. One we are saying, well, not
necessarily the drugs that are available within the UK are cost effective. There are various reasons
why NICE will approve certain drugs. We have to remember NICE does not hold the budget, and it
is very easy saying, 'Well, that is very good. You can have this and that.' Also remember that the
UK has far more ... it wants to support the research and drugs industry in the UK, so there are very
different basis about why certain drugs might be approved in the UK. We look at it in terms of we
1085 look at the NICE guidance and then see whether it makes sense for our population as a whole for
63,000 against 63 million. We could put lots of money in there, whether it is cost effective or not,
but I understand Deputy Ferbrache has just signed a pledge to fiscal conservatism. Well, as I say,
we could increase our budget, but that does not make sense in terms of value for money.
(Interjection)

1090 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, some in our community believe that a shortage of suitable beds is resulting
in the postponement of surgical procedures of whatever type, cancer or otherwise. Sir, do the
1095 facts actually support these beliefs?

The Bailiff: I am not sure that arises from the question.

1100 **Deputy Soulsby:** It does not, sir, but there has been a lot of noise out there about everybody
having cancelled operations. I am quite happy to answer it.

Two percent of our operations were cancelled last year. We are keeping a close eye on
everything, but yesterday our bed occupancy was at 78% capacity and there are no issues. So the
stories that we might hear in the headlines you might not be hearing the whole fact.

1105 **The Bailiff:** Your sixth Question, Deputy Roffey.

Deputy Roffey: Thank you, sir.

I apologise for the length of these Questions but I do think it is an important issue.

1110 Would the Committee for Health & Social Care please agree to an urgent review of the local
criteria for publicly funded access to drugs for treating serious life threatening conditions, so that
local patients are treated at least as favourably as they would be if they lived in the UK?

The Bailiff: Deputy Soulsby.

1115 **Deputy Soulsby:** Sir, I am pleased to say, and Members may recall, that as part of the
Partnership of Purpose policy letter the States unanimously agreed to a review of the processes
used to consider the merits of whether new drugs or medical treatment should be funded to
ensure that a consistent approach is used across all decision-making bodies – including that of
the Committee for Employment & Social Security's Prescribing Benefit Advisory Committee. It is
1120 anticipated that this will be completed within this term, and will include all drugs and treatments,

both a lot of serious life threatening conditions and long-term conditions, and will include consideration of the approaches adopted in other jurisdictions, and the financial implications.

The Bailiff: No supplementaries.

COMMITTEE FOR ECONOMIC DEVELOPMENT

Condor Freight and Passenger Services – Termination of MEIF II fund

1125 **The Bailiff:** We will move on to the next Question, to be asked by Deputy Kuttelwascher of the President of the Committee *for* Economic Development.
Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.
1130 My Question is what will be the impact on our Condor sea freight and passenger services of the MEIF II fund, whose termination has been notified to Companies House as occurring on 10th May 2018?

The Bailiff: The President, Deputy Parkinson, will reply.
1135

Deputy Parkinson: Sir, I do not have my written response in front of me, but the Answer to that –

The Bailiff: Do you wish to –?
1140

Deputy Parkinson: I can answer the Question. Thank you, that would be helpful. (*Interjections*)
I am obliged, sir.

As Members may be aware, Condor Ferries is currently owned by the Macquarie European Investment Fund II. This is a closed ended fund which means that the fund has a finite term and is
1145 due to end on 10th May 2018. The Committee has sought assurances from Condor Ferries and from Macquarie that the termination of the fund will not affect operations of the company, and met with both on 22nd February. We have been assured that it is business as usual for Condor sea freight and passenger services and that the fund is under no immediate pressure to dispose of its assets, including Condor.

1150 The following has also been confirmed by Condor Ferries Chief Executive Officer, Paul Luxon, in a written communication of 16th February 2018:

“MEIF II is a closed ended fund which, as it nears the end of its natural life, is in the process of conducting an orderly divestment of its portfolio. There are a number of mechanisms that exist in the fund’s governing documents to facilitate this. As a result, there will be no impact to the operations of Condor or any other asset held by MEIF II”.

The closure of the fund is in line with the discussions that Condor and Macquarie held with the previous President and previous Vice-President of the Committee *for* Economic Development in a meeting that took place on 20th September 2016. The President and Vice-President of the Policy
1155 & Resources Committee were also party to those discussions.

The Committee will continue to monitor the situation closely over the coming months.

The Bailiff: Supplementary question, Deputy Kuttelwascher?

1160 **Deputy Kuttelwascher:** Does the President of the Committee *for* Economic Development agree that termination of the MEIF II fund offers only two options in relation to Condor – liquidation or sale – and that in the event of a sale, no statement in relation to any possible effect on services can be made without the prior knowledge of the business plan of the new owner?

1165 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Well, I agree that if the MEIF fund has to divest itself of this investment that it will most likely do so by a sale, and that will likely take place in the next 18 to 24 months, but at this stage, without any knowledge of any parties that Macquarie may be engaged with, it is impossible for us to predict what the impact of that might be.

The Bailiff: Deputy Kuttelwascher, second supplementary question.

1175 **Deputy Kuttelwascher:** Yes. Deputy Parkinson said that *‘if’* the fund has to divest itself of Condor. It actually says in the reply that it is in the process of divesting itself, so that process has commenced. So I am not quite sure how you get this period of the next 18 to 24 months. Is that your opinion?

The Bailiff: Deputy Parkinson.

1180 **Deputy Parkinson:** Well, the answer to Deputy Kuttelwascher is that the process is that Macquarie’s are allowed a certain amount of time to complete the process. We are being advised by them that they expect to sell their interest in Condor in the next 18 to 24 months. When I used the words *‘if they are obliged to sell’* all I was saying is that in response to Deputy Kuttelwascher’s first supplementary which asked whether effectively they had to sell the asset or liquidate it, and my response is that if they are going to sell it they have got 18 to 24 months to do it.

The Bailiff: Deputy Gollop.

1190 **Deputy Gollop:** It is perhaps all a bit above my pay grade this, but I am actually enquiring if Deputy Parkinson is in a position to answer. In the hopefully unlikely event of the ferry company being liquidated as he put it, would the States of Guernsey and/or with or in conjunction with the States of Jersey have a strategic role in ensuring an orderly transfer of the assets and services to a suitable entity?

1195 **The Bailiff:** Deputy Parkinson.

1200 **Deputy Parkinson:** Well, it is clearly in the strategic interest of Guernsey that there continues to be a ferry service particularly north bound to the mainland, that is the route by which most of our groceries, for example, arrive on the Island, and we are in discussion with Condor and Macquarie’s, we will remain in close contact with them as their process develops, and clearly we have an interest in it.

The Bailiff: Deputy Inder.

1205 **Deputy Inder:** Sir, I am a continued critic of Condor and its services to the Island, with the exception of the freight services. I think this is the day I most feared, to be perfectly honest with you. Deputy Parkinson says we have got 24 months for Macquarie to divest its – well basically sell its assets off. Now, 22 months takes us towards an election. I can see what potentially could happen, there will be a panic before the election, I know what I would be doing if it was my fund, I would certainly look at leaning on ... and Guernsey is one of the options. Our northern route and

our freight services are far more important to us than they are to Jersey, and I really think this is the time we need to bundle this whole thing up and put the whole lot out to tender before the end of this electoral cycle.

1215

The Bailiff: I do not know that there was a question there, Deputy Inder.

Deputy Inder: Would he agree with me? *(Laughter)*

1220

The Bailiff: Deputy Parkinson.

1225

Deputy Parkinson: The States of Guernsey is keeping a close eye on the situation and all kinds of possibilities are out there. Those possibilities clearly range from taking an interest in Condor to simply watching as someone else takes it over, or indeed starting our own shipping line. But at this stage I cannot give Deputy Inder any kind of clue as to what the response of the States of Guernsey might be. We await development.

The Bailiff: Deputy Inder, second supplementary.

1230

Deputy Inder: Yes, it is a supplementary, sir.

I think what worries me a little bit about Deputy Parkinson's response is it sounds as though his Committee is going to be re-active rather than pro-active, I think this is a time we should be doing something, not waiting for something to be done to us.

1235

The Bailiff: Was that a question?

Deputy Inder: Would he agree with me? *(Laughter)*

The Bailiff: Deputy Parkinson.

1240

Deputy Parkinson: No, sir, I do not.

1245

There is a very real possibility that Macquarie's will find a suitable home for Condor and it will simply move into the ownership of some other investors who will continue to maintain the service, and I do not think this is a time where we need to be rushing out and making decisions about what we might do if they do not.

The Bailiff: Deputy Ferbrache.

1250

Deputy Ferbrache: Just, it is probably me that has missed it, can the President say for the avoidance of any doubt, have Macquarie's/Condor said they do not intend to liquidate, and that they will be looking for a purchaser in the next 18 to 24 months; and if they do look for a purchaser, have they given assurances that that purchaser will continue with the same level of service that has been given to the Bailiwicks over the past x number of years?

1255

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Macquarie's have indicated that they will seek to sell Condor, and they have said that they would seek to sell it to somebody who would continue to maintain the service that Condor has traditionally provided.

1260

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, would Deputy Parkinson agree with me that it is in Macquarie's interests that the business continues as a trading concern in order to maximise the value for them. Would he also further agree that actually the questions this morning are not particularly helpful to confidence in achieving a safe and ongoing reliable service for the community?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, I certainly agree with Deputy St Pier that it is in Macquarie's interests to sell their interest in Condor as a going concern; it would be worth far more as a going concern than it would be broken up into component pieces.

I have absolute confidence that a solution will be found. Maybe the States of Guernsey will end up playing a part in that solution, but at this stage the community should have no cause to believe that the service will simply terminate.

The Bailiff: I see no ... Oh, Deputy Trott.

Deputy Trott: Sir, would I be right in summarising that the Economic Development Committee has not ruled out any ownership or operating model for the provision of our sea links, and considers the matter to be of the highest priority whilst understandably maintaining an open and commercial outlook?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, sir.

The Bailiff: Thank you.

POLICY & RESOURCES COMMITTEE

TV licencing policy – Free licences for over-75's

The Bailiff: We move on to the next Question, which is to be asked of the President of the Policy & Resources Committee by Deputy Gollop.
Deputy Gollop.

Deputy Gollop: Thanking you, sir.

Apologies for my spell checker being all over the place as always, but the Question is States of Jersey Member Deputy Montfort Tadier in the States' Assembly of Jersey last week asked the Jersey Chief Minister, Senator Ian Gorst, about their TV licence policy.

My Question emulates his, and asks if the President of Policy & Resources will reopen negotiations with the BBC to provide free TV licences for all residents of Guernsey and Alderney over 75 years of age, presumably in conjunction with Home Affairs and a Committee I sit on, Employment & Social Security?

The Bailiff: Deputy St Pier will reply.

Deputy St Pier: Sir, in October 2015 the States resolved to close the free TV licence scheme for over-75's to new entrants as soon as possible after 1st January 2016 and the scheme in fact

closed to new entrants from 1st September 2016. Residents eligible before then still receive a free licence each year.

1310 During 2016 three Committees, Policy & Resources, Employment & Social Security, and Economic Development, along with Jersey and the Isle of Man, negotiated with the BBC about TV licencing funding for over-75's. An agreement was reached before the BBC Charter renewed in 2017. We have agreed in principle for the BBC to reimburse approximately one third of the costs of the over-75 scheme in 2018, and two thirds in 2019. These reimbursements to the States of Guernsey, which will be £225,000 this year and £452,000 next year, are fixed amounts based on estimates from past years.

1315 The relevant Committees in Guernsey will continue discussions with the BBC to understand how it will introduce any new arrangement from 2020 and ensure consultation takes place. The BBC will decide its policy direction but the agreement means that from 2020 all Bailiwick BBC licence fee payers will be treated the same as those in the UK and will benefit from any concessions the BBC might introduce. These arrangements will not impact the assistance given to people of pensionable age who receive Supplementary Benefit.

1320

The Bailiff: Deputy Gollop, supplementary question.

Deputy Gollop: Although that makes good news for the next generation of over 75's, will that change mean inevitably the States of Guernsey will no longer get reimbursements?

1325

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, if the scheme means that the BBC are providing that directly to those individuals, then there will be no expense incurred by the States to be reimbursed.

1330

The Bailiff: I see no one else rising.

STATES' TRADING SUPERVISORY BOARD

Sites for a cremation chapel of rest and accessible centre – Island Development Plan approved planning uses and environmental areas

The Bailiff: The next Question is to be also from Deputy Gollop, this time to the President of the States' Trading Supervisory Board.

1335 Deputy Gollop.

Deputy Gollop: Thank you.

This is directed to Deputy Parkinson, sir.

1340 During the recently announced confidential process and sensitive work stream in identifying some 100 potential sites, with at least 30 sites selected on the short list, for a modern, purpose-built and needed cremation chapel of rest and accessible centre, were current Island Development Plan approved planning uses and environmental areas with social considerations taken into account?

1345

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Sir, yes, in a word, yes.

A policy letter will be published shortly proposing the replacement of cremator equipment as the existing plant is becoming obsolete. The new equipment requires a larger building to house it,

1350

and a range of possible site options have been assessed. The short list and selection methodology for the preferred solution are detailed in the policy letter and supporting outlying business case. The evaluation involved input from officers, architects and surveyors, regarding criteria including planning, traffic, parking, access, utility, amenity, land ownership and environmental considerations, along with legal requirements.

Planning & Development Authority officers advised on the process based on the Island Development Plan 2016 policies.

There are increased risks, costs and time scales associated with developing an alternative site instead of adapting the existing site to accommodate the cremation equipment.

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes. Though my Question was very much an individual question rather than consulted with any DPA Member, and I rest assured with the answer, I would enquire that when the initial site selection process began, were issues of suitability of the area taken into account with relation to the prospect of a cremation facility being placed in these hypothetical vicinities?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, sir, all considerations –

The Bailiff: Your microphone is not on. It is now.

Deputy Parkinson: All considerations were taken into account in selecting the existing site as the site for the new cremation equipment.

COMMITTEE FOR EDUCATION, SPORT & CULTURE

Student funding for training courses and degrees – Age limit

The Bailiff: Next Questions are to be asked by Deputy Lester Queripel of the President of the Committee *for* Education, Sport & Culture.
Deputy Queripel.

Deputy Lester Queripel: Sir, paragraph 6.6.4 on page 27 of the Longer Working Lives policy letter debated by the States earlier this month and submitted by the Committee *for* Employment & Social Security, stated that the Committee *for* Education, Sport & Culture provides adult career guidance through Careers Guernsey, and that there is funding available through their student financing team for training courses and degrees. However, funding is limited to people under 55 years of age. Can the President tell me the reason for that age limit being in place please?

The Bailiff: The President of the Committee *for* Education, Sport & Culture, Deputy Fallaize, will reply.

Deputy Fallaize: Thank you, sir.

The policy requires that normally the applicant is not older than 56 years of age by the completion of the course. This does not mean that older applicants cannot, or would not, be assisted. The practice has been that applicants over the aforementioned age need to demonstrate that the course will equip them for work in an occupation in which they have a good prospect of

1395 remaining for 10 years. The policy is based on the expected economic return from the States' investment.

The Bailiff: Any supplementary questions?
Deputy Queripel.

1400

Deputy Lester Queripel: Sir, the President did not actually answer the Question I asked. As it seems I can only ask a supplementary question on the answer that was given, my supplementary question is this: in relation to the President's saying the policy is based on the expected economic return from the States' investment, does he not agree with me that unless we do invest in retraining opportunities for Islanders over the age of 55, especially those who are currently engaged in physically demanding professions, then the cost to our Health department and our Social Security department will far outweigh the investment in retraining programmes in years to come?

1410

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, that actually may very well be the case and as part of the Longer Working Lives policy adopted by the Committee for Employment & Social Security, and approved by the States, it may be necessary for the Committee for Education, Sport & Culture to review the criteria against which grants are made. But certainly up to this point a narrower criteria around economic investment have been applied, and I think I did answer Deputy Queripel's original Question which did explain why the 55 normal cut off point has existed.

1415

The Bailiff: Deputy Gollop.

1420

Deputy Gollop: Sir, with the worry that I am already getting too close to that age myself, I wondered whether he would admit that the Education, Sport & Culture Committee are following a different policy for older people than they would for a younger person who wants to, say, do a degree in Classical Greece and Classical Egyptian for which there might not be an obvious path of remunerative employment in Guernsey?

1425

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, that is absolutely the case that historically the Committee has funded undergraduates of the age where people normally attend university in a completely different way from how it is seen lifelong learning. It may be that the demographic and social changes that the Island is now facing mean that the balance of funding has to shift, but there is a very limited budget available to support higher education, and further education and retraining, which in fact has been substantially reduced in recent years. So it is a matter of the Committee trying to make the most of its limited resources.

1430

1435

The Bailiff: Your second Question, Deputy Lester Queripel.

Deputy Lester Queripel: Thank you, sir.

1440

Having a 55 and under age limit in place could be considered to be discriminating against people over the age of 55. Can the President tell me if his Committee have any concerns about that, please?

The Bailiff: Deputy Fallaize.

1445

Deputy Fallaize: Thank you, sir.

The existing policy has not been discussed by the new Committee. It is evident that in formulating this policy, previous Committees have tried to balance the cost to the public purse with the anticipated economic return from the States' investment. It is also worth noting that expenditure on higher education has reduced substantially in recent years.

In due course the new Committee will review the policy which Deputy Queripel is asking about, and will consider whether the current eligibility conditions remain appropriate, and when doing so will take into account the States' commitment to longer working lives. However, this may not be a high priority of the Committee in the short term.

The Bailiff: Deputy Lester Queripel, do you have a supplementary question?

Deputy Lester Queripel: I do, sir.

Sir, again the President did not actually answer the Question I asked, but he did say in response that his Committee had not yet discussed the existing policy which concerns me greatly.

So my supplementary question is born out of extreme disappointment in such a somewhat lackadaisical approach displayed by the Committee, especially when he went on to say in his response that this may not be a high priority of the Committee, because I think we need to be a lot more pro-active than that. So is the President able to give me an assurance that this discrimination will be addressed and amended by his Committee within the next 12 months, and if not within the next 12 months, then when will it be addressed and amended by his Committee?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Given the rather long agenda that the Committee faces, I do not make any apology for saying that this is not a high priority, and nor can I give Deputy Queripel the assurance that he seeks. What I can tell him is that this policy is set by the Committee, it is set at Committee level rather than officer level. It is due to be reviewed during the course of 2018 and the Committee will maintain the commitment to review it and I can guarantee him that the States' commitment to longer working lives will be taken into account during that review, but I am not going to pre-empt the decision the Committee will make with all the facts before it.

The Bailiff: No one else is rising.

That concludes Question Time and, Greffier, we move on to Elections.

Billet D'État IX

ELECTIONS

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

I. States' Assembly & Constitution Committee – Election of President – Deputy Roffey elected

Article I.

The States are asked:

To elect a sitting Member of the States as President of the States' Assembly & Constitution Committee to complete the unexpired term of office, that is to the 30th June 2020, of Deputy M.

J. Fallaize 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.

The Senior Deputy Greffier: Billet IX, Article I – Election of the President of the States' Assembly & Constitution Committee.

1485 **The Bailiff:** Do we have any candidates for the presidency of the States' Assembly & Constitution Committee?
Deputy Le Clerc.

Deputy Le Clerc: Yes, sir.
I propose Deputy Roffey.

1490 **The Bailiff:** Deputy Roffey. Is there a seconder for Deputy Roffey?

Deputy de Sausmarez: Yes, sir.

1495 **The Bailiff:** Deputy de Sausmarez. Thank you.
Do we have any other? Deputy Inder.

Deputy Inder: Sir, I propose Deputy John Gollop.

1500 **The Bailiff:** We have Deputy Gollop, proposed by Deputy Inder and is there a seconder for –

Deputy Smithies: Yes, sir, I second.

1505 **The Bailiff:** Deputy Smithies.
Right in that case we have two nominations. Deputy Roffey proposed by Deputy Le Clerc and seconded by Deputy de Sausmarez and Deputy Gollop proposed by Deputy Inder, seconded by Deputy Smithies.

1510 So the proposer of each candidate may speak for not more than five minutes, and the candidate may speak for not more than 10 minutes in turn and then we will have a period of question time.

So first of all, I invite Deputy Le Clerc to speak in favour of her nomination of Deputy Roffey.
Deputy Le Clerc.

1515 **Deputy Le Clerc:** Thank you, sir.
I am delighted to be able to propose Deputy Roffey as President of States' Assembly & Constitution Committee. Deputy Roffey is currently Vice-President, and I know of no-one more suitable from this Assembly to carry out the role of President apart from Deputy Fallaize.

1520 The reason I can say that is, firstly, I have worked with him on SACC for the past two years, and as we all know, he is his own man, has strong views and opinions. However, he is also a team player willing to listen around the Committee table to other opinions and ideas, and where necessary can compromise – all qualities needed for a good President.

1525 Not only do I commend Deputy Roffey to you from my personal experience on SACC, but he comes with an impressive CV of knowledge of the States from his previous terms of office. He served from 1982-1991 – three terms of three years each – then again from 2000-2008 – two terms of four years each – so with the last two years he now has 19 years States' experience. He has served 14 years on Health, including eight as Minister/President; four years as President of Agriculture & Countryside Board; Housing for six years, including four as Vice-President; Vice-President of the Ancient Monuments & Heritage for six years; he was also on IDC, Overseas Aid

1530 and President of the Equal Pay for Women's Investigation Committee (*Interjection and laughter*) and we are still waiting to do that work. (*Laughter*) Perhaps the most relevant to SACC was the time he served on both the Review Committee which led to the end of appointed non-elected Conseillers, and the Joint Committee review of our system of government which was in response to the Harwood Report of the early 2000's.

1535 Sir, I felt I had to ask him if he thought he had time to serve as President of SACC and as a Member of Education, Sport & Culture, and his response was that he will have no problem finding the time, and the reason he is giving up Scrutiny is not due to time pressure but concerns that the two roles, Education and Scrutiny might conflict.

1540 I have no doubt that he will make an excellent President. There is a huge agenda of work coming up for SACC, preparing for the Island-wide voting referendum, and fully reviewing the Code of Conduct. Deputy Roffey will provide continuity and leadership during this busy time.

I therefore commend Deputy Roffey to you and I ask you to give him your full support.

Thank you, sir.

The Bailiff: Deputy Roffey.

1545 **Deputy Roffey:** Sir, I start with a confession. I am probably slightly less obsessed with the minutiae of our Rules of Procedure than SACC's outgoing President, but then again that is not difficult. But that said, I am actually still interested in those Rules. Why? Because those Rules are the field on which politics is played out in this Assembly. So it is vital that they are understandable, even-handed, and lead to efficient debate.

1550 Now, very rarely do I claim that my long service in this States gives me any greater insight than other Members on issues, because on most issues that simply is not true. It is life's experience that gives us the insight. But actually when it comes to having the right instincts over which possible Rule changes may or may not have unintended consequences I do make that claim. Because when it comes to our Rules of Procedure there is very little which is new under the sun, very little that has not been tried or at least considered before.

1555 However, to be honest, my main reason for wanting the Presidency of SACC, and believing myself to be well suited to it, does not concern tweaking the Rules, rather it is my enthusiasm for all of the bigger pieces of work that SACC has to deliver over the next couple of years.

1560 We are half way through organising Guernsey's first ever referendum, and four of the five possible results will lead to a major piece of work to put flesh on the bones of a new electoral system in time for 2020 – a tight timetable.

1565 We are also going to be carrying out a major review of the States' Code of Conduct this year. Let me make my position to Members quite clear. The current system is not fit for purpose, and major reforms are going to be needed. Maybe not so much in the Code itself, although I think it needs tweaking and updating, but in the system for enforcing that Code and dealing with complaints.

Next year we are going to have a major review of the system of electing Jurats of the whole States of Election. Something which is quite key to Guernsey's system of government.

1570 So over the next two years SACC is going to oversee reviews of how Members are elected to this Assembly; how we ensure that we behave ourselves properly once we have been elected; and how we choose our Jurats. All quite big stuff, which personally inspires me far more than the tweaking of our Rules of Procedure, important though that is. I say that looking at Deputy Fallaize.

1575 But what qualifications do I have for considering these sort of quasi constitutional issues? Well basically a long standing and deep interest in them, coupled with bags of relevant experience.

Together with Deputy Mark Dorey, and the sadly recently demised Deputy Dave Barrett, I was involved with the Right to Vote Movement who were eventually successful in removing the old system of appointed non-elected Conseillers. (**A Member:** Shame.) Some people may think it is a shame, I think it was the right decision. Later I served on the Constitution of the States' Review

1580 Committee under the then Comptroller Sir De Vic Carey and our work led to a major reform of our electoral system.

Later on again I was Vice-President of the Rules of Procedure Committee, which together with A&F, formed the so-called joint committees which carried out the last major review of our system of government bar one. Mind you, I was not completely happy with the eventual outcome. I remember warning strongly that an amendment placed proposing that the Chief Minister's Department should be replaced with a Policy Council made up of all of the other Ministers was a recipe for a dog's breakfast. **(A Member: Hear, hear.)** Mr Bailiff, it is never an attractive thing to say I told you so, but sometimes you just cannot help yourself. *(Laughter)*

1590 But by far the most relevant experience I have actually is as Vice-President of SACC over the last two years. If ever there was a case for continuity it is this. We are half way through organising Guernsey's first ever referendum, virgin ground. It is vital that it goes well and goes smoothly. Then the Committee is going to need to hit the ground running to implement any changes that may flow from it. Currently we have a team, which is in the saddle, knows the background, knows the detail and is all geared up to deliver. So in many ways it is a shame that our President has to step down, but we understand completely why that is necessary. The rest of us left behind know we have to keep up the rapid pace of delivery without breaking stride, and we believe the best way to do that is to promote from within.

1595 So, sir, I have the passion for the subjects covered by the SACC mandate, particularly the bigger ones; I have the relevant experience; and I have certainly got the commitment to deliver. On that basis, I ask Members to vote for me. SACC is probably facing its busiest and most testing couple of years ever and I am certainly up for that challenge.

The Bailiff: Next, I invite Deputy Inder to speak in favour of Deputy Gollop's nomination.

1605 **Deputy Inder:** Thank you, sir.

Unlike some Members of the Assembly, I do believe that there are people beyond Deputy Fallaize and Deputy Roffey that are capable of taking on this Committee.

Deputy Gollop has undoubtable experience in these matters of Government, and he has seen all the changes within Government over his few terms serving for the States of Guernsey. Just from my own personal experience – and I have sat with him in a few meetings in my old role on Education, Sport & Culture – I did not really know him as a person but what struck is his level of detail and almost photographic memory that he has for process. It is absolutely incredible, it is just a sort of working hard drive, well the software does not always look like it is working like it should do, but certainly down in the hard drive there, sir, we have just got one incredible man. He is a man of intelligence and he is certainly an out-of-the-box thinker.

1615 I would also say he is a great democrat as well, and I have witnessed that in a couple of representations with his role at the ITP, very neutral, very fair, and he seems to carry the people with him when he is speaking to an audience.

I personally think he will bring a certain balance to SACC when dealing with our great matters which were alluded to in Deputy Roffey's pitch for the job, and although I might be able to see an argument for anointing an existing Member of SACC, sometimes it is better to add someone into any Committee – and that is reflective of all Committees – that is not part of the existing bubble. Someone who challenges, someone who adds something called scrutiny.

1620 Let's talk about the referendum for a moment. Personally, I would have preferred an actual commission, something neutral, something that does not like it is of Government from the existing vehicle that is going to deliver it, but that did not happen. But of the two candidates before us, Deputy Gollop is the only candidate that has expressed a fairly neutral view on the matter of the referendum – the only candidate that has expressed a view. We are fairly clear where Deputy Roffey is on it, as we have heard through his columns in the paper, and for that reason I think certainly Deputy Gollop fits the bill.

1630 Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you, sir.

1635 I thank Deputy Inder for, at fairly short notice, his kind words. He is quite right, I am not only an out-of-the-box thinker, I am an out-of-the-cardboard-box thinker at times, and I like to recycle my policies and if anyone can help me mend all my computers that is another matter. But I will get on to that topic in a minute.

1640 Actually, hearing the impressive speeches from Deputy Le Clerc and Deputy Roffey, I am certainly tempted to change my vote and support Deputy Roffey (*Laughter*) because he is an outstanding candidate for the role dating back as he is to 1982.

1645 I decided to stand for a number of reasons. The first was I was kind of anointed through the back door to be DPA Chairman, I think really I drew the short straw there as at the time people were not queuing up for the new planning role, but I found the job certainly interesting because I do have a challenging Committee at times to chair, and the Open Planning meetings can be interesting, but that might be good preparation for SACC.

1650 I would point out that Deputy Le Clerc and Deputy Roffey went through their bags of experience, I have got all sorts of bags as well, but that is another story. But I worked out quickly, apart from being President of the Guernsey Association and sitting on various non-executive type committees, I have been a member in my time of nearly 20 States' Committees: Traffic, Arts, Broadcasting, Overseas Aid, Heritage, House – which was a precursor of SACC – Housing, Scrutiny, Legislation, Chairman of PERRC, Member of Scrutiny again, SWBIC, Education, Sport & Culture briefly, Culture & Leisure when it existed, Environment, DPA, Transport and President of Legislation. So it has been a fair number of different roles from Principal Committees to
1655 Parliamentary Committees and so on.

I stand because I made a promise in my last manifesto, and keeping up with them is quite hard, that I would possibly stand for SACC. It was certainly a role I was ready to go for, but as it turned out, events being always unexpected in politics, Deputy Fallaize was a shoo-in for carrying on at SACC this term, and he was challenged by the able lawyer, Deputy Tindall, who put up, I
1660 think, a spirited alternative, and at the time I was already in line for something else, so I did not stand. But I regretted that afterwards because I think there is a need to reconsider SACC and I would be willing to serve with SACC. I have attended one of their meetings already, because I decided to stand today not necessarily in the expectation of winning, but in the expectation that I think we deserve a contest, particularly as SACC is our Rules of Procedure Committee and very
1665 much created the context of having these open competitions, which I think have generally been beneficial to Members.

I was thinking what difference would I bring over Deputy Roffey, because, like him, I am a long-serving Member of the States, and like him, I have flirted with doing press columns or newspaper columns over the years – with mixed results in my case – but I thought I would look at
1670 what sort of fundamental issues of SACC's ... it is not just about process and procedures, it is about constitutions. Like Deputy Roffey and Deputy Fallaize, I would be supportive of looking again at States of Election and overhauling it, but mindful, if I can, to keep the conservation whereby people from the parishes and people across the community select as a high honour people of integrity to be Jurats, rather than, say, go to the Alderney system of chosen by executive order. So I would talk constructive change but not revolutionary change there, and I am interested
1675 in reviewing procedures and practices.

I perhaps would put greater strength on reviewing the practical functioning of the States because the fact that we already appear to be on the brink of having at least two selections of alliances in this Assembly ... and I do not belong to any of them as yet in that sense, though I am a
1680 member of the UK Green Party – I should emphasise that does not necessarily mean that I adhere to all of their policies – (*Laughter*) as I would to any other groups that appear. But the problem that I have is the fact that we are talking about forming alliances – which may or may not evolve

into parties – shows that we have changed as an Assembly and not necessarily for the better. There have been rather harsh times in the last year.

1685 One of the reasons I wanted this opportunity to stand is to very much emphasise we should be doing more for the induction, ongoing support, and provision of facilities and equipment for States' Members. I think many of us would agree we have had problems with our computer systems and IT. Ten years ago the Members' Room was a great innovation and it was well used. It is not well used now. None of us even know how to access the computer, the security is so tight.
1690 Half of us have problems printing; problems in sorting material; we have not had much on-the-job training; we have lacked, I would say, a focal point; we are very under resourced compared to most other Parliamentary Members or even Assembly Members, **(Several Members: Hear, hear.)** and I think that is important.

1695 I also would like to see live broadcasting of our procedures through live streaming, preferably sponsored by an IT company or a media company rather than the taxpayer. I do believe in electronic voting, as Deputy Lowe has pointed out to us many times, and I do believe we have to modernise election to the office of Peoples' Deputies. Matters concerning the proprietary and conduct as far as States' Members are of concern. I am not always an angel myself, I should have followed you, sir – your wise advise as Bailiff. I think a year or two ago you sent us some advice for
1700 us to be cautious on social media, and it does seem that a lot of us seem to be falling foul on Facebook or Twitter in one way or another, and clearly that is an area that we all need to be mindful of and at least work to guidelines.

1705 I do feel there is a little bit of a gap, because we do not have a political Speaker, we do not have party whips yet, of how can States' Members get on with each other if there are occasionally personality issues that come between us or misunderstandings. There does not seem to be a dispute mediation process that is easy to come by.

1710 Again a States' Member can be ill or in hospital. That actually happened to a colleague and nobody knew they were there. We need perhaps to have more of a pastoral concern for States' Members who may have personal, mental health, physical health, family issues, legal matters, financial matters, all kinds of issues, and nobody apart from a few friends are actually looking at that.

1715 I worked well with, I think, many members of SACC and house, including the current Chief Officer when she was a senior scrutiny officer, and I believe that I could be an important member of the team on SACC and would have a lot to contribute in evolving their work. I think that the time is very much now to actually look at the most fundamental question: how can we work better as an Assembly for the good of the Island, the good of its people, the good of our reputation and the good of the Island's economy; and therefore make our Government better and answer our business and other critics, and also as Deputy Soulsby said a few months ago, look at the roles and responsibilities of a States' Member?

1720 I mean, only the other day there was an editorial in *The Press* which asked questions about who should be paid more than somebody else. But we should actually define what our job is. Are we a social worker; do we have the power of an ombudsman; how should we safeguard ourselves or be safeguarded; how should candidates for election behave and approach the role; how much time should we spend on the job; should we have second or third careers? There are many areas.
1725 How can we be supported by administrative staff, whether within the States or outside; how can we get assistance from outside that is reputable to help us in our duties and work with, for example, a Champion's team on some area; how can we campaign without being detrimental to the community or partial; what organisations can we belong to without compromising our neutrality?

1730 I believe there are many questions for the 21st century when we are still really working from 20th century templates – from brown envelopes rather than digital age. We do need to move forward, engage with young people, and I think this is an opportunity to at least have a question and answer session about how we can make SACC work better for all of us.

1735 **A Member:** Hear, hear.

The Bailiff: Well, we now, under the Rules, have a period of 30 minutes for questions. So I invite those who are normally seated on the Bench to move down and the two candidates to come up and take their place on the Bench. You may find it is warmer down below, I do not know.

1740 Members, can you take your seats quickly please?

Members, I remind you we have 30 minutes as we have two candidates, 30 minutes for questions. The questions shall relate to areas of policy included in the mandate of the States' Assembly & Constitution Committee. No Member may ask more than one question so that if there are no other Members who have not yet asked a question who wish to do so somebody may ask a second question. Questions are limited to 30 seconds and the replies to one minute, and candidates will answer in the order of Deputy Roffey first, then Deputy Gollop, then Deputy Gollop, Deputy Roffey and so on.

Who wishes to ask the first question? Deputy Trott.

1750 **Deputy Trott:** Thank you, sir.

Sir, the States' Members' Code of Conduct complaints process is, in my considered opinion, an almost total farce. Would the candidates give this Assembly an undertaking that the matter of wholesale reform of this absurd process is prioritised?

1755 **The Bailiff:** Deputy Roffey.

Deputy Roffey: Yes, sir, I think I did so in my opening speech. But I think the definite word was 'process'. I think it is the process that is wrong, I think that the actual contents of the Code to ensure that this Assembly does not fall into disrepute is more or less right, and reflects what most other Assemblies do around the world. I think it probably needs to be tweaked and it needs to be updated slightly, but it is the way that it is actually implemented, the way that complaints are both lodged and then considered, that I think needs to be radically reformed. I think experience has shown us that we got it wrong some years ago, and I would certainly be pushing for major reforms.

1765 **The Bailiff:** Deputy Gollop.

Deputy Gollop: I very much agree, I think, with the spirit of Deputy Trott's question and the remarks Deputy Fallaize made in his statement last month that reform is needed and it may be that a commissioner or team in public life should be created that would actually scrutinise and mediate in these complaints.

I think it is unfortunate certain States' Members' names are publicised for what turn out to be spurious complaints, (**A Member:** Hear, hear.) and also that perhaps a joke or political badinage on social media can then lead to a complaint, which I personally would not support in those kind of incidences. It is an area that has been misused but the general principle of the Code is right. I voted against the Code when it first came in, not because I am against standards in public life, the opposite, but I could see it being politically used, and on occasion it has been more as a tool –

1780 **The Bailiff:** Your minute is up Deputy Gollop.
Next question? Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir

If the two candidates were faced with a question, 'Would you prefer to maintain our current system of election or if the only alternative was a pure Island-wide election system, that is electing all 38 Deputies in one go Island-wide?' which would you choose, if that was the only choice?

The Bailiff: Deputy Gollop.

1790 **Deputy Gollop:** Historically, I was an old Conseiller or senator type person who supported the
Rihoy era, or Deputy Rihoy, of a mixture as Deputy Green's amendment will give the choice
between, say, a dozen or 10 Island-wides and the rest 28 divisional district Deputies. But given the
actual choice between all or nothing, I would try and trust the people and go for 38 elected
Island-wide rather than 38 in districts, given that was a binary choice, but of course the
referendum will be more varied than that.

1795

The Bailiff: Deputy Roffey.

1800 **Deputy Roffey:** Two answers. One is, as a Deputy and potential candidate, I would absolutely
love 38 Island-wide, elected, all at one go, because I think it would suit me absolutely down to the
ground. With my SACC hat on, having heard that I have to be neutral, I will try not to be too
pejorative about any particular option, but I actually do think that that option does carry some
significant practical problems which are sometimes swept under the carpet, and I do have – I
know we are not being allowed any of the other three options that are on the ballot paper but I
actually think that some of those would give people what they want with Island-wide voting while
1805 addressing some of those practical problems.

The Bailiff: Deputy Inder.

1810 **Deputy Inder:** Sir, there are a number of Members in the Assembly – certainly myself and
Deputy Rob Prow – who have got issues, continued issues actually, with 49.1 in the Declaration of
Interest at Committee meetings. Under the term 'special interest' which seems so subjective, what
is your view on 'special interest'? What do you think 'special interest' actually means, because I
have got no idea?

1815 **The Bailiff:** Deputy Roffey.

1820 **Deputy Roffey:** I think it requires a degree of political judgement. 'Special interest' is a bit like
an elephant, it is very difficult to describe, but you know exactly what it is when it is running
towards you. I think one of the problems if you try to actually define it is you could go paragraph
after paragraph about saying what it means and it would not address all of the issues. I think
mature politicians have to make a judgement. They know whether or not they have a 'special
interest'.

The Bailiff: Deputy Gollop.

1825

1830 **Deputy Gollop:** I would agree with Deputy Roffey about an elephant in the room, but the
question is I would also like to stop defining it as an African elephant; is it an Indian elephant; is it
a mammoth or a pink elephant? I think there are shades of grey in all of this, and the reality is that
a 'special interest' in this Assembly as a Member is treated differently than if you are a Member of
Scrutiny historically, and it is different again than if you are sitting on a Principal Committee or on
something of a hybrid like the Transport Board or the DPA where we have many discussions on
that.

1835 There are different views from different Law Officers and different chief officers, and I
sometimes negotiate between them in individual situations. I think in the last year or two we have
perhaps been overly strict in the interpenetration because 'special interest' to me includes either a
direct relationship between you, your partner or your family in a concern or some significant
property or financial interest.

The Bailiff: Your minute is up.
Deputy Le Clerc.

Deputy Le Clerc: Thank you, sir.

Deputy Roffey has already indicated what Committees he is likely to sit on if he is successful in this election and perhaps he would like to confirm that, but Deputy Gollop has not indicated which Committees he is currently on and what his plans are. He is on the DPA, ESS and I believe the TLA and that would make a fourth Committee if he was successful today. So perhaps if both candidates would indicate what their plans are, please?

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes. Deputy Le Clerc has raised an interesting question because I am sure she would not wish to lose me as a valued member of ESS! *(Laughter)* That might be a hint there. But, no, in fact I make no secret of the fact that I would be quite willing at some point this year to unload the responsibilities of the Planning Committee, at least the presidency of it, because it is a rather testing and onerous task, and I have spent four years on Planning now, because I was two years on the former Environment Board which seems a long enough sentence in a way. Transport Board is an interesting Committee that is in a state of busyness at the moment but may require changes in the future, so yes, I would be seeking if I was successful today to drop at least one of those Committees by the summer.

The Bailiff: Deputy Roffey.

Deputy Roffey: As Members will know, I am giving up my seat on Scrutiny whether or not I am successful in being elected President of SACC because I believe that that is incompatible with Education, because I think it is going to be very much scrutinised, that department, over the next couple of years. Apart from that, I have no desire to change anything at all. I believe it would be quite possible to be an ordinary member of Education, Sport & Culture, and President of SACC, and I think it is actually healthy to have more than one silo that you sit on inside the States so that you have a broader view of the States.

The Bailiff: Deputy Graham.

Deputy Graham: Thank you, sir.

Deputy Gollop, in his pitch for the job, made great play about the responsibility of the President of SACC for the welfare of States' Members. I wonder whether either of the candidates has plans to introduce heating into the Assembly. *(Laughter)*

The Bailiff: Deputy Roffey.

Deputy Roffey: I was going to try to get that in – I thought there would be a question where I could get that in as a sort of flippant answer, but you have asked it directly. It is darn cold this morning, isn't it. *(Laughter)* I bet you by about 8 o'clock this evening when the radiators have been going all day ... But the honest answer I have to give, bearing in mind our need to have constraint on finances and how often it snows in Guernsey, I cannot offer instant spending of £1 million to transform the heating system. I would certainly like to, but if I became President of SACC I would get away from the draughty corner where the door is always open. So please vote for me for that reason!

The Bailiff: Deputy Gollop.

Deputy Gollop: Well, it is usually full of hot air in here (*Laughter*) so today is perhaps unusual! But I would say this renowned and esteemed building was constructed in 1799 and has effectively been the States' Assembly ever since, and I am sure we all enjoy being here having the Bailiff residing over us. But I do think the time will come, perhaps when the economy is more robust than now, although listening to Deputy St Pier it is robust enough already, when we may actually follow our neighbours in another place, 25 miles to the south east and consider a parliamentary assembly building which is separate from the Royal Court, because I think perhaps we will all get on better if we were in a purpose-built States' Assembly in the long term. I think that is the kind of approach to the States that we should be looking at, because it would make more sense if we could meet and work in the same place as we actually have our committee rooms, for example, and our executive staff.

The Bailiff: Your minute is up.
Deputy St Pier.

Deputy St Pier: Sir, the candidates may have noticed having changed positions that there is more hot air on the top bench than there is elsewhere! (*Laughter*)

Sir, my question is: do the candidates have a view on whether the Committees are populated by the right number of members at the moment – typically five, of course, most Committees? Is that the right number and if not, what changes would they perhaps seek to recommend to the States?

The Bailiff: Deputy Gollop.

Deputy Gollop: I was a believer, and I think I still am, that Policy & Resources would work even better if it had seven members rather than five, because it would be more broadly based. I felt that Education, Sport & Culture would have benefited from two other members, maybe political or non-political, because of the sheer workload of that Committee and the need for specialists across the disciplines. With some Committees I actually think they would work better with three rather than five, a kind of minister, deputy minister and an assistant minister, and we could therefore have more departments which were more focussed. I actually believe the Scrutiny Management Committee is too small. I think three puts a burden on that resource, and so I think it would be horses for courses, rather than having one blunt instrument model of every one has to have five, I would say change; as a general presumption I would say fewer, I would say more focussed.

The Bailiff: Your minute is up.
Deputy Roffey.

Deputy Roffey: Generally speaking, I think five actually works well inside an Assembly of 40. It is probably quite well known that I would quite like a smaller Assembly. I think I am probably in a minority in here, but I think if that were to happen then Committees of three might be more appropriate and it would also, going back to Deputy Kuttelwascher's question about how we elect people, make it an awful lot easier for everybody to be elected by Island-wide voting, because you would not have the 38 to choose out of 100 candidates or whatever. So it depends on the size of the Assembly, but with the current size of the Assembly – and that is not going to change in the next couple of years, there are other bits of work to do – then I think five is probably the right basis.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Yes, sir, thank you.

Electronic voting is favoured by many Members. How would you approach this as President of SACC?

1945

The Bailiff: Deputy Roffey.

Deputy Roffey: It is not the mechanism of voting that counts to me; what I want is voting that works quickly and is transparent, and I must admit when it was first brought up – the idea of simultaneous electronic voting – I was attracted to the idea because I thought it would be quick and transparent, but I have to say, having listened to Jersey where they go to a very quick electronic vote and then somebody for the sake of transparency gets up and says, ‘Can we have all the names that voted in favour read out and then all the names that are against,’ it seems to take longer than the Deputy Queripel approach of actually asking for a recorded vote on every little thing. So if it comes up again I will judge it against the criteria of will it save this Assembly time and will it be more transparent, and that will be the way that I decide.

1950

1955

The Bailiff: Deputy Gollop.

Deputy Gollop: The only two main line arguments I have ever heard against electronic voting are cost and time. The cost of it is relatively marginal and hopefully will get lower as electronic improvements continue, and if it was sponsored by an outside entity it would cost us next to nothing, and so I think that is a fallacious argument.

1960

As regards the time Deputy Roffey and Deputy Fallaize and other Members have mentioned, I regularly, rather sadly, listen to the States of Jersey, either online or on the radio, and usually it takes a minute or so for Members to vote when the Presiding Officer says, ‘Press your buttons please,’ and then perhaps a minute to rattle through a list of 15 dissenters or whatever when somebody says, ‘Can I have a list of those who voted against?’ We, in practice, spend three or four or even five minutes on our recorded votes and then some time for the team to go away and count them. So I would say we will still save on time and it would be easier to publish. So I would support electronic voting.

1965

1970

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

1975

We have various mechanisms in the States whereby things can be debated or brought to debate: amendments, requêtes, sursis, etc. I just wondered if the candidates would consider the idea, or would be prone to the idea that in certain jurisdictions, the UK for example, if a certain amount of people sign a petition that triggers a debate in their parliaments. I wonder if the candidates would consider that we should have something like that and that could be worked into the Rules of Procedure.

1980

Thank you, sir.

The Bailiff: Deputy Gollop.

1985

Deputy Gollop: Deputy Queripel asks a very interesting question there.

If, for example, the tried and tested requête that I first encountered back in 1997 – Deputy Yerby referred to my Fairtrade requête when I was just a signatory of that – it is interesting that in those days, despite the propaganda you hear from certain business consultants, we had more politicians than today, we had 57 people in this Assembly rather than 40 and yet it only took seven to do a requête. The number is still seven today so the bar for getting things to this Assembly is proportionately higher.

1990

There are many people out there who would like to see petitions. I think you would need a realistically high number, perhaps 10,000, of authenticated people before you had a petition, but I

1995 would support petitions allowing for a kind of Chief Pleas in this Assembly, they have that in Alderney, where members of the public can address, and maybe we should have recall elections, although perhaps that would lead to further conflict.

The Bailiff: Deputy Roffey.

2000

Deputy Roffey: I have to say I am not impressed with the UK system. I have watched some of the debates flowing from these petitions. Once they reach a certain level, taking part in Westminster Hall they are not really a proper parliamentary debate at all, they are never going to lead to a decision along the lines that the petitioners want.

2005

So I am not in favour of that really, and I think you would have to be incredibly careful in the Guernsey context to make sure it was only people from Guernsey that were signing it, and I am not an expert in IT but I understand that that can be quite difficult because there are clever people who can make it look like they are in Guernsey even when they are not. I think if a lot of people out there want us to discuss something, they pick up their phone or email their Deputies and the Deputies will tend to react and I think that is one of the joys of living in a small democracy.

2010

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

2015

It has been referred to just a moment ago, we have gone from 57 Members to 47 Members to 40 and we still, throughout that figure, have two Alderney Representatives. Have we got that number right?

The Bailiff: Deputy Roffey.

2020

Deputy Roffey: Just as in Deputies per district or Douzeniers in the States of Election, I think that there has to be a proportion in this Assembly to the number of people that those people are representing, and I think we do need to look, at some stage, at whether or not that is still correct.

2025

The only extra bit I would put as far as Alderney is concerned is it is not just a parish of Guernsey, it is a separate community, so if it ever did drop to one, in order to be proportional, you would have to maintain a system where they could say there was a reserve person that they could send, because I would hate to be in the position that Alderney, well when snow or fog comes they are not represented here, but I would hate that just because somebody was sick on the day or on holiday that they could not be represented.

2030

The Bailiff: Deputy Gollop.

Deputy Gollop: I think Alderney is very important to us, and it has got effectively the right number of representatives now. I think on the Island themselves they are considering perhaps whether they need two representatives of quite the same ilk. One might represent the States and the other the public for a plebiscite.

2035

At one time, of course, when we had 12 Island-wide Conseillers, of whom Deputy Ferbrache and Deputy Lowe are still happily with us, they were elected by the people of Alderney as well as Guernsey, and there is an argument if we had some Island-wide representatives that Alderney could contribute to that. I think if we dropped to say 30 Members or below, Alderney would have to go down to one, but we should treat it very much as the Western Isles are treated in the UK. They have one MP even though they are lot smaller than say Bournemouth West or Bournemouth East, because the community as a whole matters and not just the artificiality of its population size. Indeed, sometimes SACC in the past have been too strict there.

2040

2045

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

2050 Would the candidates of SACC please tell me if they would consider looking at the hours of operation of the States' Assembly to perhaps starting earlier, having shorter lunch times and operating more like business hours rather than the reduced hours that we have here in this Assembly?

The Bailiff: Deputy Gollop.

2055 **Deputy Gollop:** That is a challenging question because I would have to eat my lunch even quicker and I am not too good in the early mornings. Why some Committees start at 8.30 a.m. I will never know.

2060 But, again, as Deputy Brehaut and other Members know, we used to start at 10 a.m. and end at 5 p.m. in the days when we had more lawyers' hours as they then were, perhaps, or farmers' hours, (*Laughter*) so we have reformed already.

2065 During busy times when we have full agendas I would welcome more tight times say 3½ hours, but I do believe, not just because I smoke, but we could do with a 10-15 minute coffee break during the day or when we go from one debate to another, so if we started at 9 a.m. and went on to 12.30 p.m. but we had a quarter of an hour break in the middle I think that would be a better use of time. I also would favour on occasions meeting in the early evening, because I think perhaps we would –

The Bailiff: Time is up.

2070 **Deputy Gollop:** Widen our base of membership.

The Bailiff: Deputy Roffey.

2075 **Deputy Roffey:** I was one of the people responsible for reducing our two-hour lunch break which nobody else in the Island has, to one and a half, and unfortunately the States decided to do a U-turn on that, because presumably the Deputy for Torteval needed to get home to have his bean jar and get back again. I would not start at 9 a.m. because I would not add to the commuter traffic. If we really want to start early I would start a lot earlier than that in order to make sure we were not coming into Town at the same time as everybody else. But I would warn that I think 2080 more than about six or seven hours' debate in the day people get brain dead and make some very strange decisions.

So yes we want to use our time effectively, but just to be macho to prove we can push it further, I think we might actually suffer.

2085 **The Bailiff:** Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I am of the view that every Member of the Assembly, bar the President of the Scrutiny Committee, should be a Member of at least one Committee. If elected, 2090 will the candidates be pursuing the introduction of such a Rule?

The Bailiff: Deputy Roffey.

2095 **Deputy Roffey:** Well, I am not quite clear how that Rule would work. I agree in principle; I would like to see every Member of this Assembly engaged and certainly standing for Committees, and not wilfully taking a role of not being on a Committee, but we populate our Committees by election, and you cannot stop the fact that some people may not be elected. You have to allow Members to choose who they think are the best people for that Committee. So I agree with the

thrust of what Deputy Queripel is saying, but to be honest I am scratching my head as to how we could have a Rule to absolutely guarantee it.

2100

The Bailiff: Deputy Gollop.

2105

Deputy Gollop: I actually agree with Deputy Lester Queripel, and I think one of the elements of disquiet at the last nine months or so has been the very great differences in official workloads between Members. There have been some Members, of which I think Deputy Langlois tops the pops at the moment, who are always at Committee meetings and others who are not, who have got more time to do other things, maybe take up cases or causes, and there is now currently a massive workload gap between Members, despite our smaller numbers, and we need to address that.

2110

How can we address it? Mid-term elections as a norm rather than this piecemeal ... we all sort of drop off one by one off the end of the line. Another way would be a kind of Committee day where we all met up on a sort of blue sky day and we all discussed whether we could swap Committees and who would like to go on to what. Because I think there is a lot of talent in this Assembly that is underutilised at the moment.

2115

The Bailiff: Deputy Meerveld.

2120

Deputy Meerveld: Sir, there is a requête that is being circulated regarding the remuneration for the SACC presidency, questioning whether or not it should attract the same level of pay and have the same level of responsibility as say the President of Health, the President of Education, or a Member of P&R. Can the Members say whether they believe that the higher salary on SACC is justified, and if so why? And also whether or not they would accept and take that higher salary if they took the position?

Thank you.

2125

The Bailiff: Deputy Gollop.

Deputy Yerby: Sir.

2130

Sorry, I should have interjected when Deputy Le Clerc asked her question but I believe these questions are meant to be on the policy mandate of the Committee and not on the remuneration and the other posts held by the Members. *(Interjections)*

2135

The Bailiff: They are, but one of the items on the mandate of the Committee is the Constitutions of the States of Deliberation, and it is a question of how broadly one interprets the Constitution of the States of Deliberation. But membership of Committees is within the Constitution of the States of Deliberation, arguably remuneration for serving on Committees, therefore, is ancillary to that. So, in my view, and I see H.M. Procureur nodding, I believe that giving a broad interpretation, obviously the mandates are only bullet points, but interpreting that broadly I think it is within the scope of the mandate of the Committee.

2140

Deputy Gollop.

2145

Deputy Gollop: Sir, having taken, in a sense, a pay cut two years ago, it is an intriguing question, but a general rule of life is whenever the rules of pay change I end up the loser, so I would expect to on this occasion too.

I would make the point that I believe, probably unlike Policy & Resources, that pay is a relevant issue for the States to consider and therefore I do not necessarily oppose this requête, because I think delegating it to a panel of the great and the good every few years actually does not resolve many of the issues and the dilemmas and the difficulties in the States, and we do need to have an

honest discussion on pay, whether it should apply to Members of Principal Committees, Policy & Resources.

As regards do I think SACC deserves the pay lift? The answer is, you have guessed it, yes and no. The answer is logically it should have an uplift over an ordinary States' Member who might be –

The Bailiff: Your minute is up.

Deputy Gollop: – but less than a Principal.

The Bailiff: Deputy Roffey.

Deputy Roffey: If we had not had an Independent Pay Panel looking at this and if I was asked from scratch how I would set the level of pay for SACC President, I would not set it where it is now; I would not go with the requête either. I would actually think that logically the Presidents of the Trading Assets Supervisory Body, the Scrutiny Committee, SACC and the Development & Planning Authority should probably get an uplift of 50% of those of the Principal Committees. That would actually be revenue neutral, because you would then have four uplifts of half the size.

The question is, once we open up Pandora's Box and say let's just start debating what we think it should be rather than setting it according to the Independent Panel, well, then I think there will be all sorts of ideas coming forward from the floor of the Assembly and I am not sure I look forward to that debate, but it would be an interesting one.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Would either of the candidates consider it appropriate to revisit the potential to reduce the time which people speak? We have seen some speeches go beyond, I think, 80 minutes for example.

The Bailiff: Deputy Roffey.

Deputy Roffey: I would be reluctant to have to do that, to be honest, I think that sometimes a speech of 40 minutes can almost be too short it is so gripping, and sometimes a speech of five minutes you are thinking why are they still going on, (*Laughter*) they are just saying the same thing over and over again. Having said that, I really do not like the Guillotine Rule either, that sometimes stops some people from speaking at all when other people have spoken at length. So maybe if this Assembly really wanted to constrain the length of debate then that might be a better idea. But I would prefer we exercised self-discipline and I am probably not a very good example of that.

The Bailiff: Deputy Gollop.

Deputy Gollop: I think SACC actually should come up with some ideas after consulting the body politic and bring them to the States and see where they would go. Clearly a proposer or seconder of an amendment, or a report, or a policy letter would be treated differently, but maybe we should have a 10-, 15-, 20-minute limit for people, or maybe we should have it in reserve if we get a backlog of work or we get to a situation where we are unsustainable. Because, having sat for 20 years at the States when we had nearly 60 Members, we used to be over in a day and a half, and now we are down to less than 40 we often take three days. I do not know if that tells you anything, well I am still a Member perhaps, but I think perhaps it is not a question of numbers, it is a question of behaviour as well.

The Bailiff: Deputy Dorey, and this may be the last question.

Deputy Dorey: Some have said we have too many Rules. Do you agree, and if so, which would you delete?

2205

The Bailiff: Deputy Gollop. (*Interjections*) Too many Rules.

2210

Deputy Gollop: Oh, too many Rules. I would delete some of the Rules about placing of amendments, the time frames, because they are too easily got around now anyway, with people spuriously demanding to stop the Rules of Procedure, which affected the Island Development Plan debate. So I think we should look again at that. Also touch again the Give Way Rule; I think it is working quite well but we have got to ensure that it is not misused and can we say, 'I will not give way,' as certain politicians robustly do? Maybe we should not allow them to stop the process of giving way because that just leads to conflict.

2215

The Bailiff: Deputy Roffey.

Deputy Roffey: I disagree with that last point. I think if people want to make progress with their speech they have to.

2220

I am, as I said just before, uncomfortable with the Guillotine Rule. I think I understand why it was brought in, but sometimes perverse effects can result, but what I would say is that SACC are due to bring a whole set of Rules to this Assembly, and if anybody in this Assembly feels that there are Rules that can be got rid of that are unnecessary, put the pitch, put the amendment, try and remove them, try and prune them. I think you will find it is actually more difficult than it sounds. It sounds like a really good idea, but when you actually get down to saying which ones will go you will find that most of them are there for a purpose.

2225

The Bailiff: That concludes question time.

Time to vote. I remind you Deputy Roffey was proposed by Deputy Le Clerc, seconded by Deputy de Sausmarez, and Deputy Gollop was proposed by Deputy Inder, seconded by Deputy Smithies.

2230

When the votes have been collected I invite everyone to resume their normal seats.

Have all the voting slips been collected? Yes. Fine, those will go off and be counted then.

2235

Well, Members, will you please resume your seats, I think we can get on with some other business while we wait for the votes to be counted.

Right, Members, I suggest that we do not deal with the election of a Member of the Scrutiny Management Committee until we know the result of the vote that has just taken place now, but I see no reason why we could not proceed with the Committee *for* the Environment & Infrastructure's proposal for the election of, or re-election of, professional members of the Planning Panel.

2240

Billet d'État VIII

COMMITTEE FOR THE ENVIRONMENT & INFRASTRUCTURE

II. Planning Panel – Re-election of professional members – Mrs Linda Wride and Mr Jonathan King re-elected

Article II.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Planning Panel – Re-election of Professional Members' dated 15th January 2018 they are of the opinion:

1. To elect Mrs. Linda Wride as a professional member of the Planning Panel, in accordance with section 86 of the Land Planning and Development (Guernsey) Law, 2005, for a term of six years to take effect from 1st March, 2018.

2. To elect Mr. Jonathan King as a professional member of the Planning Panel, in accordance with section 86 of the Land Planning and Development (Guernsey) Law, 2005, for a term of six years to take effect from 1st March, 2018.

Deputy Brehaut: Thank you very much, sir.

2245 Under Section 86 of the Land Planning Law, 2005, it is for the Environment & Infrastructure Department to maintain a panel called the Planning Panel. To maintain that panel, we are asking States' Members today to please re-elect Mr Jonathan King and Mrs Linda Wride.

Thank you very much.

The Bailiff: Is there any debate? No.

2250 We go straight to the vote then for the re-election of those two members. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them re-elected.

We can move on to legislation, I think.

STATUTORY INSTRUMENT LAID BEFORE THE STATES

The Road Traffic (Compulsory Third-Party Insurance) (Recovery of Expenses) (Guernsey) Regulations, 2017.

2255 **The Senior Deputy Greffier:** The following Statutory Instrument laid before the States – The Road Traffic (Compulsory Third-Party Insurance) (Recovery of Expenses) (Guernsey) Regulations, 2017.

POLICY & RESOURCES COMMITTEE

**III. The Armed Forces (Offences and Jurisdiction)
(Bailiwick of Guernsey) Law, 2018 – Approved**

Article III.

The States are asked to decide:

Whether they are of the opinion to approve the draft Projet de Loi entitled 'The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018, and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

2260 **The Senior Deputy Greffier:** Billet VIII, Article III, Policy & Resources Committee – The Armed Forces (Offences and Jurisdiction) (Bailiwick of Guernsey) Law, 2018.

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

Members voted Pour.

The Bailiff: I declare it carried.

**IV. The Administrative Decisions (Review)
(Guernsey) (Amendment) Law, 2018 – Approved**

Article IV.

The States are asked to decide:

Whether they are of the opinion to approve the draft Projet de Loi entitled 'The Administrative Decisions (Review) (Guernsey) (Amendment) Law, 2018', and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.

2265 **The Senior Deputy Greffier:** Article IV, Policy & Resources Committee – The Administrative Decisions (Review) (Guernsey) (Amendment) Law, 2018.

2270 **The Bailiff:** Any request for any clarification or debate?
We go to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

**Procedural –
Continue until conclusion of business**

We have got a choice here, Members. We can either try to conclude all the business – either rise at 12.30 p.m. or just proceed. So I am going to put to you that we continue to sit until the conclusion of business. Those in favour; those against.

Members voted Contre.

The Bailiff: Well, I think the Contre's have it.

So, obviously, the Implementation of Income Support & Transitional Provisions is not going to be concluded in 10 minutes, but I wonder whether the Committee for Home Affairs' policy letter on Liquor Licencing: Permitted Hours – Category 'G' Licences might be. I suggest we move on to that, Greffier.

COMMITTEE FOR HOME AFFAIRS

**VI. Liquor Licencing: Permitted Hours –
Category 'G' Licences – Approved**

Article VI.

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 4th December, 2017, of the Committee for Home Affairs, they are of the opinion:

- 1. To amend the licensing hours for Category 'G' to 11am - 12.45am on Christmas Day.*
- 2. To amend the licensing hours for Category 'G' to 12noon - 12.45am on Good Friday.*
- 3. To approve the draft Ordinance entitled 'The Liquor Licensing (Amendment) Ordinance, 2018' and to direct that the same shall have effect as an Ordinance of the States.*

The Senior Deputy Greffier: Article VI, Committee for Home Affairs – Liquor Licencing: Permitted Hours, Category 'G' Licences.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you.

Sir, for the benefit of Members I would like to think it was going to be a long report, but it is only a short one, so although you are looking to fill in time to 12.30 p.m. there is very little I can actually add to why this report is before you.

It is a case of the Good Friday and the Christmas Day opening hours which we have already debated in this Assembly. It is a tidying up process to include the 'G' category, which we did not have in the report, as actually we have not got any out there with 'G' but as we want to make sure that if in future there was a requirement it is all covered at the same time. So it really is a tidying up process to include that category in the Christmas Day and Good Friday opening hours.

So I ask Members to support the report before you.

Thank you.

The Bailiff: Is there any debate? No.

We go straight to the vote then on the three Propositions. I put all three to you together. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

ELECTIONS

States' Assembly & Constitution Committee – Election of President – Deputy Roffey elected

The Bailiff: I think we can declare the result of the election for the President of the States' Assembly & Constitution Committee.

2305 I can declare that the votes cast were Deputy Roffey 19, Deputy Gollop 17, and there was one blank paper. So I therefore declare Deputy Roffey elected. (*Applause*)

We can go back to the election of a Member of the Scrutiny Management Committee, Greffier.

Scrutiny Management Committee – Election of a Member – Deputy Merrett elected

Article I.

The States are asked:

To elect a sitting Member of the States as a Member of the Scrutiny Management Committee to complete the unexpired term of office, that is to the 30th June 2020, of Deputy P. J. Roffey 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.

The Senior Deputy Greffier: Billet d'État VIII, Article I – Election of a Member of the Scrutiny Management Committee.

2310

The Bailiff: Are there any nominations? Yes, Deputy Green.

Deputy Green: Yes. I would like to nominate Deputy Jennifer Merrett.

2315

The Bailiff: Deputy Merrett. Is there a seconder for Deputy Merrett?

Deputy Roffey: Yes, sir, I second that.

The Bailiff: Seconded by Deputy Roffey.

2320

Any other nominations? No.

In that case, we go straight to the vote on the election of Deputy Merrett as a Member of the Scrutiny Management Committee, proposed by Deputy Green, seconded by Deputy Roffey. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare Deputy Merrett elected.
Deputy Le Clerc, do you wish to ...?

2325

Deputy Le Clerc: Sir, I could do my opening speech.

The Bailiff: Do your opening speech then.
So, Greffier, if you could call the ...

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

V. The Implementation of Income Support and Transitional Provisions – Debate Commenced

Article V.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'The Implementation of Income Support and Transitional Provisions, dated 22nd January 2018, they are of the opinion:

1. To agree the following rates and allowances, uplifted for indexation from the figures approved by the States on their agreement of the proposals of the Social Welfare Benefits Investigation Committee (SWBIC), in resolution 1 on Article IX of Billet d'État No. VII of 2016, to apply to all claimants on and from the date of implementation in 2018 of the SWBIC proposals-

a) the short term requirement rates for supplementary benefit or income support as set out in table 1 of the Policy Letter;

b) the long term requirement rates for supplementary benefit or income support as set out in table 2 of the Policy Letter;

c) the maximum rent allowances in relation to supplementary benefit or income support as set out in table 3 of the Policy Letter; and

d) the capital allowances for supplementary benefit or income support as set out in table 4 of the Policy Letter.

2. To agree the following additional matters in relation to supplementary benefit or income support to apply from implementation in 2018 of the SWBIC proposals -

a) to set the earnings disregard at £35 per week;

b) to entitle claimants for supplementary benefit or income support who are -

i) of pensionable age; or

ii) disabled and who are deemed incapable of fulfilling a work requirement, to have their claims assessed under long term requirement rates from the date of their claim, with no requirement to have been in receipt of supplementary benefit or income support for a period of 6 months.

c) to entitle claimants for supplementary benefit or income support -

i) whose income and other resources are in excess of their short term requirement rates, but

ii) whose income and other resources are less than their long term requirement rates, to be paid at the long term rate 6 months after the date of their claim provided that they meet all relevant requirements that would have to have been met by a claimant who had been paid short term rates for 6 months.

3. To note the proposed transitional provisions for a reduced rent rebate to be available for those social housing tenants most affected by the transition from rent rebate to supplementary benefit or income support.

4. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.

2330

The Senior Deputy Greffier: Article V, Committee for Employment & Social Security – The Implementation of Income Support and Transitional Provisions.

The Bailiff: Deputy Le Clerc.

Deputy Le Clerc: Thank you, sir.

2335 Today the Committee *for* Employment & Social Security is asking the States to approve the implementation of Income Support. It has been a long journey to get here after two years of hard work. SWBIC brought its proposals to the States in March 2016, and in November 2017 the States approved a Budget which included funding for these proposals.

2340 The purpose of this policy letter is to establish the uprated figures and to provide further detail regarding the transitional arrangements ahead of our intended launch on 6th July 2018.

The Policy & Resource Plan listed the implementation of these reforms as a top priority, not just for Employment & Social Security but for the States as a whole.

2345 It has been acknowledged that some individuals and families suffer from levels of financial deprivation and social exclusion which are unacceptable in a generally prosperous society. The implementation of Income Support will go some way to righting this injustice.

2350 At this point, sir, I would like to take a moment to thank the former Deputy Le Lièvre who has been a driving force for these proposals – first, as President of SWBIC and now as a non-voting member of our Committee. I know the development of Income Support has taken up so much of his time over the past few years and all those involved in this project have been grateful for the time and effort he has put in.

When Income Support commences it is expected that 75% of tenants and supplementary benefit claimants will be better off in cash terms under the new system. Transitional arrangements will be available for the remaining 25% of tenants who will be disadvantaged in cash terms by the closure of the rent rebate scheme. These individuals will be entitled to a transitional rent rebate equal to the value they are disadvantaged, by subject to an initial £10 per reduction, with further £10 reductions at six-month intervals during their transition period.

2355 At this point, I would like to note an omission in the second appendix in example G. It is not made clear that this person would be eligible for transitional arrangements; to be clear, they are.

2360 The benefits cannot be measured in solely cash terms. For many, this new system will entitle them to free primary care medical services, allowing people to see their doctor when they need to, not just when they can afford to.

2365 Our policy with these reforms has always been work first, benefits second, and anecdotally we have heard of tenants who have refused overtime and or promotion due to fear of losing their rebate or their tenancy. On the first point, we will no longer have a rebate scheme from July, and all assistance through Income Support will be equitable and transparent regardless of tenure.

2370 Secondly, we are currently reviewing our income thresholds for tenants, to enable them to take advantage of overtime and promotion and to encourage all householders to fulfil their earning potential. This is not only beneficial to the economy but we hope for some tenants it will enable them to save and possibly transition into partial ownership, private rented accommodation or even full home ownership.

2375 One of the often overlooked changes is that pensioners and people with severe disabilities will be assessed on long-term rates from the very start of their claim. It is unreasonable to make a person wait to receive long-term rates when you know that in all probability their income will not change. So in cases where we cannot foresee that a person will return to work, either because of their age or medical conditions, we will treat them accordingly and take their claim on long-term rates. This is just one of many examples of how Income Support will make our system fairer.

2380 Income Support will not only give financially vulnerable people a better deal, it will ensure that vulnerable people are treated equally. The inconsistency of our two-benefit systems, rent rebate and Supplementary Benefit, now renamed Income Support, will be replaced with one transparent and fair benefit – a benefit which uses the calculations developed by the SWBIC Committee to allow people to live above a level of intolerable poverty. It might not be the most comfortable life, particularly for those on short-term rates, but it is at least a life where people know their basic needs will be met, and will be the foundation for future welfare reforms.

2385 These transitions require a significant amount of work to implement, and when the scheme launches we will need to be working more efficiently than ever. To that end, we have been

improving our services and customer experience. We now have a mobile app which allows claimants to submit evidence and income details. Around 70% of those who need to submit this evidence are doing so through the app. We are hoping this can be improved further by integrating the app with our computer system which will allow this data to be recorded and adjustments made with very little human involvement.

In the policy letter we said we will delay implementation if it becomes apparent that we are not ready to launch. It is a strange thing to say but there is a lot to be done and these changes are so important that they justify implementing them as soon as possible, and because of this we have very little contingency time built into the project. Although we are confident that we will deliver these proposals on 6th July, the Committee will not put pride before reason. A system designed to protect the poorest in our society has to be delivered effectively from day one.

Income Support will generate additional costs to general revenue. However, the States have recognised the importance of reforming social welfare through its commitments made through the P&R Plan, and the Budget debate in the last November reaffirmed this.

I was delighted to see the States voted so overwhelmingly to keep funding for Income Support in the 2018 Budget. It shows that this Assembly recognises that poverty prevention is not an option, it is one of our most important duties as a Government.

This concludes my introduction to the policy letter and I ask Members to support all of these proposals.

Thank you, sir.

The Bailiff: How many people wish to speak in this debate? 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, well, in which case I will put it to you again, but I think I know the answer. I will put it to you again: does anybody wish to continue –? Well I put to you the Proposition that we continue sitting. Those in favour; those against.

Members voted Contre.

The Bailiff: No, it is definitely *Contre*. We will be back at 2.30 p.m.

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

Billet d'État VIII

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

V. The Implementation of Income Support and Transitional Provisions – Debate continued – Propositions carried

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'The Implementation of Income Support and Transitional Provisions, dated 22nd January 2018, they are of the opinion:

1. To agree the following rates and allowances, uplifted for indexation from the figures approved by the States on their agreement of the proposals of the Social Welfare Benefits Investigation Committee (SWBIC), in resolution 1 on Article IX of Billet d'État No. VII of 2016, to apply to all claimants on and from the date of implementation in 2018 of the SWBIC proposals-

- a) the short-term requirement rates for supplementary benefit or income support as set out in table 1 of the Policy Letter;*
- b) the long-term requirement rates for supplementary benefit or income support as set out in table 2 of the Policy Letter;*
- c) the maximum rent allowances in relation to supplementary benefit or income support as set out in table 3 of the Policy Letter; and*
- d) the capital allowances for supplementary benefit or income support as set out in table 4 of the Policy Letter.*
- 2. To agree the following additional matters in relation to supplementary benefit or income support to apply from implementation in 2018 of the SWBIC proposals -*
 - a) to set the earnings disregard at £35 per week;*
 - b) to entitle claimants for supplementary benefit or income support who are -*
 - i) of pensionable age; or*
 - ii) disabled and who are deemed incapable of fulfilling a work requirement, to have their claims assessed under long term requirement rates from the date of their claim, with no requirement to have been in receipt of supplementary benefit or income support for a period of 6 months.*
 - c) to entitle claimants for supplementary benefit or income support -*
 - i) whose income and other resources are in excess of their short-term requirement rates, but*
 - ii) whose income and other resources are less than their long-term requirement rates, to be paid at the long-term rate 6 months after the date of their claim provided that they meet all relevant requirements that would have to have been met by a claimant who had been paid short term rates for 6 months.*
- 3. To note the proposed transitional provisions for a reduced rent rebate to be available for those social housing tenants most affected by the transition from rent rebate to supplementary benefit or income support.*
- 4. To direct the preparation of such legislation as may be necessary to give effect to their above decisions.*

The Bailiff: We continue with the policy letter from the Committee for Employment of Social Security on the implementation of Income Support and transition provisions.

Deputy Lester Queripel will speak first.

2415

Deputy Lester Queripel: Thank you, sir.

I am sure my colleagues will recall that three Members of the Assembly voted against Income Support in a previous debate – Deputy de Lisle, Deputy Paint and I. In my speech in that debate, I referred to us as the Three Musketeers. When Deputy Brehaut spoke, he referred to us as the Three Blind Mice, which I found quite humorous. But although I found it quite humorous, I did not agree with it, so I did not change my mind. I still saw us as the Three Musketeers.

2420

In relation to the proposals before us today, I have changed my mind, because I now see this whole Income Support scheme in a totally different light and the reason for that is because the proposals now have figures attached to them, in the form of examples, which they previously did not have. I take a great deal of comfort from much of what we are told in this policy letter.

2425

The vast majority of my previous concerns have now been allayed, due to the fact that we do have this before us. Plus, in addition to that, I recently submitted 10 questions to Deputy Le Clerc and staff in her department, in the hope that they could allay my remaining concerns. I am really pleased to say that the answers I received to those questions did allay the majority of my remaining concerns.

2430

I want to spend a moment, if I may, expressing my gratitude to the staff in Employment & Social Security, because over the years I have worked with them on dozens of cases trying to help Islanders with problems and the staff have never failed to deliver. Quite the opposite, in fact, they often bend over backwards to help. I applaud them for adopting such a compassionate approach.

2435 Moving back to the answers I received, I am not going to focus on every single answer to all of my questions, much to the relief of my colleagues, I am sure! I think it is important to focus on a couple in an attempt to relay to the tenants who will be the supposed losers under this scheme, my reasons for changing my mind. On the terminology, I do not think it is the correct terminology. It does not seem to me as though there will be any losers as such. My understanding
2440 is that tenants who are able to better themselves and increase their income will then have their benefit payments reduced accordingly to balance things up, as it were, and I think that is fair.

I stand to be corrected on that, because I may be slightly off-beam there, but it seems to me it is a simple issue to get one's head around. The more a social housing tenant earns, the less they are then reliant on benefit. I stand to be corrected, by Deputy Le Clerc, when she responds, if I am
2445 wrong.

My main concern has always been in relation to the supposed apparent losers once this support scheme is in place. Paragraph 4.1.3 on page 12 tells us that approximately 25% of social housing tenants will be disadvantaged by more than £10 a week under the new scheme. In one of the answers to my questions, Social Security told me that 25% equates to approximately 475
2450 tenants. On the face of it, I found myself somewhat alarmed when I learned of that figure but of course the paragraph also refers us to appendix two, which contains the examples, the figures I referred to earlier.

So although I did have concerns about example D on page 24, example G on page 27, and also example I on page 29, my concerns in relation to examples D and I have now been allayed, because those tenants will be entitled to benefit from transitional provisions for up to three years, provided that their circumstances do not change.
2455

I did still have a concern regarding example G, because it does not say anywhere on that page that the tenant will be entitled to benefit from transitional provisions. When I asked the question of Social Security, they were gracious enough to hold their hands up and admit that that was an oversight, as Deputy Le Clerc already referred to this morning in her opening speech. So the example G should read that that tenant will qualify to benefit from transition provisions. That was another of my concerns that was well and truly allayed, I am pleased to say.
2460

The only other concern I had regarding the losers was in relation to the ones who are still struggling, who will still be struggling financially at the end of the three-year transition period. But my concerns in relation to that were also allayed by the answers given to me by Social Security, which elaborated on what we are told in paragraph 4.1.5 on page 12.
2465

We are told in that paragraph that approximately 80 tenants will still be struggling financially at the end of the three-year transition period, but further on in that paragraph, on page 13, we are told that additional support will be available for those tenants who find themselves in the position that they are still struggling financially. So I also take great comfort from that.
2470

A couple more points I would like to make. The first one being the £4 million price tag attached to this scheme. I did have concerns about that. Originally, I know Deputy de Lisle shared those concerns, Deputy Paint shared those concerns. I have decided to adopt the stance adopted by Deputy Fallaize when he responded to a challenge from Deputy Meerveld during the two-school model amendment. In response to that question posed by Deputy Meerveld, Deputy Fallaize said something on the lines of, 'Yes, I am prepared to take a £20 million – £40 million hit on the budget for education, bearing in mind the overall cost is going to be in the region of £1 billion.'
2475

That is how confident Deputy Fallaize is that the two-school model is going to be far more beneficial to our community than the three-school model and that is how confident I am now in this Income Support scheme being far more beneficial to the whole of our community than the current system we have in place.
2480

Yes, it is going to cost £4 million a year but that is more than worth the cost to introduce a system which is much fairer to everyone involved. It also aligns, of course, with the Committee's statement of purpose at the top of page 18, which as we all know, but those who have not read the policy letter will not know is:
2485

To foster a compassionate, cohesive and aspirational society in which responsibility is encouraged and individuals and families are supported through schemes of social protection relating to pensions, other contributory and non-contributory benefits, social housing, employment, re-employment and labour market legislation.

I will gladly align myself with that intention. I do hope that my two fellow Musketeers do not feel as though I am deserting them by voting in favour of these proposals, after having voted against this scheme in the past. After undertaking a lot more research, I am now generally convinced that this scheme is the best scheme we can adopt. It is not perfect. Nothing ever is. But my understanding is that our introducing this scheme will result in those who are the most needy out in our community getting a lot more support than they get under the current scheme.

As I said earlier in my speech, the fact that additional support will be available to the 80 tenants who it is estimated will still be struggling at the end of the three-year transition period, I get great comfort from that, because there was a time when I thought we were just going to abandon them.

Before I close, I just want to say a few words about communication. When SWBIC went out on the road, giving public presentations in an attempt to help tenants understand what this is all about, they had to endure torrents of verbal abuse. I remember one presentation when former Deputy Andrew Le Lièvre and former chief housing officer Tim Roberts were doing their best to get the message across, but the tenants at the presentation would not allow them to finish a single sentence and hurled abuse at them the whole time.

They did that because they did not feel as though they had been taken on the journey. No one had told them what was going to happen to them and they were really worried that they were going to lose their homes. Those were their words and not mine, because I spoke to several tenants at those presentations.

I am not blaming the people involved in SWBIC in any way, shape or form. They did their best to communicate with the tenants. Perhaps Deputy Le Clerc can clarify this when she responds, but it seemed to me, despite the best efforts of those involved in SWBIC, there simply was not enough time to communicate effectively with all the tenants. So I commend Deputy Le Clerc and her Committee for their approach this time around, because they have obviously learned lessons from that whole sorry episode.

Deputy Le Clerc is on record as saying that focus groups will be set up, more presentations will take place, full and comprehensive explanations will be posted on social media and any tenant can phone staff at the office to ask how they will be affected. Every tenant will receive a letter, etc. in an attempt to take tenants on the journey. So all credit to Deputy Le Clerc and her Committee and her department for placing so much emphasis on communicating with the tenants this time around. This is another example of the States raising their game when it comes to communicating with the public and taking them with us on the journey. I also take great comfort from that.

To finish, sir, Deputy Le Clerc once referred affectionately to me as a 'terrier who will not let go of the bone'. I think it was affectionately – I hope it was affectionately. On this occasion I am willingly letting go of the bone and I am giving my full support to these proposals and I urge my two fellow Musketeers, Deputy Paint and Deputy de Lisle, to seriously consider also giving their support to these proposals.

Thank you, sir.

The Bailiff: Deputy de Lisle, that seems to be your cue.

Deputy de Lisle: Sir, of course, currently the States are supporting Supplementary Benefit and the Rent Rebate Scheme to those people that are receiving it. The whole issue here is the merger of the two and the merger of the two is costing us £4 million. Over five years, that is going to be £20 million, going into something that is a merger.

Generally, when we speak of mergers, we look at consolidation, we look at rationalisation, we look at some change that is going to benefit the taxpayer, if you like. This is not. This is going to cost more than, as they say, £5 million. Not only that but we are supposed to be reducing staff, we

are supposed to be looking at our commitment in terms of trying to deal with a deficit. Here we have got another 4.5 staff resources being brought on to deal with this merger.

In addition to that, we have got 750 people, we were told, on the Rent Rebate Scheme that in fact those families would receive less than they are currently. So what are we doing here? Basically we are merging a couple of schemes. If we did not merge them we would be £4 million better off, £20 million over five years. We would not have to put in four or five staff in addition to the staff that are already in that department and the 700 families would not be receiving less than they are currently.

That £4 million a year could be saved and then spent, perhaps, on updating housing properties, improving neighbourhoods and so on, but it also could go into a lot of other areas in terms of health, education and so on, where we are struggling at the moment to find the funds for those increased facilities and areas that we need that additional money for.

I believe that, with the Island's troubled economy struggling for freedom from deficit, and I realise that we seem to be pulling away from some of the dangers that were seen a year or two ago, the fact is, as the President of P&R has stated, we cannot be complacent, and we have to be very concerned about the bottom line.

The economy has to be free from deficit and reductions in the cost of public services must be delivered, not added to, essentially. We have got to talk also about the stressed taxpayer, who cannot afford this hike of over £4 million a year in welfare support. In fact Social Security was supposed to temper the cost of welfare to taxpayers and not increase it by £4 million a year, by putting together a couple of programmes that could well stand on their own while we are going through this transition period away from deficit into the black, into the future.

In fact from my point of view, welfare reform should mean slimming the state, boosting growth, reducing benefit claimants and cutting the welfare bill. Making people and families more self-reliant. In fact merging Supplementary Benefit and the Rent Rebate Scheme is placing more on Income Support, supplementary if you like, and is nothing but increasing the dependency culture in this Island, creating a huge welfare state locally, making even the welfare state in the UK look slim and more self-reliant, which is absolutely true. They have got a cap at £500, ours is £670, or is it £675? Somewhere in that area, so far higher than that of the UK.

There is another point that I would like to make on this, which I think is quite significant and that is the rationale for unifying the Rent Rebate Scheme and the Supplementary Benefit is that the Rent Rebate Scheme, in effect, is a financial, social welfare benefit, which runs in parallel with Supplementary Benefit, but less visible.

That is not the way that many see it. The difference between a standard rent, for example, of £300, and the rent charged, £100 a week, is £200 a week in subsidy, if you like, from the point of view of rent rebate. It is foregone rent, essentially. It is income foregone. It is not a charge to the taxpayer. Income Support makes it a charge on the taxpayer.

Given the rent rebate at £14 million, because I think the other point that I have to make is the Rent Rebate Scheme is £14 million and I think it is £22 million in Supplementary Benefit that is going out at the moment – a lot of money, £35 million, is going out in terms of expenditure on these two schemes. What we are doing is adding another £4 million every year and, of course, new resources in terms of manpower.

Given the rent rebate, at £14 million, let us say, will this become a cash expenditure, a draw on general revenue? Should we be adding the £14 million and the £4 million into £18 million, which is now going to be a draw on general revenue? That is the point that I am making, and I would like an answer to that because, currently, it is income foregone and not a cash cost to the States. How is this going to work? Are we looking at £18 million a year added to cash expenditure? I would like the President to answer that question when she wraps up.

Essentially, the two programmes were running, as I see it, in a way which was quite effective at the current time. Adding another £4 million every year, £20 million over the next five years, is really going beyond what we should be doing and not getting any real rationalisation from the

welfare part in the future and making welfare to be really, as we are saying today, another £4 million, a growth industry in this Island.

Thank you, sir.

2590

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, Mr Bailiff.

2595 I rise to raise some concerns regarding parts of this policy letter. In doing so, please may I give some context? I understand the Propositions explained in the report are ones of detail to implement decisions of the States already made, following previous policy letters in 2013 and 2016. In raising these concerns, I do not imply any criticism of the ESS Committee, who I know work hard delivering a difficult area of Government, particularly when public money is tight.

2600 Echoing some of the points made by Deputy Lester Queripel, please may I also thank Deputies Le Clerc and Gollop for spending some time explaining the complexities of Supplementary Benefit to me, which they did with great patience. I understand the tensions when trying to address those issues for those in our society who have struggled financially, and to find solutions within our current levels of fiscal affordability, as pointed out by Deputy de Lisle.

2605 For the avoidance of doubt, I support the Extra Need Allowance and I understand the inadequacies inherent in the present Rent Rebate system. However, my concerns follow from representations made to me by tenants of States' housing. I am also troubled by sections 4.1.2 and 4.1.3 of the report on page 12. Quoting the report, this points out that 25% are 'expected to be disadvantaged by more than £10 per week'.

2610 Apart from explaining that they may be disadvantaged in cash terms, we have little over-arching information about the actual impact on the 25%, which is not an inconsiderable amount of people affected.

2615 Deputy Lester Queripel has outlined some of the examples, so I will not go into detail, particularly where Deputy Queripel has actually been satisfied following the representations he made, but I will note that example D on page 24 shows the particular family unit to be potentially worse off by £3,500, example G, a single pensioner, by £1,700 and example E, a family unit, by £1,500.

2620 This is substantial money to those who are presumably amongst the poorest in our society and who the social welfare reforms under SWBIC are seeking to protect. Although I understand that these are transitional arrangements, what perhaps is most worrying is that reports suggest it is difficult to accurately quantify the financial impact of these arrangements. 4.1.5 confirms that it will be impossible to predict how changes in circumstances will affect these claimants.

2625 The difficulty for me is that the transitional arrangements, as now published, have, in my view, teased out what may be an unsatisfactory position for some and a section of our community who might be worse off. The proposals, therefore may require further research and revision. Sadly, the Propositions which relate to the transitional arrangements, the States are only asked to note them. I would be very grateful for any response the President of ESS can provide on this issue.

Thank you, sir.

The Bailiff: Deputy Roffey.

2630

2635 **Deputy Roffey:** Sir, I do not want to revisit the pros and cons of SWBIC, I think we have debated that before. This is really about implementation and how it is brought in. I do not think it is perfect by any means. I do not like some of the cliff edges inside our existing welfare system. I do not like some of the cliff edges that will be replicated in the new welfare system. I think they represent almost a perverse disincentive towards self-reliance, but there is no doubt that what is being proposed is better and fairer than what went before.

Deputy de Lisle said we have got two schemes that we are working perfectly well, why do we want to add extra costs to the taxpayer? We do not have two schemes that are working perfectly

2640 well. We have two schemes that are absolutely discriminatory between the way you are treated if
you are living in social housing or States' housing and if you are living as a not particularly wealthy
person in the private sector. That is not tenable, it is not acceptable, and it is something that we
have to address.

I share these concerns at some of the extra costs in administration, but some of the extra costs,
which I think is a hidden bunce which I think Deputy Le Clerc has referred to in the run-up to this
2645 debate is that this change will mean that an awful lot more people on low incomes will qualify for
free medical care and I see that as a huge plus, moving forward, because there is no doubt that
the ill-affordability for many, particularly of primary care, is a scandal, frankly, in this Island.

I would not want us to think that this solves it. I think sometimes we do not realise how little
the requirement rates do go up the income scale. For instance, if you are a single pensioner living
2650 in your own home and all you are getting is the full state pension, you will not qualify for Income
Support because you will be above the requirement rate, as I understand it. Not so if you are
living in rented accommodation and you qualify for assistance with rent, but if you are in your
own home, that is the case.

I would not want us to take our eye off the ball and say there are not a huge swathe of people
2655 just above the benefit level that will still be distressed by the cost of primary care, but one really
positive feature of this scheme is that it will bring another big tranche inside that net, which I
welcome. I do not vote in favour of this because I think it is nirvana or it is perfection, but because
we have debated it before, we have decided that it is a big step forward on where we are at the
moment and I still think that is the case and I think we should get on with it.

2660 **The Bailiff:** Deputy Paint.

Deputy Paint: Thank you, sir.

I constantly voted against this and it is not because I cannot see some of the benefits for the
2665 poorer people. I do agree with that. But there are people who are losing out on this quite badly. I
tried to help a mother and daughter who were living in a States' house and they were asked to
move to a two-bedroom house, rather than a three-bedroom house, which is fair enough. Then it
changed to a one-bedroom house, so that meant one of them was made destitute. They have
chosen to go out of the States' system, but they will have to return at some time in the future, and
2670 that worries me. When the mother becomes a pensioner, she will never be able to afford to stay in
private rent, so she will be perhaps put in an old people's home and it is going to cost a lot more.

These two people I am speaking about have actually both worked and paid their way. Now
they will be much worse off as I have already described. It is good to give to these others, but it is
not quite so good to take away from the ones that are managing, and it is this middle ground that
2675 I am not very happy about.

Thank you very much, sir.

The Bailiff: Deputy Inder.

2680 **Deputy Inder:** Thank you.

I had similar concerns as Deputy Prow and Deputy Queripel, but peppered through the
document are references to administrator discretion, through the implementation of the policies.
We have all had an email from one of our members of the public that spoke about her concern
over her husband's incentive to go through a promotion process because the argument seems to
2685 be earn £10, lose £10. I am grateful for the conversation that myself and Deputy Dudley Owen
and, I think it was, Deputy Roffey as well, had at the meeting we had with the team, with Deputy
Le Clerc and her officers. It gave us a bit more comfort that the hard reality of that initial email.

When Deputy Le Clerc sums up, could she talk to us a little bit more, through you, sir, about
what the discretionary powers might be from the administration. Are they actually real inasmuch
2690 as they could take someone aside, look at the whites of their eyes, consider their circumstances

and say, 'Do you know what, we might be able to give you a little bit more?' How thick is that discretionary power band?

2695 Apart from that I am fairly comfortable with the document. The one thing that does mildly irritate me, if I am understanding correctly, is 6.2 and 6.2.1 about the provision of assistance for the Waste Strategy. If I am understanding correctly, and I might not be, it looks like there is an acceptance that every household is expected to be able to purchase one bin sack per week, but when you turn to 6.2.1 the actual cost of the Waste Strategy itself seems to be something that could be approximately £0.5 million a year. That is a substantial amount of money and as we are all consumers, I am not entirely sure I am that comfortable with that portion of it. That is just something I want to pick up on, but it does say in 6.2.1:

2700

... the Committee will ensure there is suitable financial information available for members during debate ...

– when this comes back at a later date. I am going to certainly keep an eye on that point of it, because I am not overly comfortable with that portion of it. But that is not going to stop me from voting for the main Propositions in the document.

2705 **The Bailiff:** Deputy Green.

Deputy Green: Sir, thank you very much.

Like some others, I am largely in support of these transitional proposals and I have always been largely supportive of the proposals from the Social Welfare Benefits Investigation Committee in the first place. I do have a number of questions and a number of concerns that I would like to place on record.

2710

Before I do any of that, I should declare an interest in that because the scope of potential number of claimants for Income Support may increase if these proposals go through, as a result the number of potential people able to claim legal aid will also increase as well. So I declare an interest in that regard.

2715

The point is that, given that the scope of people in receipt of Income Support will increase, the number of passported benefits or access to benefits like free medical care, like the Winter Fuel Allowance, like legal aid, will actually increase. Like Deputy Roffey, I think the fact that more people now will be entitled to access free primary health care is a good thing in itself, but I am not sure what the full cost of that is potentially going to be and I am not sure whether the Committee for Employment & Social Security know this.

2720

I would like to know from Deputy Le Clerc whether any calculations have been made, because it could be seen as potentially an open-ended commitment in terms of those costs, particularly in terms of access to free medical care, which could be very significant. As I understand it, the number of people could be over 1,000 extra users who could potentially have access to free medical care and that could be a considerable cost. So some suggestion of quantification may be useful.

2725

Secondly, I think Deputy Lester Queripel before was talking about how these proposals will mean that poorer Islanders will be better off as a result, but it is worth putting on record that the proposals here are for the short-term rates of benefits to be cut. I have always been uncomfortable with that. I think I am in a very small minority, but that is nonetheless what we are suggesting.

2730

These proposals will mean, albeit a fairly hefty increase for those on longer-term rates, a reduction in benefits for those on short-term rates. That is a message that we should be prepared to say, and I do not think we should sweep that under the carpet. There will be some who lose out from these proposals, purely because they are in the short-term category rather than in the long-term category. Those rates are actually, I think, very low indeed.

2735

One other aspect of this is that the number of people who will now be expected to actively seek work is obviously going to be somewhat wider than previously the case. Obviously those

2740 who historically have been on rent rebate will now be on Income Support and there will be so-called work requirements expected of those.

I am not sure at this stage how forcefully that particular policy is going to be pursued with regard to the social housing tenants in question. The policy letter that we have here does not really explore, particularly, the impact of that change. It is going to be quite profound in terms of social housing tenants, in terms of people who have not worked hitherto or perhaps who have not worked to a great extent hitherto.

2750 They are now going to be expected to go out to work. They are going to be expected to go out and work more than they have done, and it would be interesting to know exactly how the Committee proposes to deal with that, because it is going to be quite a fundamental change for people who have hitherto been living in States' housing without those expectations upon them.

I also think that once we endorse this, the ongoing costs of the reforms that are inherent in the social welfare benefits reform could well be quite inflationary in the longer run, given the basket of goods methodology that they are seeking to put into place. I think that could require increases above inflation in the longer run. I do think this is something we are all going to have to keep an eye on – the potential longer-term financial impact of all of this.

2755 So the other point I wanted to raise is the point that Deputy de Lisle raised a moment ago, which I think does have some merit to it. We are talking about a merger of one benefit system with another and I think on balance that is being done for the right reasons. But we are being faced with a situation where, in order to apparently make something more efficient, by combining two systems into one, you are going to require an extra four or five members of staff to run that newly unified system. I think there will be many people scratching their heads about that.

I do also note from the policy letter that there are not many specific references to whether there are any extra IT costs which are associated with running the newly unified system, which I think also needs to be explained if there are such costs. Notwithstanding any of those observations, I do support these proposals because I still think they are valid and I still think they are going in the right direction.

2770 But there are some aspects that I think do need a little bit more clarification than what we have been given from this policy letter. Ultimately, these are proposals that need to happen. There is a cost that comes attached to them. That is absolutely justified. But nonetheless I would be grateful if Deputy Le Clerc could at least try to deal with some of those observations when she sums up at the end. But I will be supporting this policy letter.

The Bailiff: Deputy Merrett.

2775 **Deputy Merrett:** Thank you, sir.

I rise to briefly speak of my concerns regarding the benefit limitation rule. Whereas I believe that any social benefit should be a buffer, not a lifestyle choice, I also believe that if Employment & Social Security, ESS, state there is a calculation of need, to then say, 'Well, we know what inflation or basket of need is, but we cannot give you it because we have a benefit limitation rule', which is, at its best, unethical and, at worst, means that most Islanders will be unable to access a support they might need.

2780 The benefit limitation rule, which means the maximum we can support you with, regardless of need, is £670 per week. Whereas the benefit limitation rule may not be creating a new inequity, it does mean that we are continuing to use a rule that may have been instigated due to the unknown, due to the fear of our benefit system being abused.

2785 I have asked the Committee and officers how many people, how many families' support is curbed by the benefit limitation rule and they simply do not know. This is disappointing, but is also a reality of the date that, as a Government, we do or do not have to rely upon when making such policy decisions.

2790 It still surprises me that such basic information and such basic data is simply unknown, the suggestion being we gradually raise the financial limit of a benefit limitation rule, see who comes

forward, who will need and arguably who should be receiving this extra support. What officers have assured me of, though, is that there is no direct correlation between benefit limitation and the desire to work. Good. Because there appears to be a real fear that if the benefit limitation was
2795 abolished, or even raised too high, too quickly, that some families might prefer to ditch the job and stay at home, watching daytime TV and living off the taxpayer. These Islanders, with glee, will rub their hands together and say, 'No more work for me.'

Is this in fact in-work poverty? How about the work requirement rule? Every person claiming benefit, who can work, is required to work. Every person claiming benefit who can work, attending
2800 half a day or a few hours a week, is required to work that half day or those few hours a week. People who do not do that work requirement can have their benefit stopped, and they do.

Benefits are not money for nothing. Social Security sets clear expectations for people to work and holds them to it. If we look at example D, on page 24 of the policy paper, it is calculated that a family unit comprising a couple, of which one is working, who have five children under 11 years
2805 old and who are living in a three-bedroom social housing unit and who have net weekly earnings of £700.

Family Allowance gives them an additional £69.50, so an approximate income of £770. However, the calculational basket of need is £940. This family is affected by the impact of the benefit limitation rule, meaning that they will not receive anything other than their Family
2810 Allowance, above £670, regardless of need.

The help that ESS gives this family stops £220 short of the amount that ESS themselves have calculated that they need every week. Over a year, that adds up to a shortfall of approximately £10,000 against which we say, or ESS says, is the minimum this family actually needs to get by. 'You need more? We have calculated that you do, but then we have enacted the benefit limitation
2815 rule, so tough.'

How is this being addressed or is it really just tough? Or, are we minded to say, 'Do not have so many children, then.' Of course the conundrum is this; if we were to abolish the benefit limitation rule, you would then support this family, if no one was working, in the region of £48,000 per annum; £48,000, as we know, the average annual wage is approximately £10,000 less than this.
2820

Are we saying that the average wage in Guernsey is not enough to raise a family on, or rather a family of five young children? Maybe there is a bigger and more subtle question than this policy paper is seeking to address, so I look forward to seeing the in-work poverty review that Deputy Roffey is leading on.

In the interim, Employment & Social Security have very sensibly put in an arrangement for a three-year transition and have assured us that they will come back to the States with other measures to assist such family units. Without the relevant data, but with the benefit limitation rule, are we retaining the fear factor, or are we being fiscally prudent? Surely, we are not being socially progressive? After all, we have a work requirement in place.
2825

Or are we using it to try to curb population growth? Surely our Population Management Law is certainly achieving that. I say population growth, when we know it has been stagnant or in slight decline, which is quite worrying. What is our policy on our birth rate? Would it be sensible to encourage a higher birth rate, the taxpayers of the future?

I do not believe this States had this conversation, this debate, regarding birth rates. But, arguably, by having a benefit limitation rule, we are saying, 'Look, the maximum your family can have is this, regardless of need and regardless of the amount of children you have.' That, sir, is of grave concern.
2835

Arguably, you should not have children you cannot afford, especially in a modern, first-world country. But if our benefit system has a work requirement, if the extra finance is there to support our families then surely we need to debate the need for a benefit limitation rule? I would be most grateful if the President of Employment & Social Security could advise us, when she sums up, as
2840 to her thoughts and intentions regarding this rule.

Thank you, sir.

The Bailiff: Deputies de Sausmarez and then Dorey and Fallaize, all of you have been waiting awhile. Deputy de Sausmarez first.

Deputy de Sausmarez: Thank you, sir. I will be fairly brief.

Like others, I would like to put on record my broad and not wholly unmitigated support of this policy letter. I also welcomed Deputy Lester Queripel's change of heart. I thought that was very eloquently expressed. I would also like to put on record my praise for the staff at the ESS who, in my experience, when I have referred members of the public, especially tenants of social housing, to them, have been very helpful and, far more often than not, those members of the public have come away feeling much more reassured than they previously had been. I would like to make a record of that.

Just picking up briefly on Deputy Green's questions around free access to primary medical care – which, like Deputy Roffey, I think is a wonderful thing in itself – just to sort of evolve Deputy Green's questions slightly further, I think, I noted with interest that the non-cash benefit of this, in the examples quoted in the appendices, was assumed to be one visit to the GP per household member per year. I just wondered if there was any evidence in existence, if we have any data, already, to give us an indication of how average that assumption actually is? That is my first question.

My second question is really around capital limits. I remember when I was knocking on doors ahead of this election, one thing that was raised by several tenants of social housing, was the sheer impossibility, to the point that they did not bother, of saving for a deposit to buy their own home and move into that home-ownership sector.

I understand that the capital limits are based on the amount considered necessary for whatever particular type of house we are talking about to remain self-sufficient for however long. Six months, I think. It has no relation to the average deposit needed for that type of household and I just wondered whether that should be a consideration?

I completely appreciate that the practicalities of creating a separate pot or something, to allow people to save for a home without abusing the system in some other way, or not abusing the system, I understand how difficult it is to work out a mechanism to allow people to do that but, nonetheless, I do think it is a really important consideration. I know it might not be a majority of people who will be in receipt of Income Support, but I do think it is important that those aspirations are not completely squashed before they are allowed to become a reality. So I would like to hear from the President, whether this is something that the Committee will give consideration to.

Thank you.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

Firstly, as a shareholder in a company that owns some residential properties, I declare an interest, as this includes rent allowances. I welcome and support this policy letter. It says a 'long history'; I was just looking back to the 2012 report and it said that the review of the benefit system was a top priority for the Social Security Department since 1999 and it was a very high priority project in the 2009-13 Social Policy Plan.

We seem to be finally there, or almost there, after we voted. So I welcome it. I am pleased. There are just a couple of points, three points, I would like to make. Firstly, on page 13, it talks about:

The Committee is proposing that rent owed by social housing tenants should be paid by the tenant from their cash benefit, rather than deducted at source.

It goes on to say:

Rent arrears will continue to be monitored following implementation and individual cases will be addressed in accordance with the appropriate procedures, taking an early intervention approach to ensure that a tenant's debt does not accumulate to unmanageable levels.

I was a Member of the housing department in 2002-08 and we had a similar policy where rents were paid directly to the tenants and the tenant then had to pay the rent. I know Deputy Quin, who was then a Member of the States, was a frequent critic of that policy and used to frequently ask questions about rent arrears.

After seeing the costs of the rent arrears and the cost of administration, I understood that although this policy which we then had was the right policy, it did cause rent arrears, perhaps with the greatest effort, the administration tried to intervene, but there was a cost. I just wonder if it is the right policy? We have a policy of deducting at source Income Tax and Social Security. I think if you deducted the rent at source, rather than allowing the tenant to pay, you would ensure that the rent arrears do not build up.

I think the Committee, if they are going to follow this policy, need to have a very flexible approach to it and intervene very quickly when people do get into arrears; although often you have a problem once you have rent arrears and if there is a problem I think they need to be flexible enough to change policy across all tenants, because I do not think it is in the States' interests to pay people money which then becomes a debt because they do not then pay it on to the social housing tenant.

My other point I wish to make – I think Deputy Green touched upon it – is the short-term rates. The proposals in 2012, which were based on the minimum income standard study, were that short-term single householder rates would be £153.25 and that is after taking some discount of the Minimum Income Study. Now they are £141.42, and they are proposed to be £102.96, so that is over £50 less than the 2011 rates and I have not inflated the 2011 rates.

I think you are going to have to be very careful and monitor those people, because it is a considerable reduction on the current rates. Perhaps you have got it right and the minimum income standard study got it wrong, but I think you need to be very careful and monitor those people, because there is the possibility that those people will be suffering relative poverty, which is what we are trying to avoid.

Really connected to that, I would encourage the Committee to carry out another minimum income standard study. It is now six-and-a-half years since that study was carried out and what we need to do is ensure that our rates are the right rates, relative to society. Indeed, various poverty studies have looked at relative poverty and that is what the minimum income standard study was trying to do: identify how much somebody needed to live and participate in our society.

I would urge you to not leave it for as long as it has taken from when it was identified, in 1999, to actually bringing these proposals forward to do another study. I would urge you to do it – perhaps I think it is due now, six-and-a-half years is a long enough period – so that you can check with our rates that you are going to be paying out to people the correct rates.

Those are all the points I wish to make. Thank you.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Deputy de Lisle has been consistent in his criticism of the structure of these proposals for several years and in the terminology that he has used. He said again today that the proposals before the States, if approved, would result in the States spending an additional £4 million – £5 million on merging two schemes, creating the impression that all that is being done here is an administrative exercise to bring together two schemes and none of the beneficiaries of the schemes will notice any difference.

The expenditure here and the reform here is not driven by the desire to unify the two schemes. That is not the starting point. It is not being done for the purpose of administrative efficiency. It is being done because at present we have two completely disparate schemes and we do not invest

enough across the two schemes, which means that there are a considerable number of people in Guernsey identified by our own figures, and I do not just mean the Committee's figures, but the figures endorsed by the States, as living in intolerable conditions. That cannot be allowed to persist and the unification of the two schemes is the only sensible way of unlocking the investment that is necessary to put that right.

Deputy Green also hinted at this, when he talked about the additional staff that would be necessary, but again these changes are not being driven by administrative efficiency. The reason that more staff are required is because it is more labour intensive to run a means-tested weekly cash benefit scheme than it is to run a Rent Rebate Scheme. If one thinks about it, the reasons for that are quite obvious. So that is where the additional staff costs are incurred.

Deputy Prow and Deputy Paint, and maybe one or two others, were concerned about those who may be worse off. That is a concern which I share and so does Deputy Dorey. Really, that is what he is talking about when he compares the 2012 scheme with the scheme that the States have now approved, at least in principle.

The problem is that to target the additional resources and support that is necessary for those people who are in the poorest circumstances, without anybody else who is in receipt of welfare being disadvantaged, would require the kind of money which the previous Social Security Department came to the States with in 2012. I think the forecast was between £8 million and £20 million a year of additional money.

Now, I voted in favour of it. Some Members – in fact I think most of the Members who were in the States then who still are – voted in favour of it, but it lost by a vote or two. I would be happy to vote for that scheme again now. But we pragmatically know that we would not get that through the States.

What has happened here is that, in addition to the around £4 million a year of new money that is effectively being invested in social welfare, there is also an element of redistribution from those who are beneficiaries, but who are better-off beneficiaries than worse-off beneficiaries. I do not claim that that is ideal. I do not think it should be promoted as ideal. But pragmatically it has proved to be the only way of getting it through the States.

There are really only three choices here. There is either do nothing, which means that the very poorest people in Guernsey can continue to be in their present conditions – which I do not think any Member of the States is suggesting; or we go back to the 2012-type proposals and accept that the costs may be up to £20 million per year and then nobody is worse off; or we vote in favour of what is being proposed here and what has already been approved in principle, where there is some additional investment made by the States, but there is also an element of redistribution from slightly better-off beneficiaries to worse-off beneficiaries.

Deputy Roffey raised primary care costs. Now, I was hoping that all of this review of Supplementary Benefit and rent rebate and the Income Support proposals may provoke some Members into getting very excited over primary care costs and taking more action than the States have taken up to this point.

Because our primary care costs are an absolute disgrace in Guernsey. I do not blame the providers of primary care. There may be some efficiencies that can be obtained, but I think it is largely a dead end to go down the route of investigating the supply or the providers. The issue is that the States are not investing enough in primary care provision and there are many people in Guernsey who are not visiting the doctor when they need to visit the doctor, because primary care costs are very expensive.

For people who are in receipt of Supplementary Benefit, we have a very good scheme in place. But there are very many people – and Deputy Merrett's speech has touched on some of them when she asked, 'Are we saying that people who are earning the average wage, we may assess as not in receipt of enough income to live adequately?' They are very many of the people who are hit hardest by our primary care costs.

If any Member wishes to join with me and other Members who feel this way, I do not know whether a requête is the most suitable way of dealing with this, or if Deputy Roffey wants the States to wait.

I will give way to Deputy Roffey.

2995

The Bailiff: Deputy Roffey.

Deputy Roffey: I thank Deputy Fallaize for giving way.

3000

If he wishes to bring a requête that is fine, but I am fairly confident that there will be proposals in the Scrutiny report on in-work poverty to come later this year, where he could lend his shoulder to the wheel at that point to help.

Deputy Fallaize: I will give way to Deputy Soulsby.

3005

Deputy Soulsby: I thank Deputy Fallaize for giving way.

I am just listening to the conversation, I thought we had this debate back in December. It is clear within our Partnership of Purpose policy letter we are going to be undertaking a review of primary care. It is very much in line with the prevention/early intervention model that we are adopting.

3010

We had a whole section of that policy letter about the cost of primary care and the need to invest in it and, as Deputy Fallaize should know because he is on the Committee which will be part of the review, as part of the new universal offer, we will be considering how much more we invest in primary care and considering how we re-balance where the costs of health and care go.

3015

Deputy Fallaize: I do appreciate that, but I do not think it is a case of rebalancing costs. I think it is going to cost more if we wish to pump the necessary investment or support into primary care costs on behalf of the community. I accept –

3020

Deputy Soulsby: Sir, just as a point of correction, by rebalancing, I am not saying the means or costs would remain the same. I am just saying that the balance between primary, secondary and tertiary health care will change and will have to change for the future.

3025

Deputy Fallaize: I just do not think that there is a realisation of the kind of money that needs to be sent to resolve the problems which exist in terms of primary care costs and I think that is a debate that we need to have sooner rather than later. If Deputy Soulsby's Committee is very soon going to come forward with proposals which will not mean that there are people in Guernsey choosing not to go to the doctor because of the costs, then that is a very good thing. I hope that they will come forward with those proposals this calendar year.

3030

Deputy Green and Deputy Dorey were critical of the reduction in short-term rates. But, again, the alternative to reducing short-term rates, which obviously is not reducing them or increasing them, would push the cost up a great deal. The whole way along, this has been a matter of trying to find a total level of expenditure which the States are prepared to live with. I think the short-term rates are a little bit, or quite a lot, on the low side.

3035

The Committee will have to make every effort to ensure that the scope of people who fall into the long-term category is maximised, because there have been people who are on short-term rates who should not be on short-term rates. I think the Committee has made some commitments about that in regard to pensioners and to other categories of person as well.

3040

However, he asks how rigorously the work requirement will be applied. I hope it will be applied very rigorously. There has to be a qualification because there are some people who have been out of the workplace for so long that it would be extremely difficult to adjust their benefit simply because they are not back in the workplace. But there are very many people who are not in that position.

I am in favour of a more generous system of social welfare, really more generous than is being put before the States today, if the Committee could get away with it. What we cannot have is a system of social welfare which encourages people not to work. I am not talking about using the kind of terminology that Deputy de Lisle does, which I think is absolutely incorrect and, in many respects, quite disrespectful to people, as if there are lots of people in Guernsey choosing not to work because the welfare system is so extraordinarily generous. That just is not the case.

But there is no question that the structure of the Rent Rebate Scheme has allowed some people not to work who would have needed to work if they were not in States' housing, but otherwise in exactly the same financial circumstances. That is something which has been a difference between the two schemes which will now be resolved, and I think that is a good thing.

Just finally, Deputy Merrett said that the benefit limitation needed to be addressed. I may not be in a majority on the Committee for Employment & Social Security when I say this, but since these proposals look like they are going to go through, I will say it anyway. I think the benefit limitation should be scrapped. There is no logic to it whatsoever.

It is not just the Committee who determine the requirement rates, it is the States who determine the requirement rates. So the effect of the benefit limitation is that the States determine the requirement rates. Then we know that there is a household whose requirement rate gets them to, they require a certain level of income and then we just cut off that level, whether it is £100 a week over the benefit limitation or £200, whatever it is.

So the effect is that we have assessed that a household is in need of a particular amount of income to live reasonably and we are denying them that because, arbitrarily, we have said, for absolutely no logical reason whatsoever, this year we think the benefit limitation should be £625 or £650, or £675 or £700 or whatever it should be.

There is absolutely no logical, coherent argument for the benefit limitation. Now, it has been increased very substantially over the last few years. I think when I was first in the States it was around £400 per week, so it has gone up substantially. The costs have not risen substantially; they have not risen anywhere near as highly as some of the critics feared they would, but I think at the very least the Committee is committed to increasing the benefit limitation above the prevailing rate of inflation.

But I agree with Deputy Merrett, I do not think there is any reason for it to be in place at all. I would scrap it. I doubt that would get through the States. I doubt a more generous Income Support scheme than what is being proposed today would get through the present States and I hope all Members, including Deputy Paint and Deputy de Lisle, will vote in favour of it. If this is lost, if they do not vote in favour of it, all we are doing is denying financial assistance to the people who need it most.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

I just have a few comments to make, mainly regarding the sample claims listed A-I in appendix 2 in the policy letter. I would have liked to have seen comparative samples of benefits given to those not working and the net amounts those working and those not working each have to live on weekly.

Let us take example B. A couple, both working, two children under-15. A working non-dependent adult is also a member of the household, living in a three-bedroom social housing unit, savings of under £5,000. I would have liked to have seen an FYI example B2. A couple, neither working, with two children under-15. A non-working adult who is also a member of the household, living in a three-bedroom social housing unit. Savings under £5,000.

Let us ignore the £5,000 savings for now, because the reality is that neither of these families would probably have any savings at all. This certainly would apply to the other examples too, including H and I and I would have also liked to have seen comparatives to these examples with those who are able to but are not working.

3095 In my view, it would have been good to compare the two different scenarios of people in the same family situation, i.e. with two children, couples, singles, pensioners, etc. as set out in the samples given, against the benefits given to similar but non-working families and individuals and the net amount they both have to live on each week.

I would like to know what incentives to find work there are for those who are capable of, but not working, living in social housing and being supported entirely by the benefit system. If those I have just described are getting a better rub from the social than those who work, or they have a similar amount of money to get by on each week, then there is absolutely no incentive at all to find a job.

I am aware that the rate of participation in work has increased slightly over the last few years, which is obviously good news. I firmly believe that more work can be done to further improve these statistics. Sir, I will be supporting this policy letter, but I would like to hear from the President of the Committee for Employment & Social Security what incentives her Committee are progressing in order to encourage those not working, but are able to, into jobs and further enhance the participation rate and ease the burden on our benefits system. Thank you.

3110 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Thank you, sir.

Only four hours ago or so I stood up on the platform and said States' Members should be making shorter speeches and here I am just about to start. I thank Deputy Prow for mentioning my appearance when we met Deputies Merrett and Lester Queripel and one or two others and he implied (a) I was very knowledgeable on the system and (b) I had converted him to my point of view, which is gratifying.

In a way, I have been a bit of an internal critic and a bane in Deputy Le Clerc's life about this issue, because I have sat on her Committee, its predecessor, which was part of Social Security, with Deputy Green amongst others, and I sat as a delegate rather than as a directly elected member, on Mr Andrew Le Lièvre's when he presided very ably on the so-called SWBIC Committee, where the work came out of. It was a little bit like the late Sir Bruce Forsyth's *The Price is Right*. There was I, going 'higher' all the time for benefits, and others were going 'lower', especially more of a Treasury perspective.

Either way, we have heard today speeches give two contrasts. We had Deputy de Lisle really saying there is a danger of welfare becoming a growth industry and maybe it was too big a burden on the taxpayer, and there was Deputy Green, amongst others, saying maybe the rates were a bit too parsimonious. If we are putting this package before you, we have probably got it more or less about right, from the attitude of the States at the present time.

I entirely agree with Deputy Fallaize, who put the arguments very well, that we have been wrestling as an Assembly for six or seven years now with this question, back to the time when Deputy Dorey was Minister for Social Security, with rationalising and reforming the system and I sat on Housing for a while and we agreed, in principle, that it was daft for an Island of this size to have not one but two welfare systems. We know some people in the community say there is too much welfare going around, but I think even a supporter would say two welfare systems is one too many.

Effectively, although we did not call it as such, a rent rebate system was that. It sounds actually like some kind of nice insurance premium if you call it a rebate, because it is like, 'I pay my tax, I get it back.' But actually it was a benefit. What it really was, was a housing benefit. Instead of giving out money to people, we reduced the costs and so it was, effectively, a form of largesse in its way. It was beneficially received and done for a purpose, but it was an awkward system.

Deputy de Lisle has sometimes said, in a way, that it is unfortunate that because of the changes some people will lose out. He is right there. There will be winners and losers for precisely the reasons Deputy Fallaize explained, that unless you went for the £8 million – £20 million package that the States rejected in a different era, six or so years ago, not everybody can be a

winner, despite the best endeavours of the Committee and the many – as Deputy Leadbeater has pointed out – worked examples where we have tried to think of every possibility.

3150 Of course, we do not entirely know how much additional support will be needed from medical help but, like Deputy Roffey, Deputy Fallaize, Deputy Green and others, I am surprised there has not been more agitation for a lowering or rational reorganisation of medical costs. I accept what Deputy Soulsby says, it is part and parcel of a Partnership of Purpose and alleviating it may be very expensive.

3155 We sometimes have a bit of political banter in this Assembly about the salary levels of Deputies, Presidents or even civil servants. But, inevitably, any change materially to our relationship to a general practitioner could mean potentially a raising or a lowering of salaries for our esteemed medical practitioners. Indirectly, medical grants that we pay contribute to people's salaries and the cost of running practices. One cannot overcome that fact.

3160 I do not necessarily think more money is the only answer to the problem. There are other solutions, ranging from insurance to pro-active self-care, to using nurses more, for example, and other therapists. Also, of course, competition. Would it not be great if one of our favourite (inaudible) concepts in life, for example, opened a rival medical practice, or maybe the States might do it, or maybe somebody else. All of those things could perhaps improve, because the last thing I want to see is people not going to the doctor because of the fear of over-paying too much.

3165 Many Members have alluded to the fact we do not want a society that discourages work and labour, but of course we are living at a time when, only on the phone-in this week, somebody made the point in relation to Alderney – Deputy Le Pelley, it might have been, actually – but it applies to Guernsey: what will happen if artificial intelligence takes over, if there is more robotic working? Will we see more structural unemployment?

3170 We have a policy, rightly so, of encouraging inclusivity and everybody to work, especially disabled people, many of whom have greater contributions to make to the workplace than many other people. But the problem, of course, arises that not only do you need a policy of state-encouragement, legislation and reasonable adjustments to maximise work, but you also need a properly-funded and organised system, in many cases, of caring and child care. All of these are part of a bigger picture.

3180 Actually, generally speaking, touch wood, Guernsey does not have a global problem of unemployment. It is one of the lowest rates of unemployment in the western world, or anywhere. What we do have is a problem, perhaps, of growth and affordability. When some Members have pointed out that in order to live a life, according to some analysis, you would need an income of £48,000 a year, we can all argue about that, but the reality is wages in Guernsey in some areas are too low. Deputy Merrett has argued that in a different context. We actually need high value, high job income growth.

3185 As Deputy Trott has pointed out many times – and I am sure he is correct in this – the cost of educating pupils through a school, based upon taxation and the cost *per capita* would be too great for many families to afford, despite them earning average medium wages. In a way, we all rely on being subsidised by the growth of the economy and the prudence and success of the wealthiest quartile of our society, the big achievers.

3190 Largesse of social policy is actually consistent with economic growth. We cannot afford to be a welfare society, but there is nothing here that encourages welfare. If one has sat on Employment & Social Security, you would know how measured the staff are and how dedicated the entire team is, politically and otherwise, to encourage a work ethic and to overcome obstacles and create workable new initiatives and so on and so forth. In fact, we very much strengthened the demands on families to go out and work and create endeavours.

3195 One interesting paragraph in the report, re-pricing, 5.1, says:

As the rates will be linked to a defined basket of goods under new scheme, it is important that the rates retain their purchasing power over the years to come. RPIX is a useful indicator, and annual RPIX increases to the rates will broadly reflect the cost of the underlying basket of goods, but they will gradually slip further and further out of alignment. If

the price of a few of the goods used in these calculations were to rise at a disproportionate rate, it could have a serious impact on quality of life for claimants. There is no slack or contingency built into the new short-term rates.

The point there is the basket of goods was done through the Loughborough University exercise, but then refined by SWBIC. Deputy Le Clerc used to go out checking how much the cost of jelly babies was, so I would not put too many on the basket of goods! But it is interesting, when we mentioned recently, perhaps there was a communication issue in getting the message across, Deputy Lester Queripel referred to fears of some people, about people losing their homes.

We are working as a Committee to ensure that, unless people are significantly over the limits, they will have grades of certainty. But it has to be remembered that if the States are behind that, they also have to be behind a capital programme for building appropriate accommodation. Not just lifetime accommodation and social housing, but affordable housing, extra care and so on.

Deputy Lester Queripel's point of people being fearful, he did not seem to necessarily appreciate, and I was one of those people who got a bit barracked at those meetings, that we were suggesting, and we are suggesting, an extra £4 million – £5 million a year. We are not taking money out of the system, we are putting significantly in.

As Deputy Fallaize pointed out, yes there is a tiny amount of redistribution, better-off Peter will help Paul a little bit with some support. But unless you want everybody to be winners, you will have to significantly increase the overall injection of money. What this does, it also levels it out because it means people in private sector accommodation will benefit more too.

Turning to the basket of goods, for example, I wanted to be a part of the focus group this time, but I did not really qualify. In any case, I probably did not add any favours to the Loughborough survey when somehow, I got on the group and they asked me what I thought everybody should have for inclusivity in society, as Deputy Dorey pointed out, and I pointed out full English breakfast every day and a holiday.

The point is, where do you stop? This debate that Deputy Merrett particularly raised about benefit limitation was actually a big issue for the previous Committee and there were people on the Committee who argued that Guernsey should be a bit tougher with its benefit limitation, because that at the time was the political philosophy the then Conservative Social Security Minister, the Rt. Hon. Ian Duncan Smith, was proposing in the UK.

Interestingly enough, though, apart from it not necessarily helping Conservative Party electoral fortunes, I remember the not necessarily left-wing Rt. Hon. Boris Johnson opposed the move. The reason he opposed the move was because London has a different cost of living than, let us say, Middlesbrough. One of the reasons why Guernsey has to go slightly harder on realistic sums for the public is our cost of living. It is precisely the reason, because we are a comparatively successful economy with high rental costs, high home costs, high food costs, that we have to ensure that people do not fall behind.

You cannot move into the sea in Guernsey. You can move from one borough to another, from one town to another in England, perhaps. But you cannot be part of Guernsey's costs and situations in society. So we have to have a more nuanced approach to welfare. Of course I would like to have seen a more generous package, but I think having worked through it with Policy & Resources and the Committee, we are on the threshold of a brand-new system.

We need the new system even more than when we started this project – not just because of the changing social and health sphere, but because we now have a much more unified administration. We have a single office team running both social housing and welfare. A change of culture. My other point on Deputy Lester Queripel's speech was he said many tenants were worried about the changes. One reason he gave was they did not particularly appreciate, I think, the change from a rebate to a benefit, although intellectually it is a benefit.

That is a cultural matter and we are overcoming that culture by, I think, a new approach and a unified approach that we can help and a way in which people appreciate that we will help, we can help and that this is a way forward. So, having spoken enough, I ask all Members to support this project so we can move on to the next stage.

The Bailiff: I see no one else rising. Deputy Le Clerc will reply.

Deputy Le Clerc: Thank you, sir. If I had sat there much longer I am not sure I would have been able to give a closing speech because my teeth are chattering so much!

Where to start? I thank Deputy Queripel for his speech and his support. I know he has come on a journey and I am pleased that he has reached the same destination as the rest of the Employment & Social Security Committee. With regard to communication, I think we have already allayed some of your fears on that but, just to reiterate, we were already undertaking some focus groups with some of our tenants and will open up that wider. We will be having some public meetings with tenants in due course, but we obviously had to go through this debate first and we have to make that final decision and we will make that, probably within the next week, as to whether we proceed with the go-live date of July.

Once we have decided on that date, then we will be sending out a letter to all our tenants explaining the individual circumstances for them, in particular. In the meantime, we have got a website with some questions and answers. So I think we have done as much as we can at the present time to communicate with our tenants.

With regard to Deputy de Lisle, Deputy de Lisle is always concerned about the cost. Yes, this is going to cost more but we must remember that these costs will help people that are living in poverty. I am not sure that he accepts that there are people in this Island that live in poverty. The indicators are, in the Income Poverty Report, that we have a substantial amount of our community living in poverty.

So I am not sure what extra evidence he needs, because it is there. That report has been issued twice now. Fortunately it came down slightly last year. But we are hoping, through these measures, that we will be able to reduce those levels of poverty even further. I think, when we see the in-work poverty Scrutiny review, again we will have further evidence to substantiate that we have got members of our community in poverty.

I think Deputy Fallaize has gone through some of the rationale on what the additional £4 million will include. Some of that is partly, Deputy de Lisle said, about health costs. Well, part of that £4 million does include health costs – not just for primary care and GP visits, but also for some dental costs. So that is included in that £4 million.

With regard to the extra staff, we are dealing with people that live from hand-to-mouth, week-to-week; we cannot afford for these people to be waiting six or eight weeks, due to not having enough administrative staff to deal with their claim. Therefore we need to staff-up, particularly in those early days, because actually the Income Support data that we need, or information, is more substantial than the housing rent rebate system. We need to make sure that that is in place.

I do not want Deputies in this Assembly being approached to say, 'I am waiting eight or 10 weeks to receive our benefits.' We have seen that in the UK. We do not want to go down that route. That is why we have costed in some extra staff costs to deal with that extra administration. There is a net additional £4 million to the Income Support, so it will be over and above the existing budget.

If I go on to Deputy Prow, with our winners and losers. Again, I think Deputy Fallaize has already covered this. The only way to make sure that there are no losers with the introduction of this Income Support would be to increase the budget and we have already seen this afternoon I have had pushback from some Members of the Assembly on the costs.

We have had to do this at costs that we felt were acceptable to this Assembly at the present time. We would be coming back with additional proposals over the next two years to increase the benefit limitation and we hope that the actual overall number of losers, when we go through the three-year transition, will be less than we estimate at the present time. But to have no losers would result in at least a £1 million or £2 million additional cost ongoing per year and the inequality of the rent rebate system would continue if we provided the ability for there to be no losers.

Regarding changes in circumstances, we expect, and we know from dealing with customers now, that people's circumstances change on a weekly basis. So, for some of the ways in which those circumstances will change, and I am referring to paragraph 4.1.5, there will be work requirements and I will come on to discuss that in due course. We know that there will be a change in the family make-up and we have got different allowances for the ages of children, so the children will transition through that requirement as well, so that will change. So there are lots of ways in which families will change their circumstances over the transition period.

Deputy Roffey, I agree with him and I thank him for his support. There are those, what we call, cliff edges; we would prefer to probably call it tapering. When we looked at this and we did the original SWBIC report, we spent quite a few meetings going through this, but it is quite complex, it is quite difficult, and it is quite costly. But I think once we have got in this foundation we can build on that and work on that for the future. We have just got to get this over the line and get this through, up and running, and then we can start looking at some of the nuances.

Deputy Paint, I cannot comment on the individual case that he is referring to. All I can say – he was previously on the housing department – is since it has been brought onto our Committee we have reviewed the capital allowance thresholds and we are looking, and I mentioned this in my opening speech, at the income thresholds, because we do believe that they were harsh and we were forcing people out of their homes for them to only return after three or four years back into social housing and ending up at the bottom of the queue in that social housing. We have looked at that, we have put in some interim measures, but, again, there is more work that can be done on that.

Deputy Inder, administrator discretion. Our administrator already has that discretion and it can be used for some cases; and examples of those cases are where there are larger families and they exceed, for example, the benefit limitation. Rent allowance when someone is in the wrong-sized house, so for example someone may be living through circumstances, a single householder in a two or three-bedroom house. It would be unfair if we were unable to move that person into a more suitable accommodation to charge them rent for a two or three-bedroom house, so the administrator can use some discretion at that time.

During our transitional arrangements, where they are outside the £10 limit over the six months, again the administrator would be able to use some discretion. So, hopefully, Deputy Inder, that gives you some examples of where we can use that administrator discretion.

With regard to the Waste Strategy, I think that is still a bit of an unknown area for us. All I would like to say is that the States' Trading Board, in their proposals, were the ones that indicated that for those tenants in social housing there would be some assistance through Income Support to help them with their waste. We have estimated that at a cost of £500,000. But, as outlined in our policy paper, when we have got more detail on that, we will be able to comment when that paper comes back to this Assembly. So I am unable to give any more information at this time.

Deputy Green, the free primary health care. It was modelled and included in our £4 million costs. I think Deputy Soulsby has already had an exchange with Deputy Fallaize to say that we will be working with Health & Social Care on the review of health care costs and we know we have got an outstanding resolution on our £12 and £6 grants, so that is something that we will be working on with them over the next couple of years – sooner rather than later, I hope.

The short-term rates, I agree and I know other Members have brought this up, they are low, and we will need to look at them again when we review the basket of goods. Again, it was for us, when we were debating through SWBIC, it was what was acceptable financially to this Assembly and I would like to see them increased and I think, perhaps, through the work of looking at that basket of goods, that be a way that will be able to do them.

With regard to the work requirement, we will be working with those tenants that now have a work requirement and we have got a well-established team in our job centre that works with our jobseekers at the present time. That will increase and, again, that is another reason for us needing additional administrative staff, because we need to work with those people. There will be some training, but I think we will be realistic. My understanding is that we will be realistic in our

3350 expectations, particularly through those first few months, because there may be people that have not worked for a considerable number of years and they will need to be upskilled and they will need to be helped through that process.

We also have a policy where our tenants, at the present time, when their youngest child is seven, they then become jobseekers. With the pre-school provision now being embedded, for
3355 want of a better word, it may be that we can look at that age and it may be that we may be able to reduce that age from seven years to five years and perhaps even lower. That is not something that the Committee have discussed in detail at this time, but that is another opportunity for us to look at work requirements and encourage people back into work.

With regard to the basket of goods, I think Deputy Fallaize has covered this and said that any
3360 change in the basket of goods and our Uprating Report will come back to this Assembly for approval.

Deputy Merrett, the benefit limitation. I think we have made it very clear in our Uprating Report and in our Policy & Resource Plan that we will be coming back with RPIX increases or above, or the next two years. As Deputy Fallaize has already indicated, his preference would be
3365 that we would have no benefit limitation whatsoever. I think the States would be nervous about abolishing the benefit limitation altogether at the current time.

I think they would rather take small steps, but we will see what the appetite for those increases is when we come back in November, or October/November, with our proposals for an increase in the benefit limitation and what the impact will be cost-wise as well. That will be in the gift of this
3370 Assembly to approve that.

Deputy de Sausmarez, access to primary care. We modelled the one-visit-per-year, because we were deliberately light on that. We did not want to over-state. If we had put in a substantial amount, people would have said, 'You are making the model look better for your report.' All the financial modelling that we have used within our £4 million budget has been done on a pro-rata
3375 basis.

If you look at the actuarial review that we have submitted over the past few years, when we do that actuarial review, there are actually some estimates that estimate the number of visits that people make to the doctor each year. Each household is very different. One particular household we looked at, they had 20 visits to the doctor last year and there will be some households that
3380 maybe have one or two visits. We try to be fair and under-state in this report.

The same thing for a deposit. I think, again, I have spoken about this, we do need to look at the capital limits. I picked this up again in my opening speech. I think it is something that we need to look at. We want to help people aspire to move on from social housing. Whether that be a step up into private rented, whether that be into partial ownership or whether that be into complete
3385 home ownership, we need to look at a mechanism to enable people to save and maybe that is something we can look up with P&R. We know that in the UK they have got home-buyer ISAs that encourage saving and give a bonus at the end and that may be something that we could perhaps look at in due course, looking across the Assembly.

Deputy Dorey, regarding the rent paid direct to tenants rather than deducted from their
3390 benefits. I think our view was that we wanted our people on Income Support to take some responsibility and some ownership and really understand budgeting. But we too have got a concern about rent arrears. Also, not everybody is receiving a full rent rebate, so there may be some confusion when they are receiving a top-up and, if we paid that direct, how much then they would need to pay out of their own funds, to pay for their rent.

It is something that we will need to monitor, and I had a meeting with the GHA yesterday and I know it is a concern of the GHA, so it is something we need to keep a close eye on, but we will have the ability for tenant requests for us to pay that rent direct for them. We will have the ability to do that.
3395

Short-term rates, I think we have already discussed that. I would consider them as mean and they will need to be reviewed. With regard to the MIS rate, we know we need to review. There is a cost to reviewing, there is a cost not only that it may increase the amount that we would need
3400

general revenue, if the rates are below what they should be, but there is also a cost in undertaking that work, and I think Deputy Dorey would agree from his previous experience as Minister on the Social Security Department that actually the Loughborough review was reasonably expensive and takes up a considerable amount of time. What we would be hoping is, now supermarkets, etc. have got a lot of online information that we may be able to have an automated feed.

Deputy Fallaize, I just thank him for his support. Deputy Leadbeater, I am just checking my notes here. Your example B, I think we have quickly worked out that they would be, probably, £70 per week worse off if they were on Income Support and they were not in work, but we would have to come back to you with that. The reason why we did not give more examples was I think we were starting to get lots of different examples and it was getting more confusing. If Deputy Leadbeater would like some more examples, I invite him to come into see us at ESS and we can go through some of those examples.

Incentives to work, I think I have covered that. Yes, we have got work requirements. Our job centre team is very happy to work with people. I think sometimes there are a lot of myths and anecdotal information about people who want to work or not want to work in our social housing. There will always be some people that will try and abuse the system, but I believe that those people are in the minority. The majority of people have a really strong work ethic and want to work and, when given the right opportunity, they will work. I think we are heading in the right direction on this.

I would just like to remind Deputy Gollop that there were no jelly babies in the basket of goods! In fact, we were far too frugal to allow luxuries like sweeties. I do not think I have got anything more to say other than to close on that comment and I would just like everybody to support our policy paper today.

Thank you.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I rise to ask for a recorded vote, please.

The Bailiff: There are four Propositions. Nobody has requested a separate vote on any of them, so I propose that all four be taken together, with a recorded vote.

There was a recorded vote.

Carried – Pour 35, Contre 1, Ne vote pas 0, Absent 4

POUR

Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Prow
Deputy Oliver
Deputy Kuttelwascher
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

CONTRE

Deputy de Lisle

NE VOTE PAS

None

ABSENT

Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Ferbrache
Deputy Tindall

Deputy Meerveld
Deputy Fallaize
Deputy Inder
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 Langlois

The Bailiff: Well, Members, the voting on the four Propositions was 35 in favour, with 1 against. I declare the four Propositions carried. Thank you.

POLICY & RESOURCES COMMITTEE

VII. Schedule for future States' business – Proposition carried

The States are asked to decide:

Whether, after consideration of the attached Schedule for future States' business, which sets out items for consideration at the Meeting of the 21st March 2018 and subsequent States' Meetings, they are of opinion to approve the Schedule.

3435 **The Deputy Greffier:** Article VII – Schedule for future States' business.

The Bailiff: Deputy St Pier.

3440 **Deputy St Pier:** Sir, as ever, I think the Schedule probably is self-explanatory. Again, the next meeting should be a relatively short meeting. In relation to the statements, I have already referred to two which are expected, one from Deputy Trott on Brexit-related matters and one from Deputy Fallaize in relation to the financial position for the Committee for Education, Sport & Culture and, no doubt, other matters too. I think everything else is self-explanatory, sir. I have nothing else to add.

3445 **The Bailiff:** There have been no amendments. Just in relation to statements, of course, if the snow clears there will be the Alderney statement and I will be issuing a Billet for the election of a Member of the States' Assembly and Constitution Committee, because there is now a vacancy, following the election of Deputy Roffey as the President. So that will be added to the Billet.

3450 I put the Schedule to Members. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried and that closes this meeting. You can go and warm up!

The Assembly adjourned at 5.25 p.m.