



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 21st March 2018

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Present:

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

Law Officers

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

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 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

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

The Clerk to the States of Deliberation

Ms C Foster (H.M. Deputy Greffier)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Procureur)
Deputy D. A. Tindall (*absent de l'île*); Deputy M. J. Fallaize (*relevé à 9h 33*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Deputy Greffier

EVOCATION

CONVOCATION

The Deputy Greffier: Billet d'État X 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 21st March 2018 at 9.30 a.m. to consider the items listed in this Billet d'État which have been submitted for debate.

The Bailiff: Members of the States, good morning to you all and before we proceed further, Deputy Fallaize, do you wish to be relevé?

Deputy Fallaize: Yes, please.

The Bailiff: Deputy Fallaize is relevé.

Before I get asked the question, as it is so much warmer this time than it was last time, those who wish to do so may remove their overcoats, jackets scarves, gloves and everything else they might have been wearing, but especially their jackets!

STATEMENTS

States of Alderney – General Update

The Bailiff: We start with Statements and the first is to be delivered by Alderney Representative McKinley on behalf of the States of Alderney, a general update Statement.
Alderney Representative McKinley.

Alderney Representative McKinley: Thank you, sir.

Mr Bailiff, Deputies, I am pleased and honoured to be able to present the first annual report from Alderney – and I thank you all for recommending and supporting the inclusion of such a report.

In 2008 our economy was buoyant. Our online gambling industry, established in 2000, was, and indeed still is, bringing in much needed capital, and we hope that this will continue.

25 Alderney had a thriving tourism industry, dependent on reliable and affordable air links to Guernsey and to the UK. Sadly, by the end of 2008 we had lost one of our airlines, and the Bournemouth route and the Jersey link, even for summer specials, had been abandoned, and tourism began to decline. Now we have about 58,000 passenger movements per year and are served by just two routes and only one airline. We hope that this will change soon.

30 In 2008 we had small financial services and fishing industries. These too are in decline.

But the greatest changes though have been in our demographics. Although we are no longer suffering declines in population, in 2008 about 12% of our population was 15 and under, and 25% was over 65. In 2016, 9.9% of our population was under 15 but 34% over 65.

We have progressed a number of economic and social issues, which I will highlight later, but I will start with transport and the FAB link – two issues which dominated 2017.

35 Air transport – in October we learned that Economic Development was rewriting Guernsey's transport policy and that the previously accepted PSO approach would be applied only to the Guernsey/Alderney route. Alderney/Southampton would no longer receive support. This was devastating news and we have challenged its logic.

40 We are pleased that there is support for financially-supported competitively-let Public Service Obligation contracts on both routes.

We would very much like to see how Aurigny has arrived at the figure of £3.2 million projected loss on the Alderney routes.

We have competitively tendered our aviation fuel supplies, and we continue to lobby 45 constructively around any residual Medevac problems

We welcome Waves, and of course we hope to see Air Alderney operational in the near future.

Regarding sea transport, we have examined a number of regular ferry service options – unfortunately, most were deemed to be high risk or financially unstable.

50 Last summer we agreed continued financial support for Bumblebee – Bumblebee no longer has its boat – although interestingly the average uptake was only about 50% of the passenger capacity – six as opposed to 12 on both ways. We are now looking at other options.

Regarding FAB Link, we have sought a better commercial deal from the promoters of the FAB link – and some substantial progress has been made.

55 The Alderney Renewable Energy commercial and sea bed licences have been terminated through a lack of payment, and the Alderney Commission for Renewable Energy is now seeking to recover monies owed to them, and to others, by Alderney Renewable Energy. As soon as the current legal proceedings are resolved we hope to revisit the market and negotiate new renewable energy resource deals.

60 Regarding health – the Wilson Report led us to closer liaison with the Committee for Health & Social Care. Professor Wilson also reported on options for our primary health care services – these are requiring further deliberation and liaison with HSC on the KPMG initiative.

Alderney needs a bespoke solution suited to its small population and isolated position. We are also seeking some sort of help for a community and psychiatric nurse, because we have one or two people who need that sort of specialist treatment.

65 Sadly, the fall-out from the investigations into the Eagle Medical Practice continue. We are concerned that we may be about to lose our only dental practice. And we have worries about the timely delivery of prescription drugs.

We have also liaised with the Committee for Employment & Social Security on an Equality and Rights Programme and Disability Discrimination Legislation – again noting the need for bespoke 70 solutions.

Regarding education – I would like to thank the previous Committee for Education, Sport & Culture for all that it did to support St Anne's School. GCSE results for 2017 were better than they have been for several years.

75 I now mention in title only some of the main areas of focus during 2017. I will be happy to expand during question time if necessary. First of all, digital connectivity, we are looking for improvements; we are working on environment law; obviously we have interest in Brexit;

immigration and investment visas; we are looking at governance review; we are looking at partnership law; we are looking at bigger data opportunities; we are looking at taxation law; we are looking at the Company Law; we are looking at the implication of the new financial relationship, we have passed same sex marriage; we are supporting assisted dying and organ donation; and we are working on our relationship with our French neighbours, and we are also just about to sign an Armed Forces contract with 30 Signals Regiment.

A new Chief Executive Officer started this month, and we now have a Commercial Manager, Chris Brock – who is known to many of you – who will work on the more commercial of our initiatives. I would also like to record our sincere thanks for appointing Adrian Lewis as our temporary CEO who filled the gap between the premature departure of our previous CEO and the arrival of the new one; his contribution was tremendous.

As I close, you will have noticed no mention of the breakwater and the Airport, or our own initiatives to protect and improve the built environment and our infrastructure. The breakwater is, of course, Guernsey's responsibility. We are continuously nervous about its condition. It provides vital protection to our Harbour and we thank the Committee for Environment & Infrastructure for all the work that they have done to help in that respect.

We now have an up-to-date property asset register; work is underway with the renovation of the buildings encapsulating our Roman Fort; major repairs to St Anne's Church, the Cathedral of the Channel Islands, have been completed; we are now looking at plans for bringing more of our iconic building stock back into its sensitive use; the electrical network upgrade continues and is already delivering benefits. Both the Water Board and Works Department have added value to the above by taking open-trench opportunities to progress their own upgrades.

Another matter not dealt with has been revisions to our Land Use Plan and Planning Laws. Changes to the regulations for protecting our green belt have aroused emotions, but changes were passed last week, and we look forward to being able to showcase our new approaches.

So finally, to our vision for the future. We see our Government as facilitating economic development, not as a direct player. We want to be a dynamic part of the Bailiwick, complementing, not necessarily replicating, activity on Guernsey. We want to work with Guernsey and be properly consulted on matters that have Bailiwick-wide impacts. We need effective transport links – and we need Guernsey to take into account how investment and support for those links impacts our economy – although we are supporting a number of initiatives domestically this is not something we can do ourselves. We would like to rebalance our population so that young people with families find Alderney an attractive place to live and work.

We recognise the importance of value-for-money and have instituted new procurement regimes. We believe the key to unlocking economic regeneration lies with improvements to our transport links, both by air and by sea – and for this reason we are promoting new links. We are seeking to work with Guernsey on a Bailiwick-wide policy that focuses on transport as both 'economic enabler' and 'life-line'. We are seeking urgent progress on the project to rehabilitate our runway and to return its width to the CAA 23 m standard; this should have happened this year but has now been delayed, I believe, to 2020. We are now investigating ways to rehabilitate our Airport terminal building – possibly as a joint venture with the private-sector.

I hope that this report has been useful. I thank you all for all that you do to support our small Island, and I am sure that we will continue to work together for the common good of both our Islands.

And of course we would love to see those of you who have either never visited, or not visited for some time, to spend a day, or maybe even a night as well, with us sometime in the near future – when the weather gets better! Do come to a People's Meeting where you will hear the views of the people as well

If I am unable to give full answers, I hope that Members who have questions will allow me to take them back to Alderney for the appropriate and full answers.

Thank you, sir.

The Bailiff: That leads into question time. There will now be a period not exceeding 20 minutes for questions but each individual question, I remind you, must not exceed one minute in duration and the answer must not exceed one and a half minutes in duration.

Deputy Lester Queripel, then Deputy Kuttelwascher.

Deputy Lester Queripel: Sir, my colleagues in the Assembly and I receive a lot of complaints from residents in Alderney and Members of the States of Alderney focussing on the poor levels of service Aurigny provides to Alderney, yet Alderney States are part of the MOU Group, which is in place primarily to address all of those issues. So is Mr McKinley able to tell us please why all of the problems between Aurigny and Alderney are not resolved at meetings of the MOU Group?

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: I would love to be able to answer your question, but it is rather a difficult one, and it is one that we have been asking ourselves for the last couple of years. We are concerned that the transition between the Trislander and the Dornier has not been effectively put into operation. There are four Dorniers, one of which is new, one of which is almost beyond its sell-by date, the other two are working quite well, but I understand that there are three different types of Dornier and therefore not all pilots can fly all the Dorniers. So you have a situation where even by a weather delay the pilots have run out of time and the appropriate pilots are not either on the Island or in Southampton or wherever it may be when they are needed. So we do have enormous problems which we are trying to resolve, and I hope perhaps Deputy Parkinson might be able to answer one or two of those questions.

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

Alderney Representative McKinley mentioned the airline Waves; I wish to ask him how he might feel, or his Government might feel, about the possibility of Waves actually taking over responsibility for the provision of services from Alderney to Guernsey and Southampton?

Thank you, sir.

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: We really do not mind who does it, as long as it works. So be it Waves, be it Air Alderney which is hopefully seeking a licence, be it the Flying Boat – allegedly that may be flying from Jersey – but whoever does it we want an efficient operation, sir.

The Bailiff: Deputy Inder.

Deputy Inder: Sir, thank you for the update, Alderney Representative, and I would love to take you up on the offer to come up and see you guys, but I have seen Wicker Man more than once! *(Laughter)* Would Alderney Representatives agree with me that there are Bailiwick-wide concerns about the two differing figures of the projected losses? One was, I believe, £900,000 to £1.1 million, and now we have got a figure of around £3.2 million on the routes. Would he also agree with me that access to the last five years of revenue accounts of Aurigny would be of use to unpick exactly what is going on on those Alderney routes in financial terms?

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: I am afraid I cannot really answer the question. We have asked the question too: why the projected £3.2 million? Is it because of people are having to stay

in hotels, for instance, I think, on Saturday night or Friday night? We had people having to stay in Alderney, having to stay in Guernsey and having to stay in Southampton because their flights were not working. Delivery of luggage – quite often you cannot get the luggage on the airplane with the passenger; that has to be delivered later, that costs an awful lot of money.

185 We would be very interested to see though how the £3.2 million is assigned to the Alderney routes, almost really blaming Alderney for something which is not really their fault at all.

The Bailiff: Deputy Gollop.

190 **Deputy Gollop:** Sensitive as I am, of course, being a member of the TRA, the speaker, Alderney Representative McKinley OBE has mentioned on several occasions this morning the necessity of effective transport links to the Island to facilitate economic development. Would he agree, as far as he is able to speak on behalf of the States of Alderney and stakeholders there, that it is arguable that increased competition or services on transport links might lead to increased
195 numbers and therefore increased economic regeneration?

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: A slightly difficult one that, sir, because although we
200 would like to encourage the operators to come along, we do not want to lose the one we have at the moment and end up with nobody. Also Air Alderney is going to be flying, I believe, an Islander which takes only about 10 or 12 passengers as opposed to the 19 or so they can get on the larger Dornier, but at the moment you have Dorniers, also one of which can only take 14 passengers. So it really is quite difficult for people to book. I do not know whether Aurigny actually presumes that
205 there is going to be 19 on each flight and then only has a 14-seater aircraft on that particular leg. We would like to encourage competition but we do not want to, at the moment, say goodbye to Aurigny, although we have problems with Aurigny.

The Bailiff: Yes, Deputy Parkinson then Deputy Brehaut.

210

Deputy Parkinson: Sir, would Alderney Representative McKinley agree with me that Aurigny's operating costs will bear no resemblance to the operating costs of any other airline operating very different transport models, for example, Waves or Air Alderney?

215 **The Bailiff:** Alderney Representative McKinley.

Alderney Representative McKinley: I am not sure really of the answer to that. It is a very difficult one that, we need to go into quite a lot of detail, but Waves – I am not sure how many passengers they can take, eight or nine, I think something like that. The Islander will take about
220 10 or 12. We really want to know how you arrive at the £3.2 million loss, and we need to have a more reliable airline.

The Bailiff: Deputy Brehaut.

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

I thank Alderney Representative McKinley for the kind words regarding the breakwater, but there is work to do there yet, I have to say.

Can I ask though, in the early days of e-gambling in particular it was hoped that not only would the licences be based on Alderney but staff and some of the infrastructure would and it
230 would provide employment? Bearing in mind that e-gambling these days is a multi-billion pound industry, is it worth Alderney looking again at their licencing regime to see what more they can get by way of revenue from that licencing regime.

The Bailiff: Alderney Representative McKinley.

235 **Alderney Representative McKinley:** Just to make the point, we do actually have a number of
e-gambling employees in Alderney so we are not just doing it all by internet, but there are people
working there. But yes, I think the whole e-gambling business is getting a little bit harder in future
and the possibilities of actually making it a lot more difficult for people, but yes we would like to
encourage any sort of ... we want to encourage e-gambling, financial companies, others to come
240 to Alderney and work there, but one of the reasons they do not come is because they cannot get
on or off at the times that they want to, not all the time anyway. And it is a very expensive trip. It is
nearly £300 return from Alderney to Southampton.

The Bailiff: Deputy Roffey.

245 **Deputy Roffey:** Given that it is clear that the concerns about connectivity are almost concerns
over the future of the economy of the Island which is the future of our joint economy because we
are a commonwealth, if you like, and that this Statement is only able to scratch the surface in the
time allowed, would the States of Alderney actually consider a forum where those of us who share
250 their concerns but do not have an open cheque book could actually sit down and get under the
surface of this, and really understand these big issues and understand the collective view of the
States of Alderney over them?

A Member: Hear, hear.

255

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: Deputy Roffey, that is an excellent idea and yes of course
we would greatly support it, we would greatly support any sort of improved communication. We
260 are enormously grateful for what Guernsey does for us, and actually you give us I think about
£6 million to £8 million more a year than we contribute down here. I think it costs about £18
million to run Alderney a year and I think we contribute about £11 million or £12 million of that.
But yes I think the more we communicate the more we can get together on specific issues, that is
why I would actually very much invite Committees to come up. I know that they have done in last
265 years, that people do come up, Deputies do come up sit down and talk to us here or there or
wherever, but the more communication the better.

The Bailiff: Deputy Hansmann Rouxel.

270 **Deputy Hansmann Rouxel:** Thank you, sir.

Thank you, Alderney Representative McKinley, for his update.

I just wanted to express the gratitude for the artistic toing and froing between Alderney and
Guernsey, of course, with somebody like Mrs Pugh who goes over and runs the choir in Alderney
and then coming over for the Eisteddfod. I just think with those links that you were expressing for
275 your Performing Arts Festival which is coming up in May, and the Alderney Literary Arts Festival
that happened in March, it is important that we get that link between. Does Alderney
Representative McKinley agree with me that we get those links right for those social reasons as
well?

280 **The Bailiff:** Alderney Representative McKinley.

Alderney Representative McKinley: Yes of course I agree with you. I mean the more we
communicate the better. Incidentally, the Literary Festival is happening this coming weekend, and

yes we have some wonderful festivals, as you do down here. The more we communicate, the more we get together with each other, the better. It must be better that way.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, yes, Alderney Representative McKinley spoke about issues over dentistry and Medevac. I would like to know whether he would acknowledge the hard work being put in by the Medical Director to support the dentists in Alderney and also the hard work undertaken by staff at both HSC and ESS to put in place a Medevac service?

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: Most certainly we do.

Actually I spent some time talking with Dr Simmonds yesterday in the Island Medical Centre, and it was not just because of the presentation I was to make today but we do communicate a lot. We are enormously grateful, as I say, for what HSC does for us. We do have a concern still, I understand that there is a possibility – and I am not quite sure where it has come from – of a second practice being established in the Mignot Memorial Hospital, which I only heard yesterday. I had not heard about it before, I am not sure who is going to man it.

With Medevacs there are problems. One of the problems with Medevacs is actually access to the aircraft. The Dornier is not a suitable aircraft, frankly, and if Air Alderney comes in with its Islander it would be a more appropriate aircraft and probably cheaper, but to bring in a helicopter. Actually Air Alderney is going to have a helicopter and that is going to start flying between Alderney and Jersey shortly, and possibly Alderney and Cherbourg.

It is also, I believe, going to be doing a freight contract between Alderney and Guernsey. We are trying to get it to do Alderney and Lee On Solent, but a helicopter would help with a Medevac. We just have concerns, I mentioned them the Lyons Report is still simmering a little bit. I think otherwise we get on pretty well and we do communicate pretty well but –

The Bailiff: Your minute and a half is up, Alderney Representative McKinley.
Deputy Lowe.

Deputy Lowe: Thank you, sir.

I thank Alderney Representative McKinley for his update.

I think nearly all the Committees in this Assembly support Alderney and will do whatever they can for Alderney, including Home Affairs. But of course looking at the overview of it all, could he take back to Alderney that perhaps they may consider Policy & Finance – I believe all of your Members are on Policy & Finance or they used to be all 10 of you – it may be beneficial to come across to Guernsey so all 38 of us are able to have a good open discussion with yourselves on a half day or a day set aside solely talking with Alderney and listening to their concerns which are not only about air transport and boat transport?

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: Thank you, Deputy Lowe. An excellent idea and I will certainly pass it on to P&F.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

Could Mr McKinley please confirm that, in fact, the previous Committee for Economic Development had actually discussed having a Public Service Agreement (PSA) or a PSO for both

the Guernsey/Alderney route and the Alderney/Southampton routes, and the only element of discussion was whether those routes should be categorised as lifeline or strategic?

Thank you, sir.

340 **The Bailiff:** Alderney Representative McKinley.

Alderney Representative McKinley: Of course we agree that both those routes should be categorised as lifeline, and I think that message has been passed on quite clearly.

345 We are just waiting for clarification on the PSO. We do not know when it is going to happen or what the terms are, but we are just hoping that there will be a PSO shortly and we can rely on an airline that is going to operate them.

The Bailiff: Yes. Deputy Trott and then Deputy Le Clerc.

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

Our two communities are in fiscal union and in recent years a deficit has grown significantly between our two communities. With that in mind, surely the life-line air link is with Guernsey and the concept of any other route being a lifeline is misguided? If Alderney Representative McKinley disagrees, why?

355 **The Bailiff:** Alderney Representative McKinley.

Alderney Representative McKinley: I do disagree, and all Alderney States' Members would also disagree. I question why, when you have a number of lifeline links why is your Gatwick link a lifeline to you? We have an awful lot of people, whether it is business people who come back and forth to England, they do not want to come via Guernsey all the time, they want to come direct. So it is a lifeline route for us. We class it as such anyway.

365 **The Bailiff:** Deputy Le Clerc.

Deputy Clerc: Thank you, sir.

Would Mr McKinley, I do not know if he is aware that a formal contract has been agreed with Aurigny to provide a Medevac service and this is the first time that actually a contract is in existence and that contract stipulates that there will be between 17 and 15 hours a week provision of a Medevac service and in an emergency we are actually using alternative and we are using a helicopter. Was he aware of that contract; and at the present time Waves are not up and running, so Alderney Air are not up and running, so we are unable to have a contract with them for Medevac provision, so in fact we have done the best that we can with the Aurigny contract?

375 **The Bailiff:** Alderney Representative McKinley.

Alderney Representative McKinley: That is slight news to me. I was not aware that we actually had a contract with Aurigny for that, but yes that is very good news. But one of the problems with the Dorniers, they are very difficult to get stretchers in and out. It takes some time to prepare a Dornier for a Medevac and we have had a couple of instances, in fact one recently ... you cannot guarantee with the weather we have had and the runway being closed for three days as it was three weeks ago, therefore Medevac by air is not an option and we have to go by the lifeboat or by the pilot vessel. So we are looking – of course we will be delighted if Aurigny could provide a proper service but they cannot do it at all times of the year and all kinds of weather.

385 **The Bailiff:** Deputy de Lisle, then Deputy Ferbrache.

Deputy de Lisle: Thank you, sir.

390 Alderney Representative McKinley mentioned the fact that the seabed renewable licences stopped during legal proceedings. I would like to ask is there demand actually for the remaining potential at the current time, and perhaps what that demand is and what benefit it would bring to Alderney?

The Bailiff: Alderney Representative McKinley.

395

Alderney Representative McKinley: Sorry, I just need a little clarification on that question. I am not quite sure, demand for what? For tidal energy, seabed basis, or ...?

Deputy de Lisle: No, for licences, sir.

400 Thank you.

Alderney Representative McKinley: Well nobody else has applied for licences at the moment. ARE had pretty the well whole of the race which is, as you know, between France and Alderney rather than the other side. They failed to pay all their licence fees and there is legal performance going on at the moment, so we do not quite know what is going to happen. That is going to happen in June. We would be delighted if other people applied for licences on that seabed, but we are not quite sure how we will take it out at the moment, whether it comes via Alderney or whether it goes via France.

410 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Would Alderney Representative McKinley agree with me, and I think he probably will, that it would be absolutely disastrous to the community of Alderney if the Alderney/Southampton route were not designated as a lifeline route and that it should absolutely be and given top priority by the relevant Guernsey Committees?

415

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: Not only would I agree 100% but probably 500%. We had a meeting of our own P&F Committee fairly recently and everyone agreed that it is an absolutely essential lifeline route.

420

That is all I can say, sir, once again.

The Bailiff: Deputy Lester Queripel.

425

Deputy Lester Queripel: Sir, it sounds to me, judging by Mr McKinley's response to my question about the MOU Group, as though the group is not fit for purpose. So can Mr McKinley tell me if he thinks that is the case, and if it is the case what, if anything, are the States of Alderney doing to address that and to ensure that the MOU Group is fit for purpose?

430

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: I assume you are talking about the MOU with Aurigny, are you?

435

Deputy Lester Queripel: Might I respond, sir, through you?

The Bailiff: Yes, if he does not understand the question so he cannot answer it, unless he does understand it.

440 **Deputy Lester Queripel:** My understanding, sir, is that the MOU Group consists of the States of Alderney, STSB, and a team from the Aurigny Management Committee. It sounds to me when he responded to my original question, that the MOU Group is not fit for purpose. So I am wondering what the States of Alderney are going to do to address that, sir?

445 **The Bailiff:** Alderney Representative McKinley.

Alderney Representative McKinley: Well if I understand it right, I think that our senior politician is a member of that group also so he attends the MOU meetings, He was not too happy with the outcome of some of those meetings and we are looking for something, as I mentioned earlier, a more reliable air link, frankly.

The Bailiff: I will allow Deputy Inder and Deputy Gollop to ask one more question. Then this question time is closed.

455 **Deputy Inder:** Thank you for that.

Through you, sir, just looking at the flights and departures today on the Guernsey to Alderney route, it looks like there are about four flights today. In the summer I have seen five flights and six flights. Being practical and being pragmatic, they are carting a lot of air around often, and would Alderney Representative McKinley agree with me, or at least consider, does he think that sometimes the Alderney to Guernsey route is possibly over served?

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: I would agree absolutely. In fact this morning we came across on a 19 seater and there were only 10 passengers. There are, I believe, four flights today. I think that certain times of the year in the summer time ... trying to book now for Alderney Week or July and August is almost impossible, there are not enough flights. In the winter at the moment perhaps there are too many. I do not think there are too many between Alderney and Southampton, I believe there are only two at this time of year, but four or five between Alderney and Guernsey perhaps is too many.

The Bailiff: Deputy Gollop, the last question if you wish to. You were standing earlier to ask a question.

475 **Deputy Gollop:** Oh yes.

Deputy Brehaut and the Alderney Representative mentioned the breakwater. How will Alderney promote the breakwater as an icon of British, if not global, engineering, bearing in mind it apparently made the top 200 of a chart which could in theory bring benefits to the Island?

480 **The Bailiff:** Alderney Representative McKinley.

Alderney Representative McKinley: Absolutely, it was mentioned in the BBC report that work started in 1897, it actually started in 1847; but that recent announcement that it is one of 200 of the iconic features including the Channel Tunnel, is quite something. Our concern is that we keep the breakwater as it is, we do not chop it in half, as was a possible option, and that we do a proper survey of the damage that may have been caused underwater as soon as possible, particularly during the recent storms. We need to keep that breakwater intact, it protects our Harbour. It is actually almost as important – probably in some ways more important – than our airfield, because all of our major goods, food, vehicle supplies, building supplies, everything, gas petroleum come in through there.

The Bailiff: That concludes question time.
Thank you, Alderney Representative McKinley.

**Committee for Economic Development –
General Update**

495 **The Bailiff:** We move on to a general update Statement to be given by the President of the
Committee for Economic Development. Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

500 It is three months since I was elected as President of the Committee for Economic
Development, and two months since Deputies de Lisle and Tindall were elected to the Committee.
The weeks since then have been very eventful.

The new Committee has a good balance of skills and expertise, and we have met formally five
times in the past 10 weeks in order to ensure that we build momentum.

505 In January the Committee voted by majority to withdraw the economic vision devised by the
previous Committee. This will be replaced by a Plan for Economic Development, which has just
been shared in draft form with Members of the Committee. Subject to their comments, our
intention is to bring the new plan to the States in the next quarter.

The new plan sets a course for the Guernsey economy of the future, and maps out the route to
get there. The core theme is diversification, as our economy transitions from one based very
heavily on financial services. But more of that in due course.

510 Our approach is consultative and collaborative, and we are keen to involve the private sector in
every stage of the development and implementation of policy. In January I met with a number of
business representative bodies to understand what they saw as opportunities, threats, challenges
– and their views on driving growth and productivity.

515 In the meantime, while our long-term strategy is developing, we have been dealing with
'business as usual', and specifically a number of 'burning issues'. One area of priority has been air
and sea links.

520 The air transport licensing framework has been accelerated and completed over the last three
months, and the final draft is now being consulted on with airline operators, other States'
Committees and business representative bodies. It will be put before the States in the second
quarter of this year.

525 Following on from Alderney Representative Graham McKinley's update, I am pleased that the
work on a Public Service Agreement for the Alderney route is now underway, with the input of
colleagues in Alderney. We have agreed an ambitious timeline for the establishment of Public
Service Agreements during 2019. I should add that the Committee recognises the importance of
the rehabilitation of the Alderney Runway in securing the best possible response from commercial
operators.

530 If I may digress a little bit from my prepared comments in response to Alderney Representative
McKinley and Deputy Ferbrache, I need to point out to the Assembly that the
Alderney/Southampton route is licenced by Alderney, it is not licenced by Guernsey. Therefore in
the air transport licensing paper that comes before this Assembly there will be no classification of
the Alderney/Southampton route, it is not within our licencing system. It will not be a lifeline
route, it will not be a strategic route, it will not be a development route, it is not a route we
regulate. But nevertheless the Alderney/Southampton route may be within the scope of the PSA
which we are in the process of agreeing with our colleagues in Alderney.

535 Our sea links are also critical to our economic and community wellbeing. We have announced
a new inter-Island passenger ferry service, which will operate from Easter onwards, at little or no

cost to the taxpayer, and this will provide 26,000 seats on the Jersey/Guernsey route this year which were not available last year.

540 The Committee has considered options for improving Guernsey's sea links, and directed officers and legal advisers to undertake further detailed work with three objectives: to identify ways of improving resilience and affordability in the short term; to consider the best approach for the long-term provision of sea links; and to ensure preparedness for any developments which might emerge in relation to the sale of Condor by Macquarie.

545 This work will be informed by the strategic review of air and sea links infrastructure, which is being undertaken by Policy & Resources, but it is, however, important to note that the work that the Committee for Economic Development is now undertaking will run in parallel with the States-directed review, and supported by it – but it will not be delayed by it.

550 In relation to the potential sale of Condor, I met with Macquarie and Condor on 22nd February to discuss these matters. I understand this was the first meeting undertaken by the Committee with Macquarie since September 2016 when the Committee's then President and Vice-President were advised that the life of the fund which owns Condor would not be extended by Macquarie.

The work that is now being undertaken is focused on assessing and testing the market, on understanding more fully Guernsey and Jersey's shared and also different requirements, and on building reliability.

555 The Committee also continues to make progress on digital connectivity. The Vice-President, Deputy Dudley-Owen, has done an excellent job in leading and co-ordinating the implementation of the Digital Strategy, and was rightly commended for her work in that area a week ago at the Institute of Directors' Mid Term Conference. I echo that commendation, and am pleased that over the past few weeks the Committee has put in place a plan to secure the Digital Greenhouse for 2019-21 in order to further establish its role in developing and diversifying our economy and our skills.

Over the past few weeks the Committee has recognised its role in supporting the work on Brexit, on which the Vice-President of the Policy & Resources Committee will shortly provide Members with an update.

565 We need to be global in our approach. The International Monetary Fund predicts that 80% of world growth is likely to come from outside of the EU in the near future, and it is clear that the Committee has a lead role to play in developing new markets globally. This month the Committee has joined the Commonwealth Enterprise and Investment Council as a strategic partner, which will assist us as our economy pivots towards the world outside Europe.

570 The economic plan policy letter that the Committee will bring forward will recognise that we need to encourage entrepreneurialism, and also that we need to remove red tape and barriers. In 2015 the predecessor, Commerce & Employment Department, completed a red tape audit, a report that appears to have been sitting on a shelf since the start of this political term. This Committee will dust it off, add to it, and see how we can make a series of changes to make 575 Guernsey more competitive – including in relation to population management, planning and land use, and the processes involved in setting up and running a business.

In respect of the fintech, fiduciary and insurance sector reviews, over 90% of the recommendations have commenced, or are well progressed or completed, showing the commitment of Government and others to implement recommendations which are intended to benefit these sectors. The investment sector review is also close to completion and will be published soon.

I would like to finish as I started – with some good news.

585 First, the Guernsey Registry. This past month has seen the first set of beneficial ownership returns, and there was a response rate of over 98%, with those yet to respond to now receiving reminders. This was a big task being undertaken for the first time, and under international scrutiny – and the Guernsey Registry showed that it was more than up to the task. I congratulate all those involved.

Secondly, in 2017 *LocateGuernsey* was responsible for 24 relocations to the Island – 15 corporate and nine high net worth individuals. *Locate* has created a direct economic return of nearly £1.7 million over its first two years of life, and a considerably greater return to the wider Island economy through use of professional service firms, hospitality firms, construction companies and off-Island travel.

With regard to tourism, overall visitor numbers to Guernsey for 2017 were up by 4% on 2016, and staying leisure and business visitors – the value driving sector for the industry – was up by 5% at 178,500. Some 105 cruise ships have been confirmed to visit the Islands for 2018, with over 122,000 disembarking passengers expected. Guernsey has been voted *Cruise Critics*' Best UK Port of Call', and is in the top five 'Best European Destinations'.

The Guernsey Literary and Potato Peel Pie Society film goes on national release in the UK on 20th April. Release dates are also confirmed for the USA, France, Germany, Holland, Belgium, Luxemburg, New Zealand and Australia, and a campaign to capitalise on the movie's release and the book's re-release is underway.

To conclude, it is clear that the economy faces some serious challenges, particularly as the Brexit process unfolds, but we are also now identifying opportunities which we will set out in our upcoming policy letter.

My Committee will meet those challenges and respond to those opportunities with imagination, energy and vigour, and we will work collaboratively with other States' Committees and the private sector to support Guernsey's economy.

Thank you, sir.

The Bailiff: Any questions?
Yes, Deputy Lester Queripel.

Deputy Lester Queripel: Sir, in his Statement, Deputy Parkinson said a campaign to capitalise on the release of the film *Guernsey Potato Peel Pie* by the Literary Society is about to be undertaken. Is he able to give us some details of what that campaign is actually going to consist of please?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, the opportunity will be taken to place adverts, film adverts in the cinemas where the film is being shown, and we have a series of events related to the premier of the film being organised both in London and in Guernsey in April, and as has been widely publicised, this summer the stars of the film will be visiting Guernsey for the premier on the Island. We are also taking the opportunity to bring members of the press over to the Island to see for themselves what a fabulous place this is, and we will do everything we can to promote the Island in this context, including for example, Guernsey Dairy Ice-cream will be available at the Curzon Cinema in Mayfair for the London premier.

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

In relation to the President's comments on the Alderney to Southampton route, and the fact that no route support is planned, assuming such a situation is accepted by the Assembly when it comes back to us, does that not leave Aurigny just two options, either carry the loss which it says it makes or else cease operating entirely, and therefore that will do no good for Aurigny's bottom line and losses will continue.

Thank you.

The Bailiff: Deputy Parkinson.

640 **Deputy Parkinson:** I do not think Deputy Kuttelwascher can have been listening to what I said, I said that the Alderney/Southampton route will not be classified as any form of route under the Guernsey air transport licencing system because the Alderney /Southampton route is regulated by the States of Alderney not the States of Guernsey. What I then went on to say is that the Alderney/Southampton route may be included – and in my opinion likely will be included – in the
645 PSA to provide financial support to that route. These are two separate issues.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

650 Would the President agree with me, I believe in verbatim, he said that regarding inter-Island activities 'little or no cost to the taxpayer'? Would he agree with me that there is little or no benefit to our community in their attempt to travel inter-Island?

The Bailiff: Deputy Parkinson.

655 **Deputy Parkinson:** There are something like 47 return sailings planned from Jersey to Guernsey which will hopefully bring tourists from Jersey to Guernsey to spend money in the Guernsey economy. I fail to see how Deputy Merrett could consider that that will have no benefit to Guernsey. There are relatively few planned sailings on a daytrip basis from Guernsey to Jersey
660 and I accept that for social reasons there are various groups on the Island that would prefer that we had more Guernsey to Jersey return sailings, but the economic case – and my Committee is here to help promote the Guernsey economy – for shipping, subsidising Guernsey travellers to go to Jersey and spend their money in Jersey is actually very weak.

665 **The Bailiff:** Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

Would Deputy Parkinson agree that a good deal of the ground work in regard to digital connectivity was done during the last political term and as such can he confirm that his
670 Committee are making good use of that base rather than starting from the ground up, which would surely be an exercise in repetition and perhaps a waste of resource?

Thank you, sir.

The Bailiff: Deputy Parkinson.

675 **Deputy Parkinson:** I entirely agree that the Commerce & Employment Department in the last States did excellent work on the digital economy, and that the Digital Greenhouse is a visible example, for example, of the work that they did. I have just announced that we have agreed to support the Digital Greenhouse financially for a further three years. We are very pleased with the
680 progress they have made in the last year and the occupancy, I think, of their hot desks is up 400% over the last 12 months. So this is a key enabler, and the whole Digital Strategy on which, frankly, Deputy Dudley-Owen would be far better equipped to comment than I, is a flag ship policy which does derive from the work done in the last Assembly, and yes we stand on the shoulders of others.

685 **The Bailiff:** Deputy Lowe.

Deputy Lowe: Thank you, sir.

690 Listening to the President, and I am keen to hear that he wants to look after our economy rather than people going across to Jersey spending it in Jersey. However, would he accept that the sporting fraternity have been damaged immensely by not being able to have so many inter-

insulars across all sport and fraternity on the regular basis of the annual matches that take place with Jersey and denying the sporting people from being able to go across to Jersey indeed with their family and supporters? Will he be looking at that to see if it can be rectified?

695

The Bailiff: Deputy Parkinson.

Deputy Parkinson: We are still in negotiations with Manche Iles Express over the provision of services this summer. The services they have advertised, and which are on their website, and which you can already buy tickets on, are the ones that I have outlined. There are 47 day trips from Jersey to Guernsey but only, I think, seven from Guernsey to Jersey. We are in negotiations with them to see whether they can expand that Guernsey to Jersey offering at little or no cost, and it is too early for me to give a summary of what those discussions might lead to.

All I can say is my Committee is not willing to invest significant public money in increasing the number of Guernsey to Jersey day trips. Because while we recognise the social benefits for these sporting groups of being able to play their matches in Jersey we would encourage them to hold their inter-insular matches in Guernsey and bring the Jersey teams and their supporters to Guernsey.

The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

Speaking of the potential of the ferry service, can Deputy Parkinson confirm that the tender made no mention of accessibility, and that that is something that should be looked at in terms of accessibility for all Islanders to be able to get on and off the ferry?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, sir, the Port infrastructure in Guernsey, Jersey and indeed in the other Islands is not adapted to, for example, wheelchair users and it would be pointless us demanding that a ferry provider provides ferries that are capable of carrying wheelchairs if there is no means of actually getting the wheelchair from the quay or carpark down to the ferry. So this is a regrettable situation, but the fact is we are dealing with 19th century infrastructure and they simply did not plan for wheelchair access to boats.

Speaking in the wider context of my STSB responsibilities, as we develop the facilities of the Ports in all of the Islands we will have to, in future, bear wheelchair access in mind.

The Bailiff: Deputy Green.

Deputy Green: Sir, thank you.

I am grateful for Deputy Parkinson for indicating that the Committee for Economic Development will be bringing forward a policy letter in the next quarter with their long-term economic plan for the Island, and he referred to the key theme of that plan being diversification, quite rightly in my view, but of course politicians in Guernsey have been speaking about diversification of the economy for 30-plus years. Can Deputy Parkinson indicate how his Committee is going to have the answer to this which has evaded politicians for many decades?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, I would suggest to Deputy Green that one reason why politicians in Guernsey have not put a lot of effort into diversification over the last 30 years is they really have not needed to. Guernsey has been riding the crest of the financial services wave for 40-plus years, and it has provided the Island with a very good living, and it is probably the highest value added

745 industry we could have been engaged in over the last 40 years; so actually it made, probably to
them, little sense to divert resources into thinking of other activities which would have been lower
value added for the Island to get involved in. But the times are changing and there are now
considerable risks to the financial services industry; it faces certain headwinds and, in my view –
and I have been saying this for many years – it would be foolish of us to continue to concentrate
all of our eggs in one basket.

750 **The Bailiff:** Deputy Inder.

Deputy Inder: I thank you again for your positive up-date, Deputy Parkinson, through you, sir.
We have two great gifts handed to us, one is the Guernsey Literary Potato Peel Society film
755 and also the 120,000 passengers which are to disembark in Guernsey in 2018. Now, destination
marketing is not always about the short term and I know there are lots of efforts by Economic
Development and in terms of the events by Education, Sport & Culture to leverage off that in
2018. Now the promotion is often about medium and the longer term because films like this have
a burn period over the actual destination.

760 So I would like to ask and you may not – sorry through you, sir, Deputy Parkinson may not – be
able to answer this, with the fact that we have got 120,000 passengers landing in Guernsey what
efforts are being made to market Guernsey, to that captive and contained audience as they get on
and off their boats?

765 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Well, I think the best poster for Guernsey is the vista of St Peter Port as the
cruise ship passengers arrive on their tenders from their cruise ship into the Harbour. Guernsey
speaks for itself. This is a staggeringly beautiful location and people who fail to see the charm of
770 it, frankly, must be coming in with blindfolds over their eyes.

But we will obviously take every opportunity on the Island to try and promote the Island, but
this is not just a States' responsibility, this is an Island-wide responsibility. If those tourists get in a
taxi and go for a ride round the Island and the taxi driver spends two hours telling them what a
lousy place it is and what a terrible Government it has and all the problems that he has got,
775 frankly, they are going to go away with a bad impression. So it is incumbent on every member of
this community to support this effort.

The Bailiff: Deputy Trott.

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

Would the President of Economic Development agree with me that the creation of the
Guernsey Investment Fund with its first sell focussing on invocation and technology and currently
seeded with about £40 million of capital is potentially the most significant driver for economic
diversification in this community in a generation?

785 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Certainly, the Guernsey Investment Fund has the potential to be a catalyst
for economic diversification – and £40 million is not a trivial sum – if it is all invested in Guernsey,
790 because I think the mandate allows the Fund to invest anywhere. Anyway we will discuss that later.
(*Laughter*) But the reality is the States itself is going to have to put some time, and effort, and
money, behind economic diversification. The Island has not been investing enough in terms of
capital investment for many years (**A Member:** Hear, hear.) in several years the net investment in
capital has been zero, and it is time we caught up. There is a backlog of investment that could be

795 made, there are opportunities that we can seize, but it will require the States to put its money
where its mouth is, and it will require States' Members to be bold.

A Member: Hear, hear.

800 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Sir, given that *LocateGuernsey* has certainly had some success and *We Are Guernsey* are going great guns. How will Economic Development ensure that the public relations and marketing and dynamic forces of *We Are Guernsey*, Guernsey Finance, *LocateGuernsey* and the tourism side of *VisitGuernsey* are best magnified to really up our brand image and bring forward maybe new investment and new enterprise to the Island?

The Bailiff: Deputy Parkinson.

810 **Deputy Parkinson:** Well, our economic plans will set out the steps we are taking to support the promotional agencies, some of them may need reorganisation. There are obvious relationships or synergies between *LocateGuernsey* and Guernsey Finance for example, and *Start Up Guernsey* and the digital sector, there are interconnectivities which we need to explore in the hope that actually we will be able to make these operations more efficient by being more
815 cohesive, but we certainly support the promotional agencies and will continue to do so.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

820 I would just like to pick up on the question that Deputy Green raised, quite apt really. I think Deputy Parkinson responded to the *why* we diversify the economy. However, I do believe the question was also *how*. Could we please have an answer to that part of the question, sir?

The Bailiff: Deputy Parkinson.

825

Deputy Parkinson: Yes, sir.

Deputy Merrett will read the answer to that question when we publish our paper.

The Bailiff: Deputy Lester Queripel.

830

Deputy Lester Queripel: Sir, I am in need of further elaboration please, because my previous question, Deputy Parkinson in response said that adverts will be placed in the cinemas that screened the film, does he mean that those adverts will be specifically promoting the Island as a tourist resort, and will the Committee *for* Economic Development have any influence at all
835 regarding where the adverts will actually be placed? Because they need to be placed in prominent positions and not hidden round the corner, for example.

Thank you, sir.

The Bailiff: Deputy Parkinson.

840

Deputy Parkinson: Yes, of course the adverts will be promoting Guernsey as a tourist destination. But I am afraid I do not have specific knowledge of exactly where on the wall they are going to appear. These are matters that we leave to our advertising agencies.

845 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

850 Going back to my question of the Alderney/Southampton route, I did listen to the answer and I
am afraid what I gleaned from that was obviously not quite what was intended. But from the
subsequent correction, can I now assume that it is possible that the Committee *for* Economic
Development would designate that route in whatever way it likes and that there will be the
possibility of general revenue support for that route from Guernsey? That is really my question, or
is that written off? Because, not going back too far, the message we had at Economic
855 Development was that the Treasury Department did not support any revenue support for that
route. So has that changed?

The Bailiff: Deputy Parkinson.

860 **Deputy Parkinson:** It is for discussion, the extent of the PSA document which is currently
being drafted up. There is some room for different views on how much support, if any,
Alderney/Southampton needs. There is a lobby group in Alderney that thinks that
Alderney/Southampton could be operated profitably without subsidy, but I think the approach we
are going to take in the terms of the PSA process is to go to the market and say to airlines what
subsidy would you require to operate these routes, and it may be that some of these airlines, well
865 they will come back with different figures. But we will disaggregate Alderney/Southampton and
Alderney/Guernsey and obviously with the Medevac services in the mix as well. But we will be
asking the airlines to tell us how much money they need to provide the service. I think when we
get that information back and see what subsidy, if any, is required by the most competitive tender
bid then we will be able to discuss how we might fund it.

870

The Bailiff: Deputy de Lisle, and this may well be the last question.

Deputy de Lisle: Thank you, sir.

875 Would Deputy Parkinson agree with me that Economic Development wants to make early
gains, while he has made reference to the rewritten vision and strategy paper, but the objective
also is to make pro-active early initiatives to improve the economy of the Island?

The Bailiff: Deputy Parkinson.

880 **Deputy Parkinson:** Yes, sir, the vision document basically sets out long-term objectives for
what we want Guernsey's economy to look like in 2030. But it also recognises that the public want
to see progress, and therefore it will set out two-year targets as well as 12-year targets, and there
are going to be things that we can achieve in the course of this parliamentary term, and indeed
there are things which we can achieve very quickly, the inter-Island ferry link; the new air link from
885 Guernsey to Glasgow; and hopefully in the near future, other air links which we will be able to
announce. These are quick wins which we can offer up to the economy and to the Island. We are
very determined to make progress, make visible progress in the next months and before the end
of this term.

890 **The Bailiff:** The 20-minute question time has elapsed.

**Committee for Education, Sport & Culture –
Update on the Committee's Financial Position**

The Bailiff: We will move on to the third Statement, to be delivered by the President of the Committee for Education, Sport & Culture on the financial position of the Committee.

Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Next States' meeting is my turn to make a general update statement in relation to the work of the Committee, but ahead of that, I thank you for allowing me to make this very brief Statement which will outline the financial position inherited by the new Committee and what the Committee is going to do about it.

In 2017 the previous Committee's expenditure exceeded its budget by nearly £2.2 million. This variance was lower than it would have been without a handful of in-year savings which cannot be repeated, such as grant reductions.

The cash limit for 2018 is lower than it was even in 2017. The difference between what the previous Committee calculated was necessary simply to maintain existing levels of service and the budget which was actually set was £3.8 million. I will repeat that: the current year budget is £3.8 million less than what the previous Committee calculated was necessary to maintain existing levels of service. Following the budget proposed in October, and agreed in November last year, no additional savings measures were put in place for 2018. Consequently, expenditure is currently forecast to exceed budget by – unsurprisingly – £3.8 million.

Opportunities for in-year savings will be taken, as long as they are not detrimental to frontline services, and as long as they do not make it harder to realise longer-term savings. Indeed, the Committee and its new Chief Secretary have already taken actions which will reduce expenditure. However, such measures will have minimal impact on a budget deficit of this size. It should also be noted that many routine operational savings were realised during the Financial Transformation Programme in the previous States' term. Taking the Committee's expenditure in 2012 and adding nothing more than inflation to it in the years since would result in expenditure this year of £8 million more than the actual 2018 cash limit.

Fortunately and rather wisely, the States recognised that the Committee's 2018 cash limit was unrealistic and gave the Policy & Resources Committee the authority to increase it by the value of projects initiated in 2018 but which deliver savings in later years. This States' Resolution will at least avoid the need for the kind of huge cuts to public services which would otherwise be necessary to realise immediate reductions in spending of several million pounds.

But clearly the Committee's financial position is unsustainable. The scale of the problem means that the budget is not going to be balanced by making short-term, one-off tactical savings. This was acknowledged in a statement to the States made by the President of the Policy & Resources Committee three weeks ago. The only credible and sustainable way forward is to accept that for the time being – in approximate terms – the present level of expenditure will be maintained while plans can be developed for the wholesale transformation of services and administration in order to reduce costs without detriment to services or outcomes.

The good news is that opportunities do exist to deliver such transformational change and indeed some have already begun. These opportunities include: reform of secondary education; reform of post-16 education; incremental reductions in States' funding of the grant-aided colleges; and restructuring the Office of the Committee for Education, Sport & Culture. But these are substantial challenges which will take some time to yield benefits and some of them will require additional funding during the transitional phase to a more efficient and effective model.

In addition, the Committee's financial reporting and control are now much improved; the Committee is supported by an extremely capable Finance Business Partner; and there should be no repeat of the kind of budget uncertainty which afflicted the previous Committee – through no fault of its own – until around the middle of 2017.

Meeting the considerable financial challenges which lie ahead will require four things: determination and leadership from the Committee; professional commitment from officers who serve the Committee; a constructive partnership with the Policy & Resources Committee; and support and patience from the States' Assembly. Then, by the end of this term, there will be a clear timetable for bringing the Committee's budget back into balance without detriment to services or outcomes.

Thank you, sir.

The Bailiff: We now have a period of 15 minutes for questions, but the questions must be asked within the context of the Statement.

Deputy Gollop.

Deputy Gollop: Yes, thank you, sir.

As people will know, I am a strong supporter of the Guernsey College of Further Education and went to all of their recent apprenticeship tea parties and things. But nevertheless, I apologise if as a member of the previous Committee we in any way slipped up, but I would ask in view of the transformational progress that Deputy Fallaize is suggesting, does that include as part of his post-16 re-evaluation ensuring the Guernsey College is benchmark efficient with comparable places, because it is possible that cost reductions could be achieved within that environment as well as at central head office.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

The future for the College of Further Education, as agreed by the States in January, is to be integrated with the GTA University Centre and the Institute for Health & Social Care Studies, and for governance and leadership to be devolved from the Committee and the Office down to the College. Now, that in itself taking the post-16 or post compulsory sector as a whole will realise some financial savings. In addition to that, during the period when I and my three colleagues were putting together the alternative proposals on secondary and post-16 education we asked the Committee's officers to benchmark the College of Further Education against comparable institutions elsewhere. That work has already started and will continue. So the short answer to Deputy Gollop's question is yes.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, appreciating that the Committee have only been in office a short time, am I correct in assuming that the assembly of words that have just been delivered by Deputy Fallaize means in actual language and reality that there will be a continuing loss of about £3.8 million or thereabouts for the foreseeable future? If he could confirm that, can he say what he means by the foreseeable future, and when does he expect that foreseeable future to end, and what will he then see as the savings that can be made; is it £3.8 million, £2 million or whatever it may be?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Certainly the lion's share of the £3.8 million – this is talking longer term – needs to be made by reducing costs. I am not going to stand here and say that all of the £3.8 million can be found by saving costs, and we are working closely with the Policy & Resources Committee to put together a longer-term plan.

In terms of when the efficiencies will be realised, that rather depends on how quick ... I mean there is no great secret in what they are, I referred to them in my Statement: reform of secondary education, reform of post-16, reduction in funding of the grant aided colleges, for which there is already a timetable in place, and restructuring the Office which supports the Committee.

We would very much hope that those savings would begin to be realised, quantified and delivered during this parliamentary term, but they will not all be fulfilled until the life of the next States. But States' Members will at least have a very clear timetable to understand when exactly the budget will be brought back into balance.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, Education, Sport & Culture were allowed to have the increase in budget that they did as a consequence of Health & Social Care's Budget being cut by nearly £4 million. Given Deputy Fallaize has said it will be difficult for Education, Sport & Culture to remain within budget, and the winter pressures having meant it will be incredibly tight for Health & Social Care this year, which could impact on our transformation programme, does he agree that we need to revisit the Medium Term Financial Plan?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: That question may be better directed to the President of the Policy & Resources Committee, although my answer maybe better. *(Laughter)*

The answer to that, I think, is probably yes, although I was not as enthusiastic about the Medium Term Financial Plan as Deputy St Pier was when he presented it to the States and it was approved by the States. But I think in fairness the plan is sufficiently flexible to be adjusted in the light of changing circumstances.

I think what happened last year was a pragmatic response which the three Committees then worked on in order to ensure that the Budget overall balanced. Having outlined the financial pressures on my Committee this year, I am not suggesting in any way that money should be taken from the Committee for Health & Social Care in order to resolve the short-term budget difficulties of the Committee for Education, Sport & Culture.

In fact, if Deputy Soulsby would like to join the Budget Oversight Group set up by the States, which includes Policy & Resources and ESC, then I am sure that we would welcome that to ensure that that kind of thing does not happen from this year onwards.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Yes, thank you, sir.

In high level investigations looking at the College of Further Education when the previous Committee were *in situ*, it was revealed that the College when compared to similar institutions in the UK was running at £3 million in excess of what the UK institutions did. Would the President therefore, in looking to devolve administration down to that organisation for the post-16, the restructure of the post-16, therefore be looking to take £3 million off if the deep dive exercise that you are going through at the moment – or he is going through at the moment – reveals that that £3 million is indeed correct?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, well I do not think that the College's budget can be set only with reference to what is being spent by comparable jurisdictions elsewhere. It is considerably more expensive, for example, to deliver secondary education in Guernsey than it would be in comparable jurisdictions elsewhere. There are all sorts of reasons for that, there are pay pressures,

there is a different cost base in this community than there is in the UK. However, clearly the future budget – setting process needs to be informed partly by the benchmarking exercise with comparable jurisdictions elsewhere.

The first reason why leadership and governance need to be devolved from the centre, if I can use that term, to the College and other post-16 providers, is because in the long run it will drive up educational standards, but an associated benefit is that all the evidence suggests it will also lower costs and deliver efficiencies.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Sir, will Education be investigating why the budget deficit appears to be increasing with each new Committee taking charge?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: No, the Committee will not be wasting its time on that sort of investigation, because it is perfectly obvious, and in fact if Deputy de Lisle wants to come into the Committee and to go through all of the numbers with the Committee's officers, and with me, he is very welcome to. There is no secrecy, the reasons for the variants in expenditure are well understood. Deputy de Lisle has to remember that it was his Committee, or the Committee on which he sat, which put in its budget request for 2018 which was £3.8 million more than the budget agreed by the States. So the £3.8 million anticipated expenditure for 2018 is a position inherited from the previous Committee. If we get on really well we might even be able to bring down the £3.8 million deficit we inherited. We will certainly do our best.

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

Following on from Deputy Soulsby's question regarding the Medium Term Financial Plan, if I have understood Deputy Fallaize, he said that Education is not prepared to make savings at the expense of frontline services. Sir, what is good for the goose is good for the gander, and does Deputy Fallaize agree that other Principal Committees may say the same?

Thank you, sir.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, and if they did they would have my full support.

The Bailiff: Deputy Gollop.

Deputy Gollop: Sir, at the risk of Deputy Fallaize telling me not to waste his time as well, I would like to ask whether the Committee have identified that factors in the budgetary situation last year, for example, included the rightly generous maternity benefits that Education give its staff, and some of these things are not necessarily predictable.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, that is true, there is a degree of unpredictability about the Committee's budget, although I do not think that that can be used as an excuse in the same way, for example, that Health & Social Care can. I do not use the word 'excuse' in a pejorative sense, but they suffer from even more unpredictability than our Committee does.

1095 I think the point is, though, in respect to Deputy Gollop's question, and it builds perhaps on the answer I gave to Deputy Prow. The budget challenge is not going to be resolved by shaving a few thousand pounds off here and there, not least – partly because of the size of the variants is so great, and partly because that work was done during the Financial Transformation Programme, and in effect £4.2 million of recurring savings were taken out of the Committee's budget.

1100 This challenge is only going to be met by transformational change, structural change, in the way we deliver education, in the way that the office supports the Committee to deliver its services, and that cannot happen overnight. That work is very much in its infancy. It is the kind of journey that Health & Social Care are now on, but it took them quite some time to get going. It will take our Committee quite some time to get going, but we will deliver the efficiencies and we will do it without detriment to services or outcomes.

The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

1110 I just wanted to confirm from Deputy Fallaize that even though the portion of the Committee for Education, Sport & Culture, the sport and culture part of it does have a very small impact on the overall, that they will not be the poor cousins, and that through changing those parts of the budget will be stripped any further.

1115 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Yes, I can assure Deputy Hansmann Rouxel of that. As I said in my Statement, where there are opportunities for in-year savings, and there are some which are not detrimental to services, those opportunities will be taken. But they are not disproportionately focussed on sport and culture in any way. In fact, if one thinks about it logically, given the size of the budget variance of £3.8 million and the proportion of the total budget that is spent on education against the proportion on sport and culture, clearly the efficiencies are going to have to be delivered in the main from education, because there is just not the expenditure in the first place in the area of sport and culture to deliver anything like the efficiencies required.

1125 **The Bailiff:** I see no-one else rising.

I have just had a note passed to me that somebody has telephoned to complain about the sound quality on the radio broadcast and asked to pass on the following comments.

1130 Apparently several Members have spoken without having turned on their microphones. Well, I have been looking I have not noticed anybody speak without turning on their microphones. The quality is poor at times. Deputy Fallaize's voice is distorted (*Laughter*) I do not know.

Deputy Fallaize: Sir, that is not distortion.

1135 **The Bailiff:** But what he then says, which may well be the case, it may be over modulated or he may be standing too close to the microphone, and since we have had new microphones installed, I understand they are more sensitive than the old microphones and people do need to be careful that they do not speak too close to the microphone and that they do not shout into it.

1140 So what the problem is I do not know, but clearly there is at least one person who is wanting to listen who is having difficulty doing so. (*Laughter*) There may be others who are either not listening or doing so quite happily.

Deputy Hansmann Rouxel: Sir, if I could surmise –

1145 **The Bailiff:** Well I think you are standing close to your microphone, if you stand upright then ...

Deputy Hansmann Rouxel: If I can surmise that having listened in the room next door to the radio it appears that the microphones on the left hand side have a poorer quality and that might be more to do with how it is set up.

1150

The Bailiff: Well, as I say, it may be that more of the newer microphones are on the right hand side of the Chamber as I look at it, but I would just ask people to bear in mind you do not need to speak into it like a pop singer would into a microphone; the microphones should pick up the voice fairly easily.

**Policy & Resources Committee –
Update on Brexit**

1155 **The Bailiff:** We will move on to the next Statement which is a Brexit update Statement to be delivered by the Vice-President of the Policy & Resources Committee, Deputy Trott,

Deputy Trott: Thank you, sir.

1160 Sir, today is World Poetry Day and with this in mind I have decided to break with convention and deliver this Statement entirely in rhyme – (*Interjections*) I am of course just kidding!

Sir, I am pleased to give this third update Statement from the Policy & Resources Committee on the States' work with the UK as it progresses its negotiations to leave the EU.

1165 Our collective response to the UK's withdrawal from the European Union is one of the priority work streams in the Policy & Resources Plan as agreed by the States last November. We are approaching the mid-way point of the two-year exit period laid out in Article 50, so matters are at a crucial stage.

The UK position – since the previous update statement in September 2017, the UK has progressed with the negotiations on the free movement of people, the financial settlement and the Irish Border.

1170 Negotiations have moved to cover the withdrawal and separation issues and the terms of the implementation period, and will lead to discussion on the framework for the future UK/EU partnership.

1175 Throughout this time the cross-Committee Brexit Group established by the Policy & Resources Committee has met on a fortnightly basis. The group brings together representation from the Committees whose mandates cover areas highlighted as Brexit priorities – the Committee *for* Home Affairs, who will be instrumental in the delivery of the priorities; and the Committee *for* Economic Development, who play a strategic role in protecting our economic interests.

1180 I turn now to the withdrawal agreement and implementation period. The EU published its proposed text for the withdrawal agreement on 28th February. On Monday the negotiators agreed the text and terms relating to the implementation period, the rest of the text of the withdrawal agreement is yet to be agreed. The European Council will be considering the terms of the transitional arrangements in the next two days.

1185 The UK and the EU are, in effect, proposing to maintain the *status quo* by re-creating something akin to the current relationship. While this will keep the UK within the EU customs area and single market for this period, and provide similar rights for the free movement of persons, it will mean that the UK will no longer play a formal role in EU institutions from March next year.

1190 The draft withdrawal agreement, which includes provision for an implementation period, contains a territorial extent clause which includes explicit reference to the Crown Dependencies. This is a significant and positive step; it is the first clear sign of the EU's intention to include the Channel Islands in any exit agreement.

Sir, the proposed text suggests that the implementation period should apply to the Crown Dependencies to the same extent that Protocol 3 does. Therefore during this period we would

benefit from the free movement of goods to the same degree as we currently do. This provides security and assurance to Bailiwick businesses trading in goods throughout the implementation period. In addition, our position on the free movement of people should not change during this period.

Sir, the withdrawal agreement in its final form will need to be laid before the States of Deliberation, as well as the States of Alderney and the Chief Pleas of Sark, to ensure that there is appropriate parliamentary process in all of our Islands before the terms of that agreement would or could apply. We expect that this will be sometime around or after the autumn and we will try to ensure that States' Members are given as much notice as possible.

Turning now to political engagement. Our engagement strategy has been aligned with those of Jersey and the Isle of Man.

On 5th March, Deputy St Pier met with Mr Robin Walker, the Minister at the UK Department for Exiting the EU. They discussed the negotiating strategy and where it may impact the Island's interests; and they also discussed how the UK and the Crown Dependencies will look to develop an economic partnership with each other and with the EU.

We have continued our cross-party engagement in Westminster, in particular through the Channel Islands All Party Parliamentary Group, the House of Lords EU Committee and House of Commons Justice Committee.

On 23rd January the House of Lords debated the EU Committee report on Brexit and the Crown Dependencies. The Policy & Resources Committee briefed Members of the House of Lords to ensure that they were cognisant of the Island's objectives, and as a result many Members referred directly to the Island's priorities during that debate. In response, the UK government recognised that it has a constitutional responsibility to represent the Island's interests during Brexit negotiations.

Sir, the Policy & Resources Committee has engaged with the EU committee since then and will keep it informed as our engagement with the UK progresses.

Now significantly in June, Guernsey will host the British Irish Council Summit. This will be the 30th summit and the fourth held in Guernsey in the 20 years since the Council's inception. The BIC has assumed greater importance since the Brexit vote and plays a dynamic role in managing relationships within the UK and with Ireland.

Now there has been significant engagement by our officials on Brexit matters and that has widened as the impact of Brexit across a range of sectors becomes more clearly understood. A contact group of senior officials in Guernsey, the Cabinet Office and the Department for Exiting the EU has been established, and meets in London on a regular basis. It is envisaged that this group will facilitate the sharing of information in a timely fashion as negotiations enter the final stages.

One of the significant work streams regards movement of people and there has been one common thread in discussions to date between the UK and the EU, and that is common recognition of the status and value of the Common Travel Area.

This Assembly made it very clear that it wishes to recognise the rights of EU nationals in Guernsey when it supported the amendment led by Deputy Roffey in the Brexit debate a year ago, and this statement of intent continues to send a strong and positive message to the EU.

We continue to ensure that the UK acknowledges our need to be able to welcome EU citizens post-exit, in recognition of their valuable role in our community and our economy. The UK has laid out plans to recognise the rights of EU nationals already living in the UK through a settled status scheme, and we want to ensure that any time spent in the Bailiwick will count towards an EU national's settled status.

The rights of Guernsey nationals resident in the EU are not in our gift to guarantee, but we would like to see all British nationals, be they from the UK or from the Crown Dependencies, treated without discrimination within the EU after exit.

Another matter of significance to us, sir, are the work streams around the movement of goods. Now the Committee is working closely with the Committee *for* Home Affairs to prepare for the range of scenarios that could result from the negotiations.

Critical to this work is the potential to form a customs union with the UK, alongside Jersey, to ensure that both Islands can trade with the UK on the same terms as we have done for centuries.

The formation of a customs union is vital for securing an arrangement for continuing flow of goods between the Islands and the UK, the other Crown Dependencies, the EU and the rest of the world. Participation in a UK and Crown Dependencies customs union could give us greater influence on trade policy and greater benefit from its policy objectives. The Committee *for* Home Affairs will need to present this matter to the Assembly in due course.

Now work streams around financial services are also important and in respect of the UK's partnership with the EU, the Chancellor of the Exchequer laid out the UK's vision for a special partnership on financial services in his speech on 7th March.

Much remains to be understood in terms of the future partnership and how the EU will deal with market access and regulatory matters such as recognition and divergence. We will be working closely with the UK as they develop the framework for this partnership.

This will provide us with an opportunity to reaffirm the positive contribution, the very significant contribution, we make to the UK economy – a fact acknowledged by Miles Celic, the Chief Executive of City UK, when he visited Guernsey in January.

So I turn now to work streams around fisheries and agriculture. Trade in fisheries and agricultural products goes to the heart of Protocol 3, and it is also one of the most complex aspects of the Brexit negotiations.

In order to provide certainty on the status of Bailiwick waters we hope to bring a policy letter, a States' report to this Assembly later this year concerning the extension of the Bailiwick's territorial seas from three nautical miles to 12 nautical miles. This would bring a greater power to this Assembly to control our marine environment and, importantly, will bring us in line with most other jurisdictions.

We will continue to work with the UK on the development of its new fisheries management regime. At the same time we are discussing with our neighbours in France how we might maintain our trade flows to ensure that the current access to markets for fisheries products, on which our fisheries industry depends, can continue. The UK will be taking a Fisheries Bill to the UK Parliament at some stage during this year and we may need to bring fisheries matters before this Assembly later in the year in response to these moves.

Sir, work streams as regards transport. We continue to engage with the UK government on transport matters, in the knowledge that we are surrounded by French airspace and waters. Our transport links do not just relate to the ferry, sea freight and air links. We must also ensure that we can continue to use to the EU's road network. This is both in terms of vehicles registered in the Island on EU roads and in the recognition and exchange of driving licences issued in Guernsey. Our ability to drive on the continent is something we take for granted, but it is a right that must be secured and we are working closely with the UK on a range of options to safeguard this. We are seeking to understand what, if any, changes may be required to our own rules and regulations to enable that to happen.

Now, sir, the World Trade Organisation (WTO) and trade agreements. This Assembly recognised the importance that the WTO could play in the future.

We have a choice to make: to take part in the UK's trade policy and benefit from the WTO trading rules which will open up global trading opportunities; or to operate in isolation, with limited defence to any discrimination against goods and services supplied by our Islands.

Officials across the States are working hard to analyse our compliance with WTO membership criteria, and we are discussing with the UK whether extending the UK membership of the WTO is a viable opportunity in time for the UK's exit. Now, sir, this is extremely complex and is not without its challenges. We expect we will be in a position to report to the Assembly in more detail later this year.

1295 We are also considering to what extent we can participate in the UK's intended network of Free Trade Agreements, and much of this work is identical to the WTO analysis we are undertaking. These agreements will be based on WTO rules, so in short, if we want to enjoy the benefits of a trade policy independent of the EU, then we must be willing to take on the same WTO commitments as the UK.

1300 Sir, no address on this matter would be complete without specific reference to Alderney and Sark. Sir, managing the impact of Brexit is equally important for Alderney and Sark and it is equally important to those Islands that their interests are not forgotten. We are working closely with these Islands, including through the Bailiwick Council, the Alderney Liaison Group and the Sark Liaison Group.

1305 We have highlighted to the UK government the need for the assemblies in those Islands to have their own meaningful votes on the terms of the withdrawal agreement and any new partnership. Our door is always open to meet with the States of Alderney and Chief Pleas of Sark to ensure that any concerns can be raised collectively.

1310 Sir, the States of Deliberation has a very material function and so far this Assembly has played an important role in setting and updating our Brexit objectives, managing the constitutional processes, and legislating where required. As I have outlined, we expect that further Brexit matters will be laid before this Assembly, on the withdrawal agreement, fisheries, customs, immigration and the future partnership. Many of these matters are in the hands of the UK and EU negotiations and we will need to respond to events as they emerge.

1315 There may be a need for this Assembly to react quickly, which may require additional States' meetings before March 2019. We have so far shown that we can be nimble and provide proper parliamentary input and scrutiny, so I am confident that we are well placed to respond to the challenges ahead.

1320 Sir, I hope the Assembly will join me in commending the efforts that have gone into our engagement and representing the Island's interests to date both at political level by my able colleagues and significantly within the public service.

Thank you, sir.

The Bailiff: Deputy Kuttelwascher.

1325

Deputy Kuttelwascher: Thank you, sir.

Just one question regarding maintaining the right to drive in the UK and the EU, has there been any feedback or notice given about the possibility of having to implement an MOT type testing system for vehicles that are older than three years?

1330 Thank you, sir.

The Bailiff: Deputy Trott.

1335 **Deputy Trott:** Sir, I am aware that my colleagues at the Environment & Infrastructure Committee are engaging on matters of that type in order to ensure that we do comply with EU regulations broadly.

The Bailiff: Deputy Gollop.

1340 **Deputy Gollop:** Sir, we are all, I think, really supportive of the work that Deputy Trott, Deputy St Pier, Deputy Le Tocq, P&R Members and staff have done on our behalf. But is it not true to suggest that despite some excellent presentations I have attended by senior staff at Policy & Resources External Affairs, that it could be argued you are severely under resourced and underfunded, and will you or will Policy & Resources be bringing proposals for extra
1345 administrative, legislative, and policy and diplomatic maybe, support?

The Bailiff: Deputy Trott.

Deputy Trott: Thank you, sir.

1350 The issue of resources is ever present on the agenda at the two-weekly meetings I referred to earlier, and the staff are challenged continuously. Now recently it emerged that there was a legislative drafting deficiency and my understanding is that the draftsmen are currently advertising for someone to fill that gap. So it is something that we are ever cognisant of and will react speedily when the demand emerges.

1355

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

1360 Would the Vice-President agree with me that if, as seems increasingly likely, the UK apply or agree to free movement of EU nationals into the Common Travel Area up to the end of the transition period but thereafter have some restrictions on that that has implications for our own population control regime which is predicated on a revolving workforce in areas like tourism? Will they be constantly aware of that and reviewing that area to make sure that our new regime remains fit for purpose?

1365

The Bailiff: Deputy Trott.

Deputy Trott: Sir, that is an easy one for me to answer, because I do agree with Deputy Roffey, and I can confirm that the matter is under constant consideration.

1370

The Bailiff: Deputy Inder.

Deputy Inder: Thank you, through you, sir, for the update from the Vice-President.

1375 You guys have got a very tough job ahead of you so I will commend the work that you are doing.

Sir, post-Brexit, looking at northern Europe we have got three main offshore Islands: Isle of Man, ourselves and Jersey – probably could include a bit of Dublin in there as well. Is there any danger that the largest offshore Island post-Brexit could actually be Britain itself, and has any consideration been given to whether that is a likelihood and the impact on our financial services?

1380

The Bailiff: Deputy Trott.

Deputy Trott: Some may consider the emergence of that as an opportunity. I think the majority of sensible people realise that the success of the UK's economy depends on creating as many free trade agreements with as many international communities as possible, and I think that while some would envisage that scenario as a benefit, the majority would consider that it is not.

1385

The Bailiff: Deputy Smithies.

Deputy Smithies: Thank you, sir.

1390 Would the Vice-President care to share with me and the Assembly what contingencies are available and indeed are contemplated in the event that the WTO is severely affected by the US administration's threat to pull out of the WTO causing its – that is the WTO and not the US administration's – collapse or damage to that organisation?

1395

The Bailiff: Deputy Trott.

Deputy Trott: Yes, sir, for clarity, the WTO Treaties cover a wide range of trade from tariffs at the border to access to markets for services. It provides the framework of rules for market access on which we would be able to rely, and disputes are handled through a dispute resolution system. Whilst it will mean that we will have an obligation to provide access to market for foreign companies, we are already very liberal in terms of trade so this should not be that onerous. We will be able to provide access to foreign markets on these terms. So it is an opportunity – an opportunity not to be missed. However, it is not without its challenges, the work we need to do on WTO compliance is the same work that we need to do on extending UK FTA. We cannot have access to FTAs if we do not comply with the UK's WTO commitments. This would mean that we would lose out on the opportunities presented by Brexit.

So it is clear that it is in the UK's best interest and in our best interest to ensure that those WTO agreements do in fact emerge.

The Bailiff: Deputy Dudley-Owen, you are ...? No. Deputy Gollop then.

Deputy Gollop: Yes, thank you for a second bite.

Deputy Roffey's question interested me about the rights of the European Union citizens who are based in Guernsey, but Deputy Trott also alluded to the position of some of our collective diaspora who might be living, for the sake of argument, in Greece or Cyprus or Malta or Spain or Italy or France. What rights will Policy & Resources be ensuring that everybody from Guernsey, whether Channel Islanders or not, are on the same if not a better footing than their opposite numbers in the United Kingdom?

The Bailiff: Deputy Trott.

Deputy Trott: Sir, another key question. As I mentioned in my Statement, the term 'Channel Islander', which in turn excludes some Channel Islanders from being able to work in the EU, is a curiosity of Protocol 3. When Protocol 3 drops away so will this curiosity and we are working hard throughout our UK engagement to ensure that Guernsey citizens are treated equally as a consequence of that change.

The Bailiff: Deputy Paint, then Deputy Prow.

Deputy Paint: Sir, last week I had the pleasure of going to the Mid-Channel Potting Conference in Ladram Bay in the UK; it was a two-day conference. There were nationalities there from Holland, Belgium, Normandy, Brittany, UK of course, Jersey and Guernsey. The conference was very good and Brexit was put aside for the time being, but what was agreed between all the fishermen and their representatives that did attend was that they would work together regardless of Brexit. You have to bear in mind that, as Deputy Trott said earlier, the waters around Guernsey, and Alderney for that matter, are not ours, they are British Territorial Waters – not Guernsey's, not Alderney's, they are British Territorial Waters, with the exception of Alderney that has got three miles. But the truth of it is, all the conference was about potting outside these waters both in the UK and here –

The Bailiff: Is there a question coming, Deputy Paint?

Deputy Paint: So surely if fishermen can work together to get an agreement it should not be that difficult for government to do it with regard to fishing. I know it is very difficult because nationalities are at stake but there are many things, there were 70 delegates altogether and I did not see one argument.

Thank you, sir.

1450 **The Bailiff:** I think there was a question in there, Deputy Trott.

Deputy Paint: There was.

1455 **Deputy Trott:** I think I can probably find one, sir. (**A Member:** Fish one out!) *(Laughter)*
Fantastic.

I think what Deputy Paint was implying is that will we continue to consider the interests of Guernsey or Bailiwick of Guernsey fishermen throughout our negotiation process, and the answer to that question is yes. We are aware of the complexities whether that be grandfathered rights, which we are used to working with in the past, or more significantly, access to French ports for the purpose of selling our catch. So we are fully aware of it and as Deputy Paint knows I personally have a long-standing interest in this matter.

The Bailiff: Deputy Prow.

1465 **Deputy Prow:** Thank you, sir.

Following on from Deputy Roffey's excellent question, and Deputy Gollop's question about resources, would the Vice-President agree with me that this has got to be a Committee team effort, and that the resource implications are not just on P&R, they are on the Committee *for* Home Affairs and the Committee *for* Economic Development and indeed other Committees, and that we all have to take up that burden both politically and at officer level, and that this should be recognised?

Thank you, sir.

The Bailiff: Deputy Trott.

1475

Deputy Trott: I strongly agree with that, sir. I would go one stage further and say that I think that the Brexit Committee is an exemplar of inter-Committee, inter-department working within the States of Guernsey, and I see no reason for that not to continue.

1480 **The Bailiff:** Deputy Lester Queripel.

1485 **Deputy Lester Queripel:** Sir, under the current Common Travel Area legislation convicted sex offenders are allowed to travel freely from country to country as long as they notify the relevant authorities in those countries. But if for whatever reason we do not know what that might be, human rights perhaps, other jurisdictions seek to remove the part of the legislation that directs sex offenders to notify the relevant authorities of their intent to travel, can Deputy Trott give us an assurance that that proposal will be challenged as robustly as possible by P&R, please?

The Bailiff: Deputy Trott.

1490

Deputy Trott: Sir, this is an area where I have insufficient knowledge to give a sensible and informed answer, and therefore decline to answer for that reason.

1495 **The Bailiff:** I see no-one else rising so we will move on. There are no more Statements to be delivered. What we will move on to is Question Time.

Questions for Oral Answer

STATES' TRADING SUPERVISORY BOARD

Milk Price Rises – Reduction in demand; impact on household budgets

The Bailiff: The first Question is to be asked of the President of the States' Trading Supervisory Board by Deputy Gollop.

Deputy Gollop.

1500

Deputy Gollop: Thank you very much, sir.

The first Question and my supplementary to it is: recently the States' Trading Supervisory Board supported a price hike of 4.75p for the producer's price for milk; has the Committee considered the possible reduction in demand from the consumer and impact on the consumer and the family household budgets? This is after a 7½% price rise this time last year.

1505

The Bailiff: Deputy Parkinson will reply.

Deputy Parkinson: Sir, the STSB approved an increase in the producer price of 4.006p per litre following a negotiated settlement with the Guernsey Farmers' Association. The price increase includes a sum to cover additional costs of production and a contribution to the five-year budget reduction in the Dairy Farm Management payment scheme agreed in 2014, which is taxpayer funded.

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In the light of the increased cost of raw materials, the Dairy is increasing the wholesale price by 4.75p per litre to cover the costs of buying and producing safe and wholesome milk. The DFA, the Dairy and the STSB are very aware that this may increase the price of milk to Islanders. However, the retail price of milk is no longer fixed by the States, so it will be for the milk retail outlets to decide whether or not to absorb the increase in full or in part, and how much they choose to pass on to their customers.

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The retail price of milk varies by some 10p per litre between different outlets round the Island. It is important to be aware that aspects of this recent settlement with the dairy farmers will target future efficiency in the industry to assist with the containment of prices.

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The Bailiff: Deputy Gollop.

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Deputy Gollop: I am gratified to hear that some retail establishments are undercutting their competitors by 10p. But has the Board any evidence that that is leading to sustainability of demand and that milk rounds, milk retailers are able to continue viably in most areas?

The Bailiff: Deputy Parkinson.

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Deputy Parkinson: Sir, I have no information on the possible impact on milk retailers, but if Deputy Gollop wishes to put that question to me by email or in another form of writing I will endeavour to obtain an answer for him.

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I do not remember the first part of his question; could he possibly repeat that?

Deputy Gollop: It was: given the evidence we have just heard that some stores are having lower prices for milk than the formerly standardised price for milk, is that leading to an uptake of demand rather than a reduction in consumer demand?

1540 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Well, in recent years total milk sales – I will go back as far as 2010 – were 6,580,000 in that year, in 2011 6,539,000; in 2012 6,525,000; and 2013 6,343,000. So there has been a slight fall off in demand in 2013, the last year for which I have figures. (**Deputy Gollop:** What about now?) But generally speaking the demand remains fairly constant.

Deputy Gollop: But we do not know about now?

1550 **The Bailiff:** Deputy Merrett.

Deputy Merrett: Thank you, sir.

I would like to ask the President if the export of more of the Dairy's products would allow us to offer a freer market and a wider choice of products to our community by allowing the import of more dairy products thus ensuring Guernsey Dairy and our excellent product receives more recognition in other jurisdictions, and would allow a freer market with more choice for Islanders and hence more competitive pricing.

The Bailiff: Deputy Parkinson.

1560 **Deputy Parkinson:** Well, that would raise very wide questions about the viability of the Guernsey dairy industry. At the moment we do not export more dairy products than we do mainly because they are all consumed on Island, and indeed as Deputy Merrett will be well aware, there was a shortage of Guernsey butter on the Island at times in the last year. So if more dairy product was exported in order to create a vacuum in the market which would be filled by imports of UK produced milk I think that would have profound consequences for the Dairy which we have not yet explored.

The Bailiff: Your second Question, Deputy Gollop.

1570 **Deputy Gollop:** Hopefully this will give more opportunities. Yes.

A reason cited in the official press release that I saw from the States on the price rises suggested the annual reduction in payment for meeting environmental protection and welfare standards to farmers are a factor, but given the small number of dairy farmers, maybe 15 or so left, and the vulnerability of the sector, would the States' Trading Supervisory Board consider a change of policy approach here, perhaps in dialogue with the Environment & Infrastructure Committee?

The Bailiff: Deputy Parkinson.

1580 **Deputy Parkinson:** Sir, the STSB is responsible for the operational management of the Dairy, whereas the Committee *for* the Environment & Infrastructure is responsible for wider agricultural policy matters.

In 2014 the States agreed, as part of a wider ranging review of dairy farming, that the Dairy Farm Management Payment Fund would be cut by £1 million per annum over a five-year period reducing from £2,025,000 per annum to £1,025,000 per annum by 2019.

The Bailiff: Any supplementary questions?

1590 **Deputy Gollop:** Yes, given the importance of the dairy sector to our environment and indeed the reserved land under the new and current Island Development Plan to ensure the viability of green and traditional farming on the Island, would the President agree that his Committee should

meet more often in dialogue with the Environment & Infrastructure Committee to ensure that farmers' needs and the future of the industry are guaranteed as part of a process of ensuring the Dairy continues to thrive?

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The Bailiff: Deputy Parkinson.

Deputy Parkinson: We meet with our colleagues on Environment & Infrastructure on many matters, many times during the course of a year. As I have said, agricultural policy resides with them. STSB is an operational Committee and simply runs the Dairy, but we are nevertheless acutely aware that there are 14 dairy farms in Guernsey. Ever since the late 1990's the Dairy industry has been the subject of annual costs and a profitability survey to monitor its performance and this data has been used in price negotiations. As a result, principally of the scale of operation in Guernsey milk production here is relatively costly.

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1605 The States reaffirmed its partnership with the industry in 2014 and at the heart of that was a commitment to sustaining future profitability of farm enterprises. The States decided in 2014 to rebalance the payment of costs from the taxpayer to the consumer, but we nevertheless, of course, as individual politicians, Deputy Smithies and I, the political Members of the STSB Board, I am sure would agree that we want to see the dairy industry continue to survive. It is in a perilous condition.

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The Bailiff: Deputy Inder.

Deputy Inder: Every product has a price point, and being a flag waver for the dairy industry, and there is some good news from Deputy Parkinson that the consumption has held up over the past five or six years, give or take. Has Deputy Parkinson or his Committee given any consideration where we get to a point where effectively the product just becomes too expensive?

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The Bailiff: Deputy Parkinson.

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Deputy Parkinson: A customer survey was carried out in 2015 by Island Global Research for the Island Analysis that showed that 96% of respondents felt strongly or very strongly that Guernsey milk should continue to be produced on the Island, and 84% of respondents considered that the quality of Guernsey Dairy milk is excellent and represents good value for money. So there is certainly consumer support for this industry. I do believe that consumers in Guernsey recognise that they pay a premium for a premium product and that on the whole they are content with that situation. I do accept, however, that there will come a point where their tolerance for price increases may be tested.

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1630 **The Bailiff:** Deputy Gollop, your second supplementary question.

Deputy Gollop: My second question is that one issue that is apparent in the farming sector that could threaten the long-term supply of milk to the Dairy is the cost and variability of tenancy arrangements for land. I know this goes slightly beyond STSB mandate but it is in your interests running a Dairy to work on that issue I would say with Environment & Infrastructure Committee. Are you able to do that?

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The Bailiff: It goes beyond the Answer as well. It is not a supplementary arising from the Answer given and I see Deputy Parkinson is not minded to reply, and he is not obliged to do so.

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COMMITTEE FOR EDUCATION, SPORT & CULTURE

**School Holidays –
Reduction of length**

The Bailiff: We move on to the next Question to be asked of the President of the Committee for Education, Sport & Culture, by Deputy Lester Queripel.

Deputy Lester Queripel.

1645 **Deputy Lester Queripel:** Sir, in general a child spends 11 years in the main stream educational system here in the Bailiwick from the age of five to 16. In those 11 years, I believe I am right in saying, although I stand to be corrected by the President, children are at school for approximately eight years and three months and on holiday for approximately two years and nine months, which works out at approximately three months' holiday a year. Now, I am of the view that if we are to provide the best possible education for our children then we need to reduce the amount of time we are on holiday and increase the amount of time they are at school. Can the President tell me whether or not he and his Committee resonate with my view, please?

1655 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

1660 The Committee does not intend to reduce the period of time during which schools are on holiday in any one year. School holidays are an opportunity for students and teachers to rest, they also provide children with experiences away from the classroom which are important in their development. If there is a case for children to spend more hours at school – and there may be at secondary level in particular – it would be better to extend the school day than to reduce the number of holiday days. This will be considered as part of the reform of the secondary education recently agreed by the States.

1665 **The Bailiff:** Yes, Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

1670 In the early days when I was on Education Committee we looked at the term times and we looked at the possibility of reducing the summer term down from the six weeks as it is now and putting those two weeks somewhere else to make travel cheaper etc. because obviously as Deputy Meerveld pointed out on many occasions the six weeks holiday was initially there for the children to help gather in the harvest. So we have looked at changing term times, but would the President agree with me that it would be very difficult to change anything regarding the current system without full agreement of the teachers and the unions?

1675 **The Bailiff:** Deputy Fallaize.

1680 **Deputy Fallaize:** Yes, that is a very good point. I think particularly extending the number of days would be difficult. I mean nothing is insurmountable, but it would be difficult given the present contractual arrangements with teachers and, of course, such changes can be made only if they are supported by evidence. There have been quite a lot of places and schools where holiday periods have been shortened, not the total number of holidays shortened, but the holiday period shortened and there are more of them. But the evidence on effects and outcomes is very inconclusive, so the Committee does not, as I say, intend to make any changes to term times.

1685 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, yes, does the President agree with me that the quantity of teaching time is less important than the quality?

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, absolutely.

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The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

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Are the Committee considering staggering the school holidays, as schools will now be by catchment areas, therefore in theory the majority of families, be it primary or secondary education, will have their children in the same schools, meaning that if staggered the high cost of travel on or off the Island could be better distributed avoiding the current pressure points?

The Bailiff: Deputy Fallaize.

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Deputy Fallaize: No, because I think that would not work at all well educationally. For example, in the secondary sector there is going to be one school operating as two colleges. Now given the way in which those institutions will need to collaborate, I think it would be very difficult if they were operating on completely different term calendars, and unless there is educational benefit, and evidence to support that benefit, the Committee is not going to make any changes in this area.

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The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I have two supplementaries, if I may?

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The Bailiff: Yes.

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Deputy Lester Queripel: Sir, Deputy Fallaize said in his response that his Committee have no intention of reducing the period of time during which schools are on holiday. Then he went on to say it would be better to extend the school day which will be considered as part of the reform to secondary education recently agreed by the States. Sir, the Committee have already discounted the idea of reducing the length of school holidays, so can Deputy Fallaize tell me please, what criteria will his Committee be employing to establish whether or not it would be more beneficial to increase the amount of hours children spend at school in a day as opposed to reducing the length of school holidays?

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well the criteria will be all around educational benefit.

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If one assesses, for example, the number of hours spent per day in some of the States' schools compared to the grant-aided colleges, a student who does five years in the latter does spend, I think I worked out, around an extra term's worth of tuition. Now it is worth considering, therefore, whether there do need to be amendments as part of the school day.

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The other thing is that as part of the post-16 modelling that was done before the recent States' debate the range of subjects that could be offered, and will be offered, in both sixth forms relied in part on attaching an extra period to the end of the sixth form day.

So for those reasons, the Committee is prepared to consider working in conjunction with the new Executive Headteacher, once appointed, extending the school day, or modifying the school day, but does not see any educational benefit whatsoever in reducing the school holiday period,

1740 which in any event would be extremely controversial I should think, when I think the Committee probably has enough educationally controversial things to be getting on with.

The Bailiff: Your second supplementary, Deputy Queripel. You said you had two.

1745 **Deputy Lester Queripel:** Sir, I need clarification from you, if I may please. I have got a response to that answer, but my supplementary relates to the first answer.

The Bailiff: Well supplementaries are meant to arise from the question that was asked, or the answer given to the question that was asked rather.

1750 **Deputy Lester Queripel:** I appreciate that, sir, but Rule 11(4)(a) states that no Member may ask more than two supplementary questions (**The Bailiff:** Yes.) in respect of each principal question (**The Bailiff:** Yes.) but there is no Rule as far as I can see that precludes a Member –

1755 **The Bailiff:** There is no Rule that permits a Member to ask a supplementary on a supplementary.

Deputy Lester Queripel: But consequently, sir, likewise there is no Rule that precludes a Member. In essence, sir, surely there is no Rule that –

1760 **The Bailiff:** You said a moment ago you had two supplementary questions arising from the principal Answer, why don't you just ask your second supplementary question that you were intending to ask three or four minutes ago?

1765 **Deputy Lester Queripel:** I can do that, sir, but that still leaves me now in a dilemma because I could either – I have two supplementaries, I could ask the one in response to the first –

The Bailiff: Well, you are only allowed one more supplementary question and it must be in respect of the principal Answer given.

1770 You can write to the Committee if you have further questions, or you could lodge further questions for oral answer at the next meeting of the States.

You can at the same time write to SACC and ask them to amend the Rules if you wish to have an unlimited number of supplementary questions that can be asked. They are at the moment inviting people to write to them with suggestions for how the Rules can be improved, so if you think that is an improvement I am sure the Committee will welcome it.

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Deputy Lester Queripel: Sir, I will do that, yes, thank you.

Sir, going back to my second supplementary on the principal Question, in his response, Deputy Fallaize said that school holidays are an opportunity for students and teachers to rest. Bearing in mind that that period of rest is approximately three months a year would he not agree with me that there are thousands of Islanders working in extremely stressful jobs who would welcome three months' paid holiday a year? I am talking about nurses, social workers, full-time carers, etc. etc. Does he not agree with me that they deserve three months' paid holiday a year?

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1785 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Sir, those workers are not between the ages of five and 16 are they? So I think we are talking here about children and young people.

In relation to the workers or teachers to whom he refers, I think he would find – and Deputy Le Tocq as the lead Policy & Resources Member on employment matters may be able to help me – but I think teachers are paid for the days they are contracted to work, and therefore they are not

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contractually having three months holiday. But the main interest here is the students, and it is not in the students' interests, in the view of the Committee, to reduce the number of holiday days per year.

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The Bailiff: Deputy Gollop.

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Deputy Gollop: Given the President has intimated an open minded attitude to extending the school day at least to match the best of what the private or independent sector or State assisted sector is offering, would the President like to consider that longer days might mean additional payments to teachers, perhaps, and also bringing to a point a revised transport and traffic and public transport strategy because inevitably the times and fleet mobility – well we are going to talk about buses later – would have to significantly alter?

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The Bailiff: Deputy Fallaize.

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Deputy Fallaize: It may be advantageous, and we are getting into detail here, but it may be advantageous in the new secondary structure for not all phases of secondary school to finish at exactly the same time, partly for reasons of transport, but I have forgotten the first part of Deputy Gollop's question, which seems to be a theme, I am afraid, this morning. Could Deputy Gollop repeat the first part of his question?

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Deputy Gollop: I think my question is, will teachers' pay and conditions therefore need to be amended?

The Bailiff: Deputy Fallaize.

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Deputy Fallaize: Yes, I think that the contracts are based essentially on days rather than hours, but in any event he raises an issue which indicates that this is not a decision which can be made quickly, or without thought, or without consultation, and when the new Executive Headteacher is appointed, which will be swiftly, then the Committee will work with that person to establish whether there is any appetite to revise the school day as part of the reforms agreed by the States in January.

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The Bailiff: Deputy Smithies, do you have a supplementary?

Deputy Smithies: Yes, would the President confirm that whilst the colleges may indeed work extra hours in the day they also have two weeks' extra holidays in the summer?

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The Bailiff: Deputy Fallaize.

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Deputy Fallaize: Yes, I can confirm that, but that does not negate the additional hours spent in a classroom if one does the calculation. But that is not to say that the States' schools need in any way to replicate what is being done in the grant aided sector. All I am saying is that there is a case for considering lengthening the day, partly for practical reasons to do with the provision at sixth form, and possibly transport reasons, in the new structure; and that will be considered with the Executive Headteacher.

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The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

Would Deputy Fallaize agree with me that perhaps the premise of the question is slightly flawed because of the distinction between schooling and education, because some people are home schooled and do exceptionally well without going into a school?

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, that is absolutely true, there is a home school community in Guernsey which I think is thriving, and clearly the obligation of the States is to provide education in States' schools, which is what the States do, but I do not challenge the point made in Deputy Brehaut's question at all.

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The Bailiff: Deputy Stephens.

Deputy Stephens: Would Deputy Fallaize agree with me that although a teacher electrum may take a period of what we would recognise as holiday in the sense of rest and recreation that all teachers and lecturers do spend a great deal of what is termed school holiday time in preparation and in working towards the following term?

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, clearly that is true, and I commend all of our teachers and lecturers for their hard work and commitment and thank them all for that. It should also be noted, of course, that teachers cannot take paid leave at times that they request in the way that many employees can.

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The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

I was just thinking about pre-school provision, now clearly the selling points of pre-school provision were the intended improved educational and social outcomes, but nonetheless another selling point in the policy letter was that it will allow more parents to return to work or work for longer so there was an economic benefit applied to that policy letter as well. Would that also apply to reducing time off school?

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, possibly it would, but Deputy Parkinson said earlier that his Committee's main interest was in economic development, and the main interest of my Committee is in education and sport and culture of course, but we are talking about education here, and in our judgement it would not be beneficial educationally to reduce the period of school holidays, and therefore it will not be proposed by the Committee.

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I am not encouraging any States' Member to propose it themselves, because I think we have more important things to be getting on with, but clearly any Member is free to make that proposal and so direct the Committee, but it is unanimously opposed by the Committee.

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POLICY & RESOURCES COMMITTEE

**Guernsey Investment Fund –
Creation of fund; Ravenscroft Ltd contract;
risk to public funds; reporting procedures**

The Bailiff: Let's move on to the next Question, which is to be directed to the Policy & Resources Committee, and the Vice-President will reply.

Deputy de Lisle will ask the questions. Deputy de Lisle.

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Deputy de Lisle: Thank you, sir.

The questions relate to the Policy & Resources' £25 million Guernsey Investment Fund with the specific objective to provide better understanding of the investment decision to the States in general and Islanders.

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The Bailiff: That is a speech; can you ask your Question?

Deputy de Lisle: I am sorry, sir. It is a matter of clarification.

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The first Question, despite Policy & Resources' delegated authority over the States of Guernsey's Investment Reserve, why were the States not given the opportunity to debate the creation of a multi-million pound investment fund to help start up and existing companies with their business ventures?

The Bailiff: Vice-President Deputy Trott will reply.

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Deputy Trott: Thank you, sir.

It is a pleasure to reply, a genuine pleasure.

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The Guernsey Investment Fund is one of a large number of investment funds and professionally managed accounts, which make up the investment portfolio managed by P&R within the Investment Rules set by this Assembly.

The same disciplined process was applied to the investment in this fund as applied to all other investments made by the Committee in discharging this delegated authority. Each investment within the total portfolio fits into the overall strategy, and contributes to meeting the investment objectives and target return of RPI plus 4%. There are no exceptions to this process.

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Importantly, the investment objective of the fund is primarily, and I quote:

To achieve long term capital growth by investing in a diversified portfolio of technology companies and innovative companies which have the potential to create new or [inaudible] existing industries

So it is not specifically targeting start up or early stage local technology businesses, although they will undoubtedly feature within the mix of investments, given the funds requirement for a potential benefit to Guernsey to be identified in each investment in addition to the primary return targets.

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Now, sir, the investment is in no way a form of soft money or subsidy. It was therefore important that this investment was not treated in a manner inconsistent with our tried and tested investment process which is applied to over £2 billion in cash and investments under management of the IBSC.

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The Bailiff: Any supplementaries?

Deputy de Lisle: If I can ask a supplementary on that, sir?

The Bailiff: Deputy de Lisle.

1930 **Deputy de Lisle:** Given the problems confronted in Jersey with a similar venture, why were the States not given the opportunity to debate this investment, as it has been controversial in these Islands?

The Bailiff: Deputy Trott.

1935 **Deputy Trott:** Sir, the comparison between this fund, which is professionally managed, has professional, experienced oversight and is targeted at making equity investments, could not be more different to the Jersey experience. In Jersey the process was to lend to companies, so if those companies failed, the debt associated with that engagement would be lost; here it is about equity participation, and it is about ensuring that the professionally qualified people are making these decisions, not politicians and not civil servants, so any comparison between the two is, I think, completely unreasonable.

The Bailiff: That second supplementary, Deputy de Lisle.

1945 **Deputy de Lisle:** Yes, the second supplementary, and I thank the outline of that answer. There appears to be some lack of understanding on the opportunity presented for start-up or early stage local tech businesses here. Some have already been declined as I understand it. Can something more be done to add clarity to entry to prospective entrepreneurial applicants?

1950 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, I was not aware that some had been declined, and neither would I expect to be. This fund is being managed independently by a set of managers who know what they are doing. However, I take great comfort from that information from Deputy de Lisle, the fact that some have been declined should give this Assembly very great comfort as to the professionalism that is being deployed, because clearly if they cannot persuade professional investment managers of the business case, those professional investment managers will not seek to invest the people of Guernsey's money, or for that matter, any of the other sophisticated investors that are also investors in this fund.

The Bailiff: Deputy Kuttelwascher.

1965 **Deputy Kuttelwascher:** Sir, I would like to ask the Vice-President if he is aware of, or if he knows what the projective administrative costs are in relation to the Guernsey Investment Fund on an annual basis?

The Bailiff: Deputy Trott.

1970 **Deputy Trott:** Sir, I am able to advise Deputy Kuttelwascher that market testing has demonstrated that not only were the start-up costs of this fund absolutely in line with market norms but the management fees and all other aspects of the administration costs also fall into that category.

1975 **The Bailiff:** Your second supplementary?

Deputy Kuttelwascher: I will because he did not answer my question? I wanted a quantum really. Not just a vague answer that it is in line with the ... That is why I asked if he is aware of ...

1980 **Deputy Trott:** I think that question, sir, with respect, highlights a lack of understanding. *(Interjections)* It is not a question I would be expected to answer outside of a percentage.

(*Interjection*) These percentages are dependent upon a number of factors, not just the initial seeding of the fund, initial investing in the fund, but also based on performance fees. Now what I can say, sir, is (*Interjection*) that I very much hope that the investment managers make a mint out of this, because if they do the people of Guernsey will benefit by a far greater margin.

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you, sir.

Whilst commending the principles of such a fund with angel and professional injection of cash, I note that the two drawer objectives that the Deputy President has outlined are generating profits for investors; and investing in projects and companies with a Bailiwick focus could, on occasion, contradict. Is the fund really about generating good mint of money profits or of creating community good will through not necessarily highly profitable but nevertheless stimulating activities?

The Bailiff: Deputy Trott.

Deputy Trott: Sir, the fund is a commercial enterprise as all of the investments that we invest in are required to be. It is about return, return to ensure that our pensioners and other stakeholders who are the custodian of this fund is properly managed.

What makes this fund different is that for the investment to be considered it must have a positive benefit for Guernsey. Now that could be that there is an existing business operating on let's say the south coast of England that looks to relocate here, it could be a mature business that still has some development potential and it wishes to relocate for whatever reason. That could be considered by the fund. As would be a start-up a young man or woman coding in their bedroom who wishes to move it to the next stage. Literally nothing in the innovation and technology category is off the table as long as a positive benefit to the Bailiwick of Guernsey can be demonstrated and that, of course, includes Alderney, and let's hope that there are some Alderney opportunities that can be exploited here (**A Member:** Hear, hear.) in order to the help regenerate and diversify that economy.

The Bailiff: Deputy de Lisle, your second Question.

Deputy de Lisle: Yes, thank you, sir.

Ravenscroft Limited have been employed to manage the Guernsey Investment Fund why were they chosen above and beyond others, and was there a tender process, and if not why not?

The Bailiff: Deputy Trott.

Deputy Trott: Sir, another welcome Question.

Investment managers are usually appointed following a rigorous due diligence process, beginning with clearly identifying the investment sector or area required based on the overall asset allocation strategy. This is followed by research to identify the best managers in that particular sector or area. Should there be several similarly qualified candidates a series of presentations, often referred to as 'beauty parades', will be staged to draw out preferred candidates. Following this, rigorous due diligence will be carried out on preferred managers.

Now, sir, following an independent review to identify suitably experienced and successful managers in Guernsey-based investment, Ravenscroft was identified as meeting these requirements and had an extensive knowledge of local assets and businesses, and I should say, sir, a very impressive track record to boot, which was more detailed than other local managers. In addition, Ravenscroft has secured the services of a consultant MXC Capital who add an important level of expertise within the technology sector which fitted the investment requirements being set.

2035 The Investment Fund sub-committee agreed with these findings and worked with Ravenscroft as investment manager and the independent board to establish the fund with the States as a cornerstone investor. Independent advice was taken throughout this process, as would normally be done in employing any other of the fund managers within the portfolio.

Thank you, sir.

2040 **The Bailiff:** I see no supplementaries.
Your third Question, Deputy de Lisle.

Deputy de Lisle: Yes, thank you, sir.

2045 The States will not be involved in the investment decision despite significant investment from government of £25 million. What government structures and lines of accountability will be in place to minimise risk to public funds?

The Bailiff: Deputy Trott.

2050 **Deputy Trott:** Thank you, sir.

Sir, there are three different layers of scrutiny and review which give confidence about the investment of these funds.

2055 Firstly, the fund has an independent board of directors which reviews all proposed and rejected investments considered by the investment manager. The board must give initial approval to all investments proposed by the investment manager ahead of detailed review and eventual investment. This adds an additional level of governance and transparency which gives the Committee a significant comfort.

2060 Secondly, the fund is approved and regulated by the GFSC for professional investors, and finally the fund will also be independently monitored on a monthly basis in line with all other investments in the portfolio with performance and progress updates given to the Investment Fund Sub Committee at its regular monthly meetings.

The Bailiff: You have a supplementary, Deputy de Lisle.

2065 **Deputy de Lisle:** Can I ask a supplementary on that, sir?

Will the States of Guernsey be informed of all the projects and businesses that have a Guernsey focus with respect to this particular fund, and those companies that will ultimately benefit from the investment?

2070 **The Bailiff:** Deputy Trott.

I think you have switched your microphone off.

Deputy Trott: Switched it off, did I, thank you, sir.

2075 The answer to that question is probably not. I say probably not because that degree of clarity would not be expected elsewhere, and I could certainly envisage scenarios where the investee company was uncomfortable with its shareholders being publicly known. My view is that on balance it is probably unlikely.

The Bailiff: You next Question, Deputy de Lisle.

2080 You have switched your microphone off rather than on.

Deputy de Lisle: What reporting procedures are intended to the States and public to ensure there is transparency and accountability over the public money invested?

2085 **The Bailiff:** Deputy Trott.

Deputy Trott: Yes, sir, given the public interest in this fund and following a suggestion from the Scrutiny Management Committee which has also asked similar questions regarding this particular investment, it is the intention of the Policy & Resources Committee to report annually as part of the States of Guernsey accounts on the performance of this fund, and will consider the best format for such reporting. It is possible that when that format is considered that the additional clarity that Deputy de Lisle referred to could be forthcoming. But I would make this point: we have no idea, and neither should we, as Members of this Assembly, how much of our money is currently invested in British Petroleum or Facebook or Google or any of these major companies, because that is a matter that is left ... The chances are we are exposed to Facebook in a number of ways. I mean you cannot get away from that, but the import of my answer here is that we do not seek that sort of clarity with regard to those investments, that is a matter for our professional investment managers, as is the level of investment within the criteria set within the prospectus in companies of this nature.

The Bailiff: Supplementary, Deputy de Lisle.

Deputy de Lisle: Yes, sir, please.

Thank you for that Answer but of course with pension funds and so on we do get some clarification periodically. My supplementary question is if the fund will be independently monitored monthly in line with all other investments in the portfolio for good governance transparency and accountability, is it not possible to provide the Guernsey taxpayer with quarterly performance and progress updates on the fund – in other words, more regularly responding to what is going on with regard to the fund than the annual accounts?

The Bailiff: Deputy Trott.

Deputy Trott: Well there are two issues here. The first is that it is called the Guernsey Investment Fund; we are the cornerstone investor, but we are not the only investor, there are a number of other investors. This a commercial investment vehicle with a specific investment focus. So clearly the interests of others would have to be considered here. But what I take from this is a desire by Deputy de Lisle to see as much transparency over this as possible, and I think that that meaningful transparency can be demonstrated to this Assembly in a number of ways.

What I would say is this, for the first few years of this fund investment returns will be low because dynamically these funds have a cycle and the main growth phase when the real value is added is usually a year or two after the final stages of deployment of the investments. So it could be midway through this 10-year term before there are any material investment returns. That is the nature of this type of investment.

But I take away from this Deputy de Lisle's desire to see as much information on the progress of this fund in as frequent a manner as we are able to provide notwithstanding the limitations that I have explained.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

I just wanted to ask Deputy Trott on whom will responsibility and accountability fall if the fund and investment experiences failures and losses?

Thank you, sir.

The Bailiff: Deputy Trott,

Deputy Trott: The fund may well experience losses, I mean let's not live in a Walter Mitty land where every investment anyone makes associated with the public sector necessarily goes north.

There will be, I suspect, some investments that do not perform as strongly as one might have wished. But remember the target is RPI plus 4% over the duration, which would be a very healthy return by anyone's standards. It is my belief that those targets will be comfortably exceeded. Only time will tell.

With regard to accountability, well as I have already explained, there are numerous layers of corporate governance. The investment manager has a responsibility; the board has a significant responsibility to ensure that performance is maintained. Of course remember if performance was not maintained the shareholders have the ultimate right to change the investment manager. So at every level the interests of this community are protected in a way that should give this Assembly a very high degree of comfort.

The Bailiff: Deputy Gollop.

Deputy Gollop: The Deputy President has repeatedly pointed out that it is not a good role for politicians to be making investment decisions without professional experience, but would he not confirm that there are a number of other bodies in the States, sub-committees, committees, etc. that actually do give grants, and in some cases oversee investments? Why is this significantly different?

The Bailiff: Deputy Trott.

Deputy Trott: I am not sure that question arises from previous Answers, but there is a very significant difference between giving grants for which you do not expect to see not only any return – well, you do expect to see some return – but you certainly do not expect to have any recovery, and investing in an investment vehicle of this type that has a main driver, and that is a return of RPI plus 4%. So the two things are chalk and cheese. However, if we were to set up, I think you may be referring to the Overseas Aid Committee – an impact vehicle where a return was required then the same degree of scrutiny would be undertaken to ensure that that return was indeed in line with our expectations.

The Bailiff: I see no-one else rising.

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

Billet d'État X

ELECTIONS AND APPOINTMENTS

I. States' Assembly & Constitution Committee – Election of a Member – Debate commenced

The Deputy Greffier: Elections and appointments, Article I – Election of a Member of the States' Assembly & Constitution Committee.

Article I.

The States are asked:

To elect, in accordance with Rule 16 of The Rules of Procedure, a member of the States' Assembly & Constitution Committee to complete the unexpired term of office (that is to the 30th June 2020) of Deputy P. J. Roffey who has been elected as the President of that Committee.

The Bailiff: Deputy Roffey.

2175 **Deputy Roffey:** The Committee will be proposing Deputy Jonathan Le Tocq.

The Bailiff: Deputy Le Tocq is proposed by Deputy Roffey and seconded by – anybody?
Deputy Dorey.

Do we have any other nominations? Deputy Lowe?

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Deputy Lowe: Yes, sir.

I would like to nominate Deputy Neil Inder who will be seconded by Deputy Lyndon Trott.

The Bailiff: Deputy Trott, are you seconding Deputy Inder?

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Deputy Trott: I do, sir, thank you.

The Bailiff: Thank you.

Do we have any other nominations? No.

2190

Well under the Rules now each of the proposers may speak for not more than five minutes in respect of each candidate proposed by that person, but neither the candidates nor any other person is entitled to speak at this stage.

Deputy Roffey first.

2195

Deputy Roffey: Thank you, sir.

Can I preface my proposition of Deputy Le Tocq by saying that history tells us that high functioning States' Committees do tend to be the ones where the Assembly allows the President and the existing Committees to fill any vacancies with the skill set and the chemistry that they believe they need to supplement their own and get the job done.

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With this in mind, I am delighted to propose Deputy Jonathan Le Tocq to serve on SACC for the very simple reason that we believe he has the perfect skill set to complement the existing team and to help us with the work that lies ahead.

2205

Firstly, Deputy Le Tocq does have a great deal of States' experience and parliaments around the world recognise that such experience is absolutely vital when serving on a House committee or the equivalent, which is what SACC is. But it is far more than that. My Committee would like the services of Deputy Le Tocq because he really is quite a wise old owl, and we have some really important and sensitive subjects to tackle over the next two years. I am not talking so much about the referendum on our system of election, or any proposals flowing from it. That process will certainly be challenging and we will need to operate at pace, and every SACC Member will obviously need to sign up to complete public neutrality on the referendum options during the process, something which I know Deputy Le Tocq does. But any decisions based in the Committee in this respect will be more of a practical nature than a philosophical one.

2210

By contrast, how we reform the way we elect our Jurats, or select our Jurats, who play such a key role in the administration of justice in the Island of Guernsey, will require very deep thought indeed. How do we involve civil society in such a crucial process? What should the Douzaines role be? What about faith groups, should they have any formal input at all? These are deep and contentious issues, far more profound than how we elect here today, gone tomorrow politicians, and Deputy Le Tocq, we believe, will bring unique insights which will be invaluable to our Committee in this respect.

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Then we have to update the States' Code of Conduct and the way it is administered. Now the Committee starts from the point that a radical overhaul is needed, but that is going to be a sensitive task, they are competing imperatives, we are going to have to make balanced judgements and deploy nuanced thinking. I think that Deputy Le Tocq's forte is just that. He is

very much a thinker, he is a reflective individual, and a deeply moderate Member of this Assembly. In fact, I would dare to describe him as a well-rounded Deputy.

Sir, we believe that Deputy Le Tocq is the ideal candidate to bolster the Committee with the work that lies ahead, but with respect to him I also think it would do him good too. I do not think it is at all healthy for the Members of the P&R to sit in glorious isolation in their ivory tower. (**A Member:** Hear, hear.) I think they should all roll up their sleeves actually and do a little bit of work lower down the food chain (*Laughter*) to keep them rooted and to keep them humble. Now the Rules obviously (*Laughter*) – as far as we can – rightly, preclude them from sitting on a Principal Committee, but there are lots of other little jobs that they could be doing around the House. For instance, there is nothing stopping them sitting on Scrutiny Panels, and I really wish that they would, nor is there anything stopping them from serving on SACC, and I hope that Members will elect Deputy Le Tocq to do just that.

In closing, let me be controversial by saying that some have described this Assembly recently as a divided States. Now, I really hope that is not true, because a divided Assembly does not achieve much, and I am not sure that it is true. I take comfort in the fact that so far we have given the lie to that claim by always giving Committee Presidents, no matter what strand of politics they come from, the courtesy and respect of giving them the team that they were looking for. Three weeks ago I was honoured to be chosen to lead SACC during a busy and demanding time. I ask Members to give me the respect of allowing me the team that I want and then, and only then, can they really hold my feet to the fire over my Committee's performance.

I have no doubt at all that performance will be enhanced if they elect Deputy Le Tocq today and I ask them to do so.

The Bailiff: Deputy Lowe, now will speak in support of the proposal to elect Deputy Inder.

Deputy Lowe: Thank you, sir.

Mr Bailiff, Members of the States, I have known Deputy Inder for a number of years, both as a Vale parishioner and now as a sitting Deputy.

One of the largest pieces of work to be conducted by the States' Assembly & Constitution Committee will be the delivery of the forthcoming referendum on Island-wide voting. Some of you will have known Neil in his previous life as founding partner of digital web agency Submarine. You will have had numerous emails from his firm when he was conducting polls and surveys before many had even heard of the word 'digital' from as far back as 1999.

Deputy Inder was one of the first businessmen in Guernsey to recognise the value of public engagement, of which the forthcoming referendum will be the ultimate manifestation of that direct democracy for our community. Having key skills and knowledge in this area will be a huge bonus utilising that experience, the right person in the right job.

For that reason, Deputy Inder is the only advertising professional in the States who is a natural fit to assist SACC in the delivery and scrutiny of the forthcoming referendum.

Of course, there is more to SACC than just the referendum and I have confidence Deputy Inder will continue with his excellent track record of attending meetings and contributing to the matters up for discussion. It is also important, sir, that all Members of the States are given an opportunity to be on Committees, share the workload, not just to fill the gaps but to utilise their expertise.

Deputy Inder was previously founder and a partner of one of the Island's largest advertising agencies who brought to us campaigns such as Randall's 'Len and Enid' many of you will remember them, and multiple successful campaigns. He is a Deputy who implicitly understands traditional and new media.

Members, in response to an email to Deputy Inder where he asked Deputy Roffey why he had not put out an all invite for interested Deputies to join SACC, Deputy Roffey's response and I quote:

We approached those who we thought had the correct skill set to complement ours

2275 Well Deputy Roffey missed a trick. Deputy Inder is the only Member in this Assembly that has the correct skill set, in my opinion, to assist the Committee in the delivery of the referendum.

I therefore ask Members to support Deputy Inder for the vacancy of SACC.

2280 **The Bailiff:** Members, it is now for you to vote, and there are two candidates, I remind you: Deputy Le Tocq, proposed by Deputy Roffey, seconded by Deputy Dorey; and Deputy Inder, proposed by Deputy Lowe, seconded by Deputy Trott. Deputy Le Tocq and Deputy Inder.

Are there any more voting slips? No. You have them all, do you? Any more voting slips? No. In that case, those will go off to be counted. No, there is one more. I think that is all of them. So they will go off to be counted. Thank you.

I think we can move on. We can move on with the next matter.

II. Committee for Economic Development – Appointment of the Public Trustee – Proposition withdrawn

Article II.

The States are asked to decide:

Whether, after consideration of the policy letter entitled 'Appointment of the Public Trustee', dated 12 February 2018, they are of the opinion:

1. In accordance with paragraph 1(2) of the Public Trustee (Bailiwick of Guernsey) Law, 2002, to agree to appoint Mr David Harry as Public Trustee for a period of five years, with immediate effect.

2285

The Deputy Greffier: Article II, Committee for Economic Development – Appointment of the Public Trustee.

2290 **The Bailiff:** Members should be aware that a motion to withdraw this appointment has been circulated.

Deputy Parkinson, do you wish to speak to the motion to withdraw?

2295 **Deputy Parkinson:** Yes, sir, regrettably the nominated candidate for this position, Mr David Harry, has now decided not to take up the post. That is due to changes in his personal and family commitments, but we are grateful to him for the support he has given us resolving the situation and his ongoing work as Deputy Public Trustee.

A new nominee will be put to the April States' meeting and in the meantime the current working arrangements relating to the Office of the Public Trustee will continue, with Mr Harry continuing as the Deputy Public Trustee, and Mr Luis Gonzalez providing support as a delegatee.

2300 There will be no detriment to any of the ongoing work of the Office of the Public Trustee and the Committee continues to be kept apprised of that work.

Thank you.

2305 **The Bailiff:** Deputy Dudley-Owen, do you second the motion to withdraw?

Deputy Dudley-Owen: I do, sir, yes.

The Bailiff: For the second time, you second it.

Any debate on the motion to withdraw?

2310 Deputy Smithies. I remind you debate must be limited to the motion to withdrawn.

Deputy Smithies: Ah right, okay. *(Laughter)* I will pass this by you, sir. Given that the motion to withdraw says that the election will now take place in April, I just wondered what exactly are the qualifications necessary for the proper discharge of this position?

2315

The Bailiff: Well, I do not think that is relevant to the motion to withdraw.
Is there any debate on the motion to withdraw? No.
In that case we go to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

2320

I am sure Deputy Parkinson will be happy to answer your question if you submit it to him, if ever you and he happen to meet together, I do not know.

We might just have time, perhaps, for the Independent Monitoring Panel. Greffier.

Well let's wait certainly while the votes are counted. Go ahead, Greffier.

**III. Committee for Home Affairs –
Independent Monitoring Panel –
Appointment of members –**

**Mrs Isobel Jane Rowlinson, Mr Denis Le Marchant White and
Mrs Celia Lois Allen appointed**

Article III.

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 8th January, 2018, of the Committee for Home Affairs, they are of the opinion:

(a) approve the appointment of Mrs Isobel Jane Rowlinson as a member of the Independent Monitoring Panel for a period of four years with immediate effect.

(b) approve the appointment of Mr Denis Le Marchant White as a member of the Independent Monitoring Panel for a period of four years with immediate effect.

(c) approve the appointment of Mrs Celia Lois Allen as a member of the Independent Monitoring Panel for a period of four years with immediate effect.

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The Deputy Greffier: Article III, Committee for Home Affairs – Independent Monitoring Panel, appointment of members.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

2330

I have not anything to add to the States' report that is before Members today, other than to thank the three people who have put their names forward to do this job which is very welcome from those that serve us in the States and under Home Affairs. So I would ask Members to please support the nominations before them today.

2335

The Bailiff: Is there any debate? No.

Well, for the benefit of anyone listening, the proposal is to appoint three individuals: Mrs Isobel Jane Rowlinson, Mr Denis Le Marchant White, and Mrs Celia Lois Allen as a member of the Independent Monitoring Panel in each case for a period of four years with immediate effect.

We go to the vote. Those in favour; those against.

Members voted Pour.

2340 **The Bailiff:** I declare them elected.

I suggest that there is not really time to open the debate on the ... We have some legislation haven't we, yes, let's just deal with legislation.

LEGISLATION LAID BEFORE THE STATES

The Social Insurance (Contributions) (Amendment) Regulations, 2018

The Deputy Greffier: Legislation laid before the States – The Social Insurance (Contributions) (Amendment) Regulations, 2018.

2345

The Bailiff: I have not received notice of any motion to have this debated.

States' Assembly & Constitution Committee – Election of a Member – Deputy Inder elected

The Bailiff: Well, the next item would be the policy letter from the Committee *for* the Environment & Infrastructure on the Bus Fleet Replacement Programme phases 2 and 3. I suspect that might take a little more than a minute and a half.

2350

Deputy Brehaut: My speech is actually about 18 minutes.

The Bailiff: I am just wondering whether Members wish to await the result of the vote on the election of the Member of SACC, in which case ... Deputy Le Tocq, do you wish to know before your lunch? (*Interjection*) It might spoil your lunch? What, knowing or not knowing? (*Interjections*)

2355

I wonder, Greffier, do you have any idea how long it might take to count those votes? It should not take very long. I wonder, perhaps Mr Martel perhaps you could just find out how long you think they might take.

I think we now have the result of the – No, no we do not. We have another message.

2360

Can I just have a word with the Comptroller?

Sorry, Members, I was just being asked whether it is appropriate to accept that as an indication of a voting intention. As you might have seen, it was on a larger size piece of paper than you normally vote upon, but it may well be that is what had caused the confusion. So I would ask you normally when you are voting these are the slips that are to be used. They are the ones that say election on them. (*Laughter*) However, just for the record, and you will see when it comes back that hopefully the number of votes will add up to the number of people in the Chamber. I did not rule the vote out; in my opinion it did give a clear indication of the Deputy's intention, whoever it was who had filled the slip in, but in future to avoid any problems can you please use the voting slips, and if you do not have one extra slips can be provided.

2365

2370

Well, Members, I now have handed to me the result of the voting for the election of a Member of the States' Assembly & Constitution Committee.

Deputy Inder 19 votes, Deputy Le Tocq 17 votes, and there was one blank paper. That adds up to 37 and there are – Deputy Tindall is away, oh, Deputy Oliver is absent, and Deputy St Pier was not here. So there were 37 people in the Chamber. So Deputy Inder, 19 votes, Deputy Le Tocq, 17 votes. I declare Deputy Inder to have been elected. (*Applause*)

2375

We will resume at 2.30 p.m.

*The Assembly adjourned at 12.33 p.m.
and resumed its sitting at 2.30 p.m.*

COMMITTEE FOR THE ENVIRONMENT & INFRASTRUCTURE

**IV. Bus Fleet Replacement Programme –
Phases 2 and 3 –
Proposition carried**

Article IV.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Bus Fleet Replacement Programme - Phases 2 and 3' dated 12th February, 2018 they are of the opinion:

- 1. To note the revisions to Phases 2 and 3 of the Bus Fleet Replacement Programme as detailed in sections 5 and 8 of the Policy Letter;*
- 2. To authorise the Committee for the Environment & Infrastructure to finalise contractual arrangements with Wrightbus for the supply of 22 Euro VI Diesel StreetVibe buses as Phase 2 of the Bus Fleet Replacement Programme, as detailed in section 9 of the Policy Letter, to be funded by a capital vote of a maximum of £2,905,000, charged to the Capital Reserve.*

The Deputy Greffier: Article IV, Committee for the Environment & Infrastructure – Bus Fleet Replacement Programme, Phases 2 and 3.

2380

The Bailiff: Debate will be opened by the President of the Committee for the Environment & Infrastructure, Deputy Brehaut.

Deputy Brehaut: Thank you very much, sir.

2385

Many of us have a great affection for our bus service, both past and present. I well remember standing at the top of Saints Hill at the bottom of Les Douvres Hill waiting for an Albion of some description to appear over the crest. Would it be a flat front or would it be the rarer off-set cab? Would it be green and cream, cream and red, grey possibly, but that was highly irregular, I have to tell Deputy Parkinson. *(Laughter)* I have to say with the grey buses everyone wanted to go to school on a grey but you never wanted to come home on one they were that slow. *(Laughter)* But in the 1970's the bus service was actually very good. Back then not many families owned a car. These days it is usual to own three or four of them. Visitors, yes, our bread and butter, and I use this term with real affection, the *bucket and spade brigade* saturated this Island and they were more than welcome too.

2395

Sadly, the early 1980's saw the beginning of the demise of the regular punctual efficient bus service, car ownership had grown, tourist numbers were on the decline, and tourists could now bring a car with them on the RO-RO and if not they could hire a car for just £5 a day. So no wonder that period of transition saw the bus numbers slowly ebb away.

2400

What is quite remarkable, the more I think about it, is how quickly the population returned to the bus service once the States had shown a real commitment. The purchase of the Myllennium buses in 2002 and 2003 saw people returning to the service in their droves. Only recently have we equalled the high point of the early noughties, so 16 years later we are asking you to support phase 2 of the three phase Bus Replacement Programme.

2405

I have to say the procurement process is far from perfect, a programme initiated by Deputy Domaille, signed off by Deputy Burford, is actually being delivered by yet another Committee. The procurement process has simply taken too long, in my view; and let's not forget the role of the

FTP in this process that saw the withdrawal of one operator and also left us with Euro III Diesel vehicles that really are on their last legs. I make that point about the FTP and procurement because we really should not have found ourselves in the position to have to replace so many buses of a given age.

The Domaille, Burford and Brehaut Committee had one name in mind when considering bus fleet replacement, and that was just to secure alternatively fuelled vehicles, vehicles that we are told are on the brink of a developmental change. However, at both stages one and two of the procurement process those suppliers, such as Optare, incidentally, who submitted tenders could not meet the Guernsey specification. That is to say they are wider than the current bus fleet; they come at a cost of about £260,000 a piece; and their range is limited because of the demands placed on them by our road network.

Each bus on Guernsey will cover about 110, 120, miles a day. It is worth reflecting electric vehicles or EV buses in cities generally have the luxury of bus lanes, they do not stop between stops, so systems such as break energy harvesting can increase the range of an e-bus; on Guernsey, other than our round Island routes, buses tend to stop and start. For example, a bus traveling up The Grange or The Rohais slowly edges forward, each time the driver accelerates the load of the bus and the passengers is placed on that battery just for a few moments, then again under load moments later and it puts a greater demand on the battery cell. A bus with a 90-mile range on the flat in the city is not comparable to driving in Guernsey conditions.

The States' report in front of you today asks that you approve the purchase of 22 StreetVibe buses. They are classed as ultra-low emission buses (ULEB). These Euro VI vehicles are a world away from Euro III engine units that they are replacing. Euro VI can be driven in clean air zones, for example, they are not dirty diesel, each new vehicle is in excess of 96% less polluting than the buses on our roads today.

We have an opportunity to take a number of very old dirty buses off of our roads by September this year and, personally, I think we should embrace that opportunity.

In fact I think it is important I give you some stats on pollution. As I said, the StreetVibes are called CAZ vehicles, or CAZ-friendly, that is clear air zone friendly and can be driven in most cities in the UK if not all actually clean air zones in the UK. Buses on Guernsey cover some 1.5 million miles per annum, a fleet of Euro III Diesels emitted some 15 tonnes of nitrogen oxide. The purchasing of Euro VI in phase 1 and 2 along with purchase of an EV or alternatively fuelled vehicles in phase 3 could see the NOx emissions reduced by 95% to just 0.7 tonnes per annum.

Now on page 11 of the Billet, table 2 at the bottom, it tells you the comparison between the III and VI engines, nitrogen oxide down by 92%; particulates down by 90%; hydrocarbons down by 80% and carbon monoxide down by 29%. Actually also while I am on my feet just for clarification on page 17 of the Billet, table 6 revised vehicle replacement fleet, it says 42, it should say 43. We have purchased 12, we are buying 22, that is 34, plus 8, then plus one vehicle and at some point that will be leased.

It has been suggested that we should stall the bus replacement programme until the industry manufacture an EV that fits Guernsey. Well we could do that. We could take a gamble on a procurement process with no defined date for delivery. If we were to do that we would be here today asking for £6 million, not £2.9 million. We would need to lease vehicles as our current fleet are not fit to continue with. We would also have to embark on a significant infrastructure programme to put cables in the ground and commercial load capable charging points would need to be put in place.

Another consideration and one that we need to address anyway because we do intend to trial an electric vehicle, is the workshop and repair centre. There are currently a number of EV vans out there but servicing what are essentially HGVs will be a challenge for current commercial vehicle garages.

We should not let the condition of the current vehicles dictate the pace of our procurement process but actually we cannot ignore that. The majority of the fleet was built in 2002 that is 16

years old – and they are deteriorating and hugely inefficient. If you take a good close look at them some of them are clearly showing their age.

2460 In 2016 a number of buses failed their annual inspection and £65,000 was spent on urgent underbody repairs. The worst vehicles were replaced under phase 1, but any further delay and more remedial work would be necessary to extend the life of the current fleet, just to make sure they are safe. Some buses are close to being unserviceable. If we were to delay by another 12 months we would incur costs in fuel, repairs and maintenance of about £280,000 a year and
2465 that does not include some of the more significant structural repairs that may be necessary.

Now I stress this point, because this is crucial, because we are aware that the local garage that repairs the bus fleet has been approached by a number of individuals – I believe one of them may even have been a Deputy – asking the question as to whether the life of the buses can be extended by two years. That simply cannot happen. If that was to happen it would cost, well I am
2470 saying £280,000, make that 24 months, half a million, add to that more and more repairs that would be necessary to keep them on the roads, and it is becoming environmentally, morally difficult to defend keeping that fleet on the road in the condition it is now.

There is actually little or no market for our second-hand buses – at least in phase 1, that is. We were hoping to use them at the Airport to ferry people around the terminal, but sadly a number of
2475 them could not even be used for that purpose.

In summary, sir, growth across the network is up by 32% in four years and passing two million journeys for the first time in 2017, and that is inclusive of the school bus service; without the school bus service about 1.7 million people are carried. That contract does, I will acknowledge, come at a cost. It is £4.6 million less income, that is £3.2 million but you have to include the school
2480 bus service within that number too. But that sum should be seen as an economic enabler, it helps members of our community to take part, to participate, to contribute, children, students, pensioners can rely on a bus service that has improved year on year. At times of peak demand during the summer we require a reliable fleet of vehicles to meet that demand.

I would ask Members to support this States' report.

2485 Just before I sit down, the bus service is not set in stone, we do now what we do because we have inherited a system and people have bid for that contract to operate in that way. Ideally we would like to get to a situation where we can have taxi buses, where we can think in a very different way about how we reach people. I was in the north of Scotland not so long ago and if you are not on a regular bus route, that is the condition, then you can dial in and a bus will call to
2490 your home. Now Guernsey should be able to manage that type of project and that scale.

But I would ask Members please to support this request to replace 22 of our buses.
Thank you.

The Bailiff: Deputy de Lisle.

2495 **Deputy de Lisle:** Yes, thank you, sir.

Electric bus technology is here and we need to embrace it and ensure that it is part of our current fleet and business planning. We need to be pro-active and forward thinking with financing put aside and made available to support Island planning initiatives for Island-wide electric points
2500 that service both public and private electric vehicles.

The City of London, sir, has made a commitment to the adoption of electric buses, they announced a roll out of an additional 11 fully electric buses in February 2018, this year, to their fleet of 200 fully electric single deck buses now in operation in the capital. The London strategy is to have all single deck buses emit zero exhaust emissions. Emissions from buses are thought to be
2505 among the major sources of air pollutants in the capital.

The information provided in the current policy letter is to a large degree outdated and it may be because of the procurement process that Deputy Brehaut has spoken about, but it does not really restrict though the Department from new investigation which needs to be forthcoming to compare what really is available currently.

2510 The prices quoted by the Department – £230,000 per vehicle – do not sit with the recent City of York purchase of 24 new electric buses in August of last year for £137,500 each, 24 buses for £3.3 million. Now that is comparable with the diesel bus prices that have been quoted in the Billet.

Furthermore, Edinburgh in September of last year invested £2.7 million into electric bus fleet to reduce emissions and improve air quality in the city.

2515 Should we not go back to the drawing board? I know Deputy Brehaut has mentioned that point, perhaps we should wait two years? Are we not buying into old technology for a reduced price?

Environment has a responsibility to challenge, to innovate and adopt new technology and lead by example. The facts are clear, diesel is out and electric bus technology is here to stay. We need to embrace it and ensure that it is part of our current fleet and business planning.

2520 Thank you, sir.

The Bailiff: Deputy Inder.

2525 **Deputy Inder:** Thank you, sir.

I was going to ask Deputy de Lisle to give way but I will just do it in a speech for the moment. We have had, I think all of us or some of us had, a couple of emails about the electric buses and so naturally it would seem to make some sense, but I have done some investigation myself, and I have been in contact with Optare which are one of the big manufacturers in the UK. They have got something called a slim-line which has currently got diesel engines in it at the moment and it is the bus that is most comparable to the Committee's preferred option of the StreetVibe.

2530 Now speaking to Mr Matthews who is the promotional manager there, they are producing them by the end of September this year, but their current list price is £275,000. Now I do not know how many they are going to get for if you go and buy 18 of them, but they are not as cheap or close to the £135,000 diesel price as I would like them to have been, otherwise we could have had possibly a sursis or amendments. So I have done the work.

At the moment I would love to see electric vehicles on the Island but you have got to take on board the point that Guernsey is not York. As Deputy Brehaut pointed out, we have hills and the reality is once you start powering up St Julian's Avenue or the Val des Terres you have got much different strain on the battery, on the battery technology itself, but it is an unfortunate fact that I can imagine in two or three years' time something a lot cheaper and a lot better is going to turn up because electric vehicles are evolving very quickly.

2540 But the reality is I actually think this is a fairly sensible policy document. It is replacement of the fleet. Unfortunately it is likely to lock us in to diesels for the next 15-16 years if that is the life of the diesels. But right now pragmatically, from what I have seen we have got the slim-line coming out in the end of September, it seems to have a very high list price on it at the moment, we are in between a rock and a hard place. Personally I just cannot see any way of us, or from my point of view anyway, not adopting the policy letter as it is at the moment, because it seems fairly sensible, fairly pragmatic. We are just in the sort of anti-goldilocks zone two years before something different is probably going to happen, but will eventually lock us into a 16-year deal with diesels and diesels do look far less polluting than the current diesels that we have got at the moment, and that is really all I have got to say on the matter.

2550 Thank you.

2555 **The Bailiff:** Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

Deputy Brehaut mentioned that people have approached the service agents Rabey's – and maybe a Deputy might have done. That Deputy was me, by the way! Charter 18 discussed this, discussed this policy letter. Deputy Neil Inder, as he has just said, has done a tremendous amount of work on it. I wanted to touch base with the people who actually work on these machines

because they are the people that know them the best. They did not give me any reassurance that I should be voting against this policy letter. It looks like it is the most sensible and pragmatic way forward and the only solution that we have got, and therefore I will be supporting it.

2565 Thank you.

The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

2570 I agree with Deputy Inder and Deputy Leadbeater: days of sunshine and roses do come every now and again. *(Interjection and laughter)*

So does this purchase of 22 new buses represent best value for money? Under the Procurement Rules it does say under the duty of best value:

The States will consider overall value including economic, environmental and social value when reviewing service provision.

2575 Now, like Deputy Brehaut from the first meeting or one of the first meetings, I can remember cornering one of the civil servants about why weren't we getting electric buses in the first phase of replacement and seeing the limitations then of the electric buses and the hybrid buses that had been tendered for, that is outlined on page 10 of the policy letter, and then trying to understand why there were so few tenders. Surely there must have been more interest in our business. The reality is they just are not that into us. We want a Guernsey-specific bus, not too long, narrow as
2580 you can make it, able to go round almost hairpin bends, fully accessible but still have the capacity for more than 40 passengers. We do not want off the shelf, and the StreetVibes commissioned for us, and the Darts before them, were also commissioned for us, so they are specially built for Guernsey. It is not to say other companies do not do that because quite clearly that is what they do, they build buses, but for the small number of buses that Guernsey needs, we are not London,
2585 we are not Edinburgh, we are not York.

So we did go with the StreetVibes and personally it was not what I envisaged before I joined the Committee. No I had a vision of super-duper futuristic forward thinking synergised super buses. But actually the best value for money is not always the sexiest or the flashiest; it simply is the best value in terms of social, economic and environmental value.

2590 So what is the social value of purchasing the buses now? Social value is best approached by considering what is beneficial in the context of local needs while still maintaining support for any relevant strategic objectives. Now the narrowness of the new buses cannot be ignored. Even the Opt Air electric buses, the new ones that are coming out, are still wider than the StreetVibes. So they are 2.34 metres which is the same as our Dart buses, the rounded front and narrow aspect of
2595 the StreetVibes has had a positive effect on pedestrians and riders. They are less intimidating walking along as a pedestrian ... as well as the overhang of the Dart buses has been replaced, yes the four front wheels, but it does make a difference to pedestrians. Continuing with a community bus service and people can take pride in catching something new and there soon will be Wi-Fi available on the buses. Accessibility on the new buses is also vastly increased with oral prompts
2600 for visually impaired riders and improved amenity all round.

On the economic benefits of getting these buses, it is clear. In the policy letter you can see a maximum bid saving of £191,220; that is on page 19 of the Billet. Fuel savings of roughly £3,300 per bus per year, which equates to a total saving on fuel if these 22 buses replace the Darts of at least £113,300 per year. There is less maintenance on the newer buses, and that is a saving of
2605 £5,900 per bus, which equates to roughly £2,000 per annum.

If you took the recurring savings of £313,900 and added that to the initial maximum bid savings, that makes half a million pounds saving in that first year. That makes economic sense to me. I could do with an extra million pounds. Half a million.

2610 Now the environmental benefits. Yes there is no getting around the fact that these are diesel, and yes there will be emissions compared to a fully electric fleet. If we break that down and

acknowledge the massive reduction in emissions by switching from the ageing Darts. The current fleet of Darts emits roughly around 15 tonnes of nitrogen oxide per annum, but with the new fleet that will be down to 0.75 tonnes, which is a 95% reduction in emissions. If emissions are really that important to Members then they need to consider that there are ways of further reducing the emissions on vehicles with new fuel efficiency devices.

Now when I left university I worked for my sins to pay back my university tuition. I worked selling fuel saving devices, made by some crackpot inventor in his little kitchen garage using pennies to shield or cents, South African Rand cents, to shield these magnetic devices that went over the fuel intake, and learnt a lot about sumps and carburettors and actually what struck me is how inefficient these combustion engines are.

Now the current technology is out there and is simple and as a Committee we have been looking at these devices in terms of reducing emissions on older diesel vehicles. The increasing efficiency of combustion within that chamber, because your emissions are based on the fact that you are not actually using all the fuel, so you are putting money into your car and it is coming out your exhaust, that was my sales pitch.

We have looked at a couple of these devices and one of them was quite interesting because it was tested on a Euro VI diesel which is already quite an efficient diesel vehicle, but it still managed in real world situations, so they drove it around; they did not do it in a little controlled environment where you can get your most efficient results, they used a real world environment and they got a 25% reduction in carbon monoxide, 27% reduction in nitrogen oxide and 80% reduction in particulates, and particulates are the things that are really dangerous about diesel vehicles, or any emissions.

The units that we were looking at were costing between £175 and £275 each. If there are reasonably priced technologies out there which could further improve the emissions ... So if you are voting against this policy letter because of environmental grounds then bear in mind the cost of continuing to run the Dart buses, the environmental cost. If there is a delay in replacing the buses and realistically going from tender to delivery with no hiccups we are looking at a minimum of a year that is 14.25 tonnes of nitrogen oxide. So that is just one of the types of emissions, nitrogen oxide. If you calculate the emissions of the fleet of StreetVibes over a 10-year life, and yes it might be 10 to 15, but if you look at the Darts at 15 years old and how polluting they are, I think we will be looking at replacing those StreetVibes before that lifespan. So a 10-year lifespan they would have 7.5 tonnes of nitrogen oxide if we did nothing to them. So on environmental grounds changing the fleet now saves us 6.75 tonnes of nitrogen oxide. This highlights for you what we should be doing across the board making pragmatic decisions about our environment and having creative solutions instead of just jumping on a bandwagon and saying well ideologically the rest of the world is changing. What is the real reason that people are moving to electric? It is about emissions. If we are able to take the existing diesel fleet and actually get them more efficient then we will be able to create a pragmatic solution to a problem.

It is important that public money is used in a way that achieves as much public benefit as possible, and this means money should not be focussed on paying for a service activity but should attempt, where possible, to achieve a sustainable and wider impact. I would argue this policy letter does that.

Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Sir, after such an interesting speech it makes me think, but I kind of want to jump on a bandwagon or jump on a bus here, a sort of populist bus, and make a few points.

I was interested to hear the buses were described as sexy earlier and I thought I could do with being, as Deputy Le Clerc and Deputy Soulsby and others know I could do with being, more of a slim-line model myself like those Wrightbuses or whatever. But I must admit I was kind of hoping

that somewhere from the usual suspects we would have seen sort of a party against this policy letter, or a sursis, because there were elements within it that have not been 100% satisfactory.

As everybody knows I am a huge user of the buses and a strong supporter, and I was indeed, and was proud to be, a Member of the former Environment Department when Deputy Burford as Minister and Deputy Brehaut and the rest of us were very much behind, in broad terms, a policy to support the bus services and buy new. But it has been a long time a coming and I do in fact agree with what Deputy Brehaut says, that an issue across the States, whether it be in terms of economic development, or ferry links, or other areas, there is a procurement issue that we need to work on, and it does seem that sometimes we do not get the best possible deal for our pennies, and when you hear Deputy de Lisle and other Members suggesting, perhaps without evidence but I suspect there is evidence out there, that other places have got better deals, then we need to look at that, and maybe there are deals out there or leasing vehicles or having promotional vehicles or being a testbed. Guernsey should be a testbed on occasions for things.

First of all, I will deal with the issue of the old buses. They have actually lasted 15 years which is not bad for a bus because the industry norm in the 1960's and 1970's was 11–12 years, in commercial companies, and they are still trundling around two thirds of the fleet. They were, as Deputy Hansmann Rouxel and others have said, designed precisely for Guernsey and amongst those specifications included even for the bus nerd the Guernsey flag embossed on the seats of the older vehicles. That was an interesting feature. I, of course, will miss the old buses because one of them is still going round rightly or wrongly with a rapidly fading face of mine and when it goes to the great scrap yard in the sky that will be it for that.

I would make a few points here though, this is anecdotal and not entirely based on Committee style evidence, but I think it is not unfair to say that most of the traditional bus drivers do seem to prefer the green chuggy noisy monsters to the newer vehicles. They will cite various reasons for that: wheel base was an issue the media focussed on and turning circles; another one might be the driving position.

But it is interesting on a Sunday when only a third of the fleet are operative, because obviously there is a reduced level of provision on a Sunday with no schools or commuter runs, you rarely see one of the new white buses – they are always the green ones going out. So when they have a choice one wonders why the newer buses are not being used. Of course, as we know, one of the Island's more popular routes, especially in the summer months, the 81 that services Jerbourg Saints, Icart the very areas Deputy Brehaut mentioned round Les Douvres it is rarely used by the new white buses, precisely because there was a concern that it was harder, not impossible, for the drivers to use the first dozen buses on that particular route with its extremely tight circle, and that fascinated me because they even managed to get historically Bristol LHs round those corners, ex-London buses, which actually survived longer in Guernsey than they did in London.

But moving on from there, I applaud though 43 buses and I do pragmatically accept the arguments that the Committee are putting forward that all things considered, given the time delay and the need to continue the programme increasing and sustaining the numbers using the service, replacement is needed now rather than later.

But I think there were many options that could be considered. One would be for many years before the First World War with trams and buses and of course in the 1990's as well the Island was using narrower than they would be now double decker buses. We have seen the reintroduction of double deckers in Jersey on the Airport and coastal runs have been comparatively successful. The problem we now have is the buses would actually be too wide for Guernsey's traditional width regulations. But that is of course a Guernsey problem.

I remember when I was on the Committee in 2002 they increased the width regulations. The reason was a strange one. Historically, Guernsey before the War had had 6'6" as a maximum width, then it went up to 7' then 7'4" in the 1970's because they could not get any more Albions, Victors or the Nimbus's that went round Saints Corner. Then they made it 7'6" by 1980 because that was the only width that was available for second-hand vehicles in the UK. But some of those buses had middle age spread and were actually 7'7" when they landed on the Island. So in a hurry

2715 the Committee increased it to 2.49mm which is actually wide enough for a Routemaster or a Bristol VR, both of which were used in the Islands briefly by a private bus company, but unfortunately, believe it or not, all modern vehicles that you can buy off the peg are 2.5 mm or 2.55 mm and we peak at 2.49 mm. The legislation is not fit for purpose because it is too wide to use on some of our routes but too narrow for other routes and it does need reconsideration.

2720 I know some Members will say I should have written a long letter about this to the Committee (*Interjection*) and then I could follow it up, but there are issues here (*Laughter*) and I think it is fair to say, sir, that if the Island had more generous width regulation – not that all routes could sustain that type of vehicle – our ability to buy off the peg buses, whether electric, hybrid or otherwise, would be, as Deputy Hansmann Rouxel has pointed out, infinitely easier. So you have got that issue.

2725 **The Bailiff:** We know that you are passionate about this subject and have an encyclopaedic knowledge on it, but can you try and restrict your speech to what is relevant to the debate in hand, Deputy Gollop, fascinating though it is.

2730 **Deputy Gollop:** My point here is that if you were running the bus service commercially, with a sharp pencil, you would actually probably have a very different approach. You could buy cheaper, you could buy off the peg, you could lease the UK vehicles that are readily available –

The Bailiff: You are giving way to Deputy Hansmann Rouxel.

2735 **Deputy Hansmann Rouxel:** Thank you, Deputy Gollop.

The reason behind the width is not to do with the roads, it is to do with those vehicles on our roads passing other vehicles and it is that perception that we have as an Island driving along with a very large bus coming to you as opposed to a slightly narrower bus and being able to get past in certain areas of the Island. So yes we could change the width restrictions but that would mean we would just have wider buses and they would not be able to get around most of the very strange corners that we have in our unique and lovely Island.

2740 **Deputy Gollop:** This brings me to my other point that if you cut to the heart of this in a funny sort of way the red herring in the debate is whether we go for electric buses or not, which I would prefer personally, and as a State with the taxpayers' money, rightly or wrongly, we can actually use that money if we wanted to pay the difference, because I do appreciate that the technology has not quite arrived yet in a commercial sense, and as Deputy Trott used to say, emerging technology is always that, it is always emerging. But it is emerging, as Deputy de Lisle said, more rapidly than it used to.

2750 But my issue fundamentally with this approach is that although I think we will vote today for the package of the 43 vehicles, of which a third or so have already arrived, it is not the only way of solving the problem, and in my view a better way of solving the problem would be a mixed fleet strategy, whereby you had: a small number of double deckers for the appropriate roads, such as the Seafront where you have not got the Barbarie type issues; a midi bus for the obvious routes that are very sensitive, such as in the north of St Peter Port and the Saints Roads; a medium size vehicle that is precisely the policy CT Plus follow more or less in Jersey, where we have one size fits all which means the same vehicles which have a reduction in their capacity compared to the existing green fleet because they have a smaller number of seats than most of the vehicles, will be used on the peak crowded Coast coastal routes, the school runs, the commuter runs, and the more or less popular rural services. The only exception being the sprinter bus that is usually used on the P2, and of course the P2 I hope the service continues. But this goes too far off the tangent, I appreciate, sir, but I think there are routing changes you could make to enhance it.

2760 But the policy letter is quite interesting because it goes off on tangents of its own, because it goes down a route of describing average usage of the routes and that makes interesting reading.

But something that perplexes me is on table 4: it identifies routes 51 and 52 and 21 and 22 as being low loading and yet they are serving the most populous parts of the Island, the suburbia of St Peter Port North and the hinterland of St Sampson's. I think there are areas that we could grow those services and I would like to see scope to grow our bus service and therefore I do take heart from the assurance that the final eight purchased, maybe more, will be more of an electric or hybrid kind of service.

Sir, my general point is yes, with certain reservations, I support the work, I think the way in which the Committee have built user-ship by 20% is miraculous compared to the drop in user ship you will see across England and in London as well now. But I think there are smarter ways and cheaper ways perhaps of achieving as good, if not better, a service and I hope to talk and write to the Committee with my points on these lines in more detail on another occasion.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, sir.

I was going to carry on in the same vein actually as Deputy Gollop and picking up that the President, who ended his introductory speech today, made just a slight hint towards a different way of working for our public transport locally. I want to say that notwithstanding the benefits financially and operationally of replacing the buses that we have seen within the policy letter, can the President tell us when any review of the operating model will actually happen.

I asked the President when he was seeking election for the Committee for Environment & Infrastructure early in this term what he felt about the current bus operating model and whether it was fit for the 21st century in Guernsey; and at that time I remember quite clearly that he replied that he thought it was. Well I beg to differ and I would like to elicit a commitment from him today that a review will be undertaken during this term.

So just a small example of this is a statistic from the recent retail survey where approximately 90% of respondents use their cars to get into Town; now, that clearly shows that there is room for improvement in encouraging people out of their cars onto buses.

So without knowing that there is common view on the Environment & Infrastructure Committee and a desire to review the current operating model against other models such as an Uber style bus service or similar or mixed fleet, I am not happy to be locked into the *status quo* for up to another 15 years.

Thank you.

The Bailiff: I see no one else rising. Deputy Brehaut will reply. Oh, Deputy Graham, sorry.

Deputy Graham: Just a brief one, thank you very much, sir.

Earlier on I shared with Deputy Brehaut an email that the Education Committee received warning us rather darkly that there was going to be a drastic reduction in bus capacity which might impact on the school bus service. I would be grateful if Deputy Brehaut, in responding to debate, could just cover that capacity point please.

Thank you.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you very much, sir.

And thank you to those who have contributed.

Firstly, with regard to Deputy de Lisle, because he gave the example of the York bus purchase. The York buses were grant funded, green money funded as well as money from the local council. The local council paid in £3 million and then it was match funded by a further £3 million. So Deputy Inder's observation was right, they probably did pay £275,000. If they were spending

£6 million it probably cost ... and actually that was their park and ride service replacement bus fleet, because they also run double decker's and other buses along with that.

2820 Deputy de Lisle referred to purchasing power, and I referred to it, and I think that is really important because what we do at the moment, little old Guernsey – bearing in mind the Wrightbus Company is an immense organisation that churns out buses for cities all over the UK – what we have to say to them and appeal to them is can you on your production line under a very tight contract deliver us, as we did before, 12 very small buses; and then we approach them again and say can you do the very same thing with 22 very small very narrow buses, and we have not
2825 got the clout ideally that we would like.

I think at £130,000 these vehicles do represent value for money, but if, and this is the redundancy thing that probably my reference what the FTP probably denied us, we should be going to a bus company saying we want 43 vehicles, we want a mixed fleet, we want hybrid, we want electric vehicles. We are not in the position to do that at the moment. So it is a horrible old
2830 cliché of we are where we are. But we have been at the same bus stop for some time now and hopefully we can move on.

Deputy Inder is right, actually a number of members of the public rang Optare and asked them whether they could provide buses for Guernsey, because it did the rounds on Facebook, people were sharing this message on social media. So a bus company in Leeds were getting calls from
2835 Guernsey members of the public saying, 'Look, we are replacing our bus fleet, we understand you do a vehicle called the slim-line, it is electric. Any chance we can have it on Guernsey?' Well they cost £260,000 and they are as wide as the green and yellow buses. When some of our last green and yellows were auctioned to the UK two of them were marketed as slim-line buses and the irony of course on Guernsey is that people were glad to see the back of what we considered to be
2840 very wide buses.

I will give way to Deputy Inder.

Deputy Inder: I thank Deputy Brehaut for giving way.

I do not think it is going to affect the vote in any way and the intention is not to, but it is a matter of fact, I am quite happy to share the emails with Deputy Brehaut. In fact a Mr Matthews
2845 from Optare was happy to come over and talk to States' Members about the buses, but they are certainly, well as he has told me, they are certainly bringing out a model which is the slim-line version. It looks to me exactly the same as the Wrightbus – remind me what is the model –
(Deputy Brehaut: The StreetVibe.) Yes, the StreetVibe. So these people that were phoning this
2850 Leeds Company they were actually seeing the larger bus, but it appears to be a fact there is a slim-line version which is equivalent to the StreetVibe which will be available in September/October. It is more a point of clarification possibly or new information possibly.

Deputy Brehaut: I thank Deputy Inder.

2855 I think the point here is probably the dilemma we get at times when parliament respectfully discusses issues that is probably in truth an operational matter, that you have buses out on the road and they need replacing. The system we run means that States' Members get the report. We are only human, we have got workloads like that, we get to a report within a short run up to a debate and then people do research. Now the States' procurement process can be gazumped at
2860 any time by someone making a phone call taking an assurance from any company representative that could potentially throw a significant procurement project – could make it difficult to continue with the procurement. But there is no doubt the technology is out there, it is getting better and I am sure the manufacturers will realise there is a market –

I know it is time for me to sit down and give way to Deputy de Sausmarez.

2865

Deputy de Sausmarez: I thank Deputy Brehaut for giving way.

Just while this is an issue, there are some things we do know about the slim-line bus and I think it is important those facts are brought before the Assembly, as there seems to be some uncertainty.

2870 It is not just a question of production time, how quickly these could be made available or indeed the cost. There are actually more pragmatic limitations that we already know about, likely limitations that we already know about these vehicles, potential vehicles, in that it is extremely unlikely they would have a suitable turning circle, and more importantly as electric vehicles it is extremely unlikely they would have the required range. So those are issues which I think we just need to bear in mind when talking about these potential options.

2875 Thank you.

The Bailiff: Deputy Brehaut.

2880 **Deputy Brehaut:** Yes, I agree. I agree with those observations made by Deputy de Sausmarez. Deputy Leadbeater, can I say you 'fessed up, I hope it was not put in that way.

What I would like to say is, and I would say this wouldn't I, but genuinely is: please you do not need to speak to me or political Members, but in the future go and speak to the staff, the procurement team who are in the collective ownership of the States, or they work for the States. 2885 So if people have concerns about the longevity of the buses, the detail of the procurement, speak to people within procurement.

I will give way to Deputy Leadbeater.

Deputy Leadbeater: I thank Deputy Brehaut for giving way to me.

2890 I adopted a bit more of a different local approach. I know the guy very well that operates the workshop down at Rabey's, so I picked up the phone and called him, simple as that and I will continue to do that.

Thank you.

2895 **Deputy Brehaut:** When my wife moved to Guernsey some years – and she still does it – she refers to Guernversations, and there is many a Guernversation to be had at times, I think.

Deputy Gollop referred to the condition of the green and yellows, and we need to be honest here, when the green and yellows were handed over to the new bus operator most of the disability ramps were inoperable. They had seized because the cases that held them had rotted away. Most of the petrol tanks had been replaced and some needed replacing because initially 2900 they were aluminium and they corroded in the salt water so they needed plastic tanks and most of them had that done, and also the air-conditioning units were disconnected to try and get the mileage up on Island usage, so the bus fleet is in a parlous state and it has been that way for some time, regrettably.

2905 I have to say that my Committee members know that I quite like the idea, personally, of a double decker bus running, especially with cruise passengers running from – Deputy Langlois is smiling because I have outed myself ... down the West Coast and back into St Peter Port I think has its attractions and actually if you want to get numbers up there is always a novelty to sitting on the top of a bus with no driver at the front. (*Interjections*) I think actually it is the lyrics of a Joni Mitchell song. She goes to London, she gets on a double decker bus and observes there is no 2910 driver at the top. So please forgive me that one.

The shortfall in coverage mentioned by Deputy Graham, a gentlemen by the name of Mr Jones is in regular contact with E&I and with me – his estimate is there could be a shortfall, he sees it, of about 720 – a shortfall of capacity of about 720. Our staff believe it is probably about half that number, but the point is it is a service with two million users with the real peak demand in the summer, and we will see the regular bus service, we will see hopefully a red line service that can 2915 be put on, and by CT Plus an extra service, and we know that a local operator is announcing

another private bus operation to cater for cruise passengers. So real peak times that demand will be met.

2920 Just on the point by Deputy Dudley-Owen, again on this issue of whether we think we have got the right model, it is not – I suppose what I am saying is that I am happy with the contract currently, and I am happy with the service delivery, but we could do things in a different way. But I cannot give a commitment that we will do that because we are tied into a contract. So once we look at that contract again that is the time to talk about the options and the alternatives that

2925 would be open to us.

The survey on retail was about 900 people. I think I did hear the interview like everyone else. Somebody commented they never took a bus to the Bridge when we know actually the ridership between Town and the Bridge and back is well supported on the bus service, but yes, we have a Transport Strategy, that strategy came to this Assembly. Some of the elements that would have

2930 made it more deliverable were taken out and I mean by that, the legislation. Most communities have a carrot and a stick to try and impact on people's behaviour; we do not have that mechanism, so by gentle persuasion and by reclaiming aspects of the public realm and trying very occasionally on occasions to make a bit more room for people and a bit less room for cars then we hope to make St Peter Port a more vibrant place.

2935 But I do not have anything to add other than that.

Thank you, sir.

The Bailiff: Well we go to the vote. There are two Propositions, I put both of them to you together unless –

2940

Deputy de Lisle: Can we have a vote on the second one, sir?

The Bailiff: Well in that case, we will have a vote on the first one first. The first one being:

To note the revisions to Phases 2 and 3 of the Bus Fleet Replacement Programme as detailed in sections 5 and 8 of the Policy Letter;

Those in favour; those against.

Members voted Pour.

2945 **The Bailiff:** I declare it carried.

When you asked for a vote did you mean a recorded vote?

Deputy de Lisle: A recorded vote.

2950 **The Bailiff:** Yes, a recorded vote. We will have a recorded vote on the second Proposition which is:

To authorise the Committee for the Environment & Infrastructure to finalise contractual arrangements with Wrightbus for the supply of 22 Euro VI Diesel StreetVibe buses as Phase 2 of the Bus Fleet Replacement Programme, as detailed in section 9 of the Policy Letter, to be funded by a capital vote of a maximum of £2,905,000, charged to the Capital Reserve.

– for the benefit of anyone listening.

The Deputy Greffier: The voting this month starts with the Alderney Representatives.

There was a recorded vote.

2955

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

POUR

Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Ferbrache
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 Stephens
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 Brouard
Deputy Dudley-Owen
Deputy Yerby
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Prow

CONTRE

Deputy de Lisle

NE VOTE PAS

None

ABSENT

Deputy Tindall
Deputy St Pier
Deputy Le Tocq
Deputy Oliver

The Bailiff: Members, the voting on Proposition 2 was 35 in favour, with 1 against. I declare it carried.

POLICY & RESOURCES COMMITTEE

**V. Prioritisation of Legislative Drafting –
Proposition carried as amended**

Article V.

The States are asked to decide:

Whether, after consideration of the Policy Letter titled 'Prioritisation of Legislative Drafting', they are of the opinion:

1. To note the prioritisation of legislative drafting as laid out in the schedule in Appendix Two.

2960

The Deputy Greffier: Article V, Policy & Resources Committee – Prioritisation of Legislative Drafting.

The Bailiff: The debate will be opened by the Vice-President of the Committee, Deputy Trott.

Deputy Trott: Sir, the President of P&R has had a much busier day than me, so ...

2965 I open this short – hopefully short – debate on what is certainly a relatively short States' report on the Prioritisation of Legislative Drafting by referring Members to the executive summary, which makes very clear that the process under which the Policy & Resources Committee has presented this States' report. I do not think by way of introduction, sir, anything else is required.

2970 **The Bailiff:** Right. We move on then to the amendments. There are two and the first is said to be proposed by Deputy St Pier. I do not know whether Deputy St Pier is still proposing it or whether you are going to reverse the roles. But who wishes to propose the amendment?

Deputy Trott: I will propose the amendment, sir.

2975

The Bailiff: Deputy Trott will propose the amendment.

Deputy Trott: Thank you. Deputy St Pier will, I am sure, second.
Thank you.

Amendment 1:

To insert at the end of the Proposition: 'subject to, in item 22 of the schedule in Appendix Two, substitution of "Environment & Infrastructure" with "Development & Planning Authority".'

2980 **The Bailiff:** Well, for the record, shall we just tell people what the amendment says:

The Bailiff read out the amendment.

The Bailiff: Do you wish to –?

Deputy Trott: Well, only to say it is clearly an amendment that corrects a drafting error, sir, nothing more.

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The Bailiff: Deputy St Pier, do you second it?

Deputy St Pier: I do indeed, sir.

2990

The Bailiff: Any debate?

2995 **Deputy Leadbeater:** The DPA has mixed views on this amendment. We support the amendment because it corrects an inaccuracy in the policy letter as originally submitted to the States by P&R. This inaccuracy was to attribute responsibility for legislation introducing certificates of lawful use to the Committee *for* the Environment & Infrastructure. E&I, although having a wide mandate touching on many important issues, has nothing whatsoever to do with this particular matter.

3000 We do, however, regret that it was necessary for this amendment to be laid by P&R at all. As we in the DPA see it, the root of this issue is a misunderstanding or even ignorance amongst some of our political colleagues of the role and mandate of the DPA. We note that P&R engaged when preparing this policy letter with all of the Principal Committees and with all others including the States' Trading Supervisory Board, but did not do so with the DPA. Whether it is a misunderstanding or ignorance, it is one that is apparently shared by some senior colleagues who fail to appreciate, or dare I say even ignore, the important role that the DPA plays within the organisation of the States. (**Several Members:** Hear, hear.)

3005

We are not a sub-committee of E&I, we are an independent Committee of the States in our own right with fundamental responsibilities for land use planning on our own. There is prime

evidence of this misunderstanding today in this amendment and elsewhere, for example in our exclusion from representation on the Political Steering Group for the Harbour Action Area. This is despite the DPA having sole responsibility for preparing the local planning brief that will deliver the Harbour Action Area, taking it through public inquiry and ultimately reporting it to the States in a policy letter.

Given the crucial role that the DPA has in delivery of this P&R plan policy priority, it is of the utmost importance that the DPA is actively involved in every part of the HAA process, in order to be able to understand the issues and requirements. Failure to understand the complexities of the issues because of lack of involvement could result in misrepresentation in the LPB or at the public inquiry, or delays because of misunderstanding, misinterpretation or conflicts.

On the particular matter of the Harbour Action Area, the committee has unanimously supported the DPA President Deputy Gollop in writing directly to the President of P&R and awaits a response. It is hoped that Deputy St Pier will agree that the DPA should be represented on the steering group so that we may play as complete and active role as possible in the swift and effective achievement of this important States' priority.

Also perhaps to remove this understanding, the DPA has invited Deputy St Pier to join us at a future Committee meeting to see for himself the work of the DPA. I understand he is taking the opportunity of attending all other Committees, including STSB, so I am sure this oversight in not attending a Committee meeting of the DPA was just another misunderstanding.

Returning to this amendment, I can confirm that the DPA supports the amendment which corrects an inaccuracy in P&R's policy letter, but I also sincerely hope that a better understanding and recognition of the role of the DPA by P&R and by colleagues throughout the States will mean that no similar amendment will be required in future.

Thank you, sir.

The Bailiff: Any further debate?

Deputy Trott will reply.

Deputy Trott: Sir, I was not anticipating that speech, certainly no intention to offend.

The truth is though, living in the real world, that very large numbers of our community still refer to the DPA as the IDC. Old habits die hard, none of us even Members of P&R are perfect and I apologise for any offence that may have been caused.

With regard to the Harbour Action Area membership, your point is well made and noted.

Thank you.

The Bailiff: We vote then on the amendment. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

Next we have an amendment to be proposed by Deputy Merrett.

Deputy Merrett.

Amendment 2:

To delete the Proposition and to substitute therefor:

'1. To note that the Policy and Resources Committee will revise and resubmit the schedule of prioritised legislative drafting as part of the Policy and Resource Plan update in June 2018, and to direct it to include, in that revised schedule and in subsequent updates:

a. For each item:

i. An indication of the further work that is expected to be necessary in order to complete the drafting process, which may include information on the complexity of the law to be drafted and/or the decisions which remain to be made at Committee or States' level; and

ii. An indication of the resources likely to be required to complete the item, in terms of time and subject matter expertise;

b. For the portfolio as a whole:

i. An indication of the timeframe in which "high priority" and "moderate priority" items are to be completed; and

ii. An indication of whether the Policy and Resources Committee believes the resources are available to complete the prioritised legislation within the necessary timeframe, or of any shortfall, in terms of drafting time, skillset or other resources, that might exist.

2. To direct the Policy and Resources Committee to publish, in the 2019 Budget at the latest, a summary of the various options that would be available to increase the overall pace and productivity of the legislative drafting process, and the cost implications of those various options.'

Deputy Merrett: Thank you, sir.

Could I have it read out please?

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The Bailiff: Yes, Greffier will you read it out please?

The Deputy Greffier read out the amendment.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

3055 I and others have been lobbying Policy & Resources for some time to bring this policy paper regarding the Prioritisation of Legislative Drafting to this Assembly.

Deputy Yerby and I are pleased to have it before us today, but it is not without some disappointment and concern. It is simply not what we or others were expecting, or indeed what we need to make intelligent and informed decisions.

3060 The content, or rather lack of content, has a distinct lack of the detail within it which means that States' Members may find it difficult to amend it or even agree it in an intelligent and informed way.

Basically, sir, the schedule does not provide sufficient information to allow States' Members to consider constructive amendments for the Prioritisation of Legislative Drafting which is critical to put into effect our policy priorities. In fact, sir, we are asked to simply note appendix two.

3065 The Prioritisation of Legislation Working Group examines all of the Committees requests for prioritisation of legislative drafting, the other group have the holistic overview of all of the requests of the States' Committees. Good. They assist Policy & Resources whose mandated function of prioritisation of the States' legislative programme ... and if Policy & Resources think their prioritisation is appropriate then Policy & Resources approve it. This, sir, is where it gets a little bit uncomfortable, and I will tell you why.

3070 It is arguable that when a Committee decides their legislative priorities they are not making them in the full, or indeed in any, knowledge of the other Committees' priorities. What may be a priority in the Committee environment may not be in the same priority when considering all of the outstanding legislative drafting requirements across the whole of Government. For example, sir, when a Member for the Committee for Employment & Social Security may consider the drafting of the Legal Aid and Criminal Schemes Ordinance high priority in their Committee, they may consider and determine that actually the sexual offence legislation under the remit of the Committee for Home Affairs should be given a higher priority. When does a Member have the opportunity to have the same holistic approach as Policy & Resources and when is a Member able to debate and vote on such an important matter?

3080 We were hoping, sir, that we would be doing that today; we cannot, as we are not fully informed.

When Policy & Resources approve the list known as appendix two, laid before us today, do they know the approximate cost and time requirements for the preparation of the legislation? If so why have they not included this critical information in their policy paper? For example, the sexual offence legislation was debated and agreed by the States in 2011 – seven years ago; it has a status of high priority but it is still the responsibility of the Committee *for* Home Affairs to progress the drafting. Do Policy & Resources know when it would or could be drafted? Do they have any timescales? We understand the process, sir, but we believe that this Assembly should be fully informed. We should be debating which outstanding legislation should have priority whilst we are fully aware of any costs, time implications and limitations. After all, States' Members are actually legislators. Furthermore, I believe our community should know when it could expect to see the enactment of legislation.

There was much relief and praise when the Disability & Inclusion Strategy was approved by this Assembly, but when will any legislation be put in place? This has led to much discontent in this Assembly and in our community. I believe that we should be realistic and pragmatic in our approach and we should be honest and open with our community. States' Members cannot do this as we simply have no timelines, no idea of when we can expect such laws to be drafted.

Additionally, it is notable that many of the outstanding legislative drafting predates this current Assembly. Out of 95 outstanding legislation requirements only 16 have actually been voted on by the current Assembly, almost 90 predate our time in office. The oldest is in fact 1989 – (*Interjection*) 1989, sir, 29 years ago and it still has not got any priority. Something has been more important for 29 years.

Arguably, this does not show any intent of enacting a States' Resolution. I believe it makes a mockery out of legislators – why we continue to debate new policies when there are so many outstanding Resolutions to enact. (**A Member:** Hear, hear.) This really is a case of policy with no resource. We will debate it, vote on it, but we cannot enact it. This is change, but is change without action. We want change, we have agreed change, but there is no action. We are giving false hope to our community.

Now we have a Policy & Resources Committee. Good. But we still cannot determine when we can expect action. When can we expect to enact any sexual offences legislation?

So why is the will of the legislator being delayed to such an extent? Is it because of the resource allocation? Policy & Resources rely on existing legislative drafting resources. But I put it to you, sir, that we do not need to wait a further seven years since the States' Resolution regarding sexual offence legislation comes before us, what options do we have? How long are we prepared to wait? How long is our community prepared to wait?

The policy paper before us today gives no indication of the resource requirement, no indication of the timescales involved, no indication of hope for our community. So far this Assembly has waited two years to debate our prioritisation of legislative drafting. We appear to have an appendix two, our to-do list with a 'should do things first' at the top and that is really it. It is nothing more, and please just note it, just note appendix two. This amendment changes that. It gives the Assembly a meaningful role in the prioritisation of legislation, it gives our community hope of action.

I urge all Members to support this amendment.
Thank you, sir.

The Bailiff: Deputy Yerby, are you seconding the amendment?

Deputy Yerby: Yes, sir.

The Bailiff: Does Deputy Trott wish to speak on it at this stage or do you reserve your right to speak later?

3135 **Deputy Trott:** Can I ask for your guidance on something here, sir, because I think this
Assembly would benefit enormously from hearing from the man who is at the cutting edge of
legislative drafting; I refer of course to our eminent H.M. Comptroller, who has forgotten more
about this subject than I have ever known, sir. I wondered under the circumstances if the
3140 Assembly would consider it of extraordinarily high value, like I, if he was to give us his words of
wisdom.

The Bailiff: Mr Comptroller –

3145 **The Comptroller:** It was a great introduction there.

The Bailiff: – it is unusual for you to have the opportunity to make a speech; usually you are
responding to a question.

3150 **The Comptroller:** Indeed. I am in the hands of the Assembly.

The Bailiff: You have not been asked a question so I am not sure what you would speak upon,
other than perhaps telling us about your –

3155 **The Comptroller:** Perhaps a question could be posed, a suitable question –

Deputy Trott: Let me ask you a question. H.M. Comptroller, would you kindly speak to the
amendment proposed by Deputy Merrett (*Interjections*) and Deputy Yerby with specific reference
to the complications regarding the legislative drafting of certain elements of law and the reasons
why?

3160 **The Comptroller:** Yes, I mean I am not sure that I can address the Assembly in relation to all
95 items, I simply do not know what their current status is. I suspect in some cases the status will
have changed since the actual policy letter was prepared.

3165 In terms of prioritisation – well could I just make a couple of remarks I think the mandate for
prioritisation is that of the Policy & Resources Committee, it has been delegated to that
Committee by this Assembly. So there is an argument that prioritisation, unless there is a specific
proposal before the States, is not a matter for the States to discuss when it comes to legislation
because the mandate is with Policy & Resources. The obligation on Policy & Resources
Committee is to lay before the States a list of the Resolutions that need to be implemented by
3170 legislation with an indication of the priority that they have in order that the matter can then be
gathered together in the debate, I think, on the Policy & Resource Plan.

I do not know whether that helps at all just to clarify perhaps the position that we are in at the
moment. It is for that reason why the unamended Proposition is to note. I do not know if that
helps at all, but one might argue that the debate in relation to prioritisation should be in the
3175 context of the Policy & Resource Plan.

The Bailiff: Deputy ... unless, Deputy Trott, are you –?

3180 **Deputy Trott:** I will reserve my right to speak later.

The Bailiff: You will reserve your right.
Deputy Lowe.

Deputy Lowe: Thank you very much, sir.

3185 Right, okay, I have looked at this amendment and I have a certain amount of sympathy with this amendment. It is quite ironic that much has been played about Policy & Resources is to note and the very first thing on this amendment is to note, so it is the similarity.

From my point of view we have had this before the States many times before in the past, and then at one time it was all across to Policy Council and did not come back to the States. So it has
3190 bounded over the years backwards and forwards whether it should be in here, and clearly it is to note.

As I say, I have a certain amount of sympathy but it is not as straight forward as the list implies, because over the years, and I am sure that still happens ... will be that something quite near down the bottom of the list is actually quite simplistic to do and there will be people in St James's
3195 Chambers that would be able to do that because those that are carrying on in St James's with the more complex work cannot be taken away from that but somebody who actually does not deal with perhaps the complex work that they do higher up in St James' would be able to get rid of some of those off the bottom of the list, because they are quicker to go through and able to get out of the way. There has been criticism over the years why those small ones have been able to
3200 come before the States before some that are classed as urgent or a high priority. That is how it has worked for years during my time in the States as well. So I can understand why people get frustrated about it but there are very good reasons why some things come before the States before some of the high priority.

But all of that and it was covered this morning as well ... the highest priority at the moment is going to be Brexit. So what will be high priority currently on this list it is going to be quite some
3205 time before it gets there because of the resources that are being taken up by those in St James's Chambers assisting the group from P&R, Home Affairs and Environment & Infrastructure on the Brexit Working Party as well. There is a lot of diversion taking place over that.

So I think again the list, as H.M. Comptroller just implied as well, does not stay still; so the list
3210 now will be different to the list currently and it has been said many times during debate as well, it is very well coming forward with States' reports, that is great – yes, you are absolutely right, let's get on with the work – but every time something is approved that does mean that it goes back on to the list of St James's Chambers and there is only so much work that they can do and they have to prioritise like we have to prioritise; and we have got six now Principal Committees all fighting
3215 for that same resource which has to be prioritised, and working with P&R that is when we reflect our urgency of whether it is a real high priority or not working with St James's Chambers to try and achieve what we are able to achieve to get this legislation through.

I mean if we want to throw a bucket load of money at St James's Chambers and they take on an enormous amount of extra staff in there – because you would need an enormous amount of
3220 staff when you see the list that you have got here – that could happen. But no it is no different to the Principal Committee and indeed to this States, we have to prioritise and we have to accept that we cannot do everything, that is impossible; even years ago we could not do everything, even when we had money.

We have to be more careful how we spend our resources and what we do with our resources, and, for that reason, I will not be supporting this amendment. I think that we need to not divert the very resources that we are talking about, because there would be a huge amount of time and
3225 cost for this to be established to get the answers that you are applying for which will be diverting away from the very thing that you are trying to do to get some of the high priority legislation out of the way.

3230 For that reason, I urge Members to reject this amendment.

The Bailiff: Deputy Inder, then Deputy Ferbrache.

Deputy Inder: Thank you, sir.

3235 Just reading some pages, it says the schedule reflects the status of the items at 15th January; well only two days later probably beyond Brexit, as mentioned by Deputy Mary Lowe, probably

the most significant piece of work that is likely to have come since this list was prepared, if it is in front of the Law Officers already, is going to be the changes in the Education Law. So this, we can note it but I can see already it has changed since 15th January, or it is likely to, unless Deputy Fallaize has written it in the lunch time over the last couple of weeks, I suspect that is a fairly substantial piece of work.

I will not be supporting the amendment but I am happy to note it for you, but I already know that it is immediately out of date

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Well, I will be supporting the amendment because we have got to get things done, and that is not a criticism of anybody, this regime, or the previous regime. It is just not good enough. I mean, to have things of high priority that go back years we have got something here, just for example – and I am surprised that people are not concerned about it – but if you look on the list of important matters that we should give high priority to, People Working with Children and Vulnerable Adults Vetting and Barring Scheme, that Resolution goes back to 1st October 2009. Now that is nearly nine years ago and that clearly, just by looking at those words is an important issue. Now that is not a criticism of the Comptroller or his predecessors or anybody else, because legislative drafts people are like gold dust, they are in short supply, but we have got to have a monitoring system.

I mean the trouble is the States enact – (*Interjection*) whether it is this States, the previous States or going back States they enact – pieces of legislation after legislation without a blooming clue as to (a) what they are going to cost, (b) what the resources are and (c) when they are going to come in, and perhaps it would be helpful if when a piece of legislation is proposed by any Committee, they say the cost is going to be this and the timeframe for bringing this legislation is so and so. One of the medium items of priority is a Resolution which goes back to 2011, the Court of Appeal Law. Now the Court of Appeal legislation goes back to 1961, so it took 50 years – half a century – for amendments to be made, and yet seven years on nothing has been done.

So unless we bring these things forward – because if you were to show this to the public they would think this is an absolute disgrace – unless we get legislation once it is approved actually in force and drafted, then it is pointless.

We are just a talking shop, absolute nonsense. I see we are going to set up another working group of eight people all the way from the President of Policy & Resources down to a humble paralegal at St James's Chambers – another talking shop, another group of eight people. Admittedly, they will not all sit in a room at the same time, you will be lucky if you get three or four, but it is not actually going to progress anything unless you have something with teeth.

So otherwise, and Deputy Inder is normally such a progressive chap and wants to get on with things, and for him to just simply say well we cannot really do anything, we have just got to note it and something else will come in ...

I am not giving way to Deputy Inder.

Deputy Inder: Point of correction, sir.

Deputy Ferbrache: I am not giving way (**Deputy Inder:** Okay.) to Deputy Inder. So in relation to that ... He has made enough speeches today.

In relation to this topic we need to grasp it. We know the real issue is, as I said a few sentences ago, lack of resources. And it is lack of resources in the draftsmanship, whether that is drafting in St James's Chambers or actually moving into the 21st century and perhaps outsourcing some of that. But it will cost money, it is resources. That is what we have got to do. so we are either giving people legislation that is current, because again what is the point of passing a Resolution 10 years ago, we then draft the legislation 12 years on, it might be out of date by that time. It is a

nonsense, this is really a statement of lack of intent, lack of responsibility, lack of common sense on a succession of States' Assemblies.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Deputy Ferbrache, perhaps not when he finished his speech, at the beginning of his speech he had a smile on his face and he almost sort of presented the position we find ourselves in as slightly amusing. I am not criticising Deputy Ferbrache at all but he did start his speech in a fairly light hearted way, but actually there is a more serious issue here, I think, with this backlog of legislation.

Which is that we claim to be, I do not know what exactly the current phraseology is, but a mature self-governing jurisdiction or something like that. We like to advertise ourselves in that way, and I think that a legislature which wants to describe itself in that way should be able to direct the drafting of legislation and then get it drafted and get it on to the Statute Books much more quickly than we are able to. I do not criticise St James's Chambers at all, because I am sure that they would wish to be able to draft legislation more quickly as well, but it is actually an embarrassment I think for this parliament, when we want to see ourselves as a mature self-governing jurisdiction, to have this huge problem with the backlog of legislation.

Now we all fool ourselves that we can solve this problem by talking about prioritisation, but we cannot; prioritisation will simply mean what was item 8 will become item 26 and what was item 48 will become item 12. That will not make a jot of difference really. I am happy that Policy & Resources Committee does all of that in the way that H.M. Comptroller suggested that their mandate allows them to.

The issue is resources. How much do we want to spend on the drafting of legislation? If we want to see a significant acceleration then we will simply have to apply more resources to the drafting of legislation. If we are happy to accept the current position that Deputy Ferbrache described, then clearly we can continue to apply the existing level of resources to this task. If we are happy to see a much longer list and instead of something taking 29 years it might take 59 years or instead of nine years as Deputy Ferbrache said, for an item of legislation which obviously is important, perhaps it will take 20 years or 30 years, then we can withdraw some resources from St James's Chamber and apply them elsewhere. But it is simply a matter of resources.

Now part two of the amendment really does address this issue. I mean I am not fussed one way or the other much about part one, but part two is:

To direct [P&R] to publish, in the 2019 Budget at the latest, a summary of the various options that would be available to increase the overall pace and productivity of the legislative drafting process ...

Now what that means is written in sort of amendment speak, but what it means is the States should have a debate about the quantum of resources that we want to apply to drafting legislation. We should either decide to continue as we are, and we will have a backlog of this size, or we should accelerate the drafting of legislation so that the list in time will reduce, but it will cost more money. That in a sense – well not in a sense, that is absolutely, I think – what part two of the amendment refers to.

My position is we should apply more resources to the drafting of legislation. Deputy Ferbrache implied criticism of the States for directing the preparation of some legislation which obviously he considers to be superfluous, but ultimately it is a matter for this parliament as the elected Assembly to decide what we direct to be drafted, and I think we all have a responsibility as Members of the parliament, once a decision has been made, directing the preparation of legislation to make sure that it happens in a reasonably speedy way. Clearly at the moment we do not have the resources to do that, and I think at least if the States are not going to determine the order of priority – and I accept that perhaps that is not a role for the States – I think the States

should at least determine the resources which are going to be applied and are going to be available to St James's Chambers and the Policy & Resources Committee to decide exactly how quickly we should be able to get legislation on to the Statute Books.

3340 Now finally, Deputy Inder talked about the Education Law. He is right it is not going to be cheap, I did not do it at lunchtime, and it is going to require some legislative resource. But the fact is that the States have resolved, as recently as January, to direct the preparation of a replacement Education Law and most of the other, or a large part of the other, reforms which the States agreed in January require the drafting of a new Education Law.

3345 So my Committee's position is there will be a new Education Law, or there will be a new Education Law presented to the States – it will be a matter for the States to decide how to approve it. If it is not going to be drafted through P&R's prioritisation list, it is going to be done some other way. If it is not going to be done by St James's Chambers it is going to be done by somebody else, if it is not going to be done by a lawyer it is going to be done by somebody else, 3350 because we cannot just join the queue and then allow all the other kind of structural reforms, which the States have agreed to, to be held up. (**A Member:** Hear, hear.)

My understanding is, and I take this as implicit in the policy letter, that when the Policy & Resources Committee comes to the States with the Policy & Resource Plan in June that it will make provision for the drafting of the Education Law consistent with what the States agreed in 3355 January. But one way or the other, our Committee has an obligation to put a new Education Law before the States and it will simply have to do so one way or another.

But this really is an issue of the quantum of resources we want to apply. We cannot have that debate today, we do not have a policy letter before us that enables that, but we could have this debate if part two of the amendment at least is approved. I think it will be quite healthy, because 3360 at the moment States' Members can criticise St James's Chambers; I mean this is what happens, individual States' Members – and we have all done it – we put the blame on St James's Chambers; we say we have passed this but it just takes so long for things to come back to the States. That really is not reasonable, we are responsible for directing and dictating the pace of drafting of legislation, but we cannot do that as an Assembly until we have determined the resources we 3365 want to apply to that task.

So I do not know whether when we vote on the amendment it can be disaggregated, but I think part two is certainly very well worth supporting.

The Bailiff: Deputy Dorey.

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Deputy Dorey: Thank you, Mr Bailiff.

I agree with the last two speakers and I also support the amendment.

I am pleased that we are finally having the chance to debate this issue. It is disappointing and somewhat ironic that this report has been delayed, as my reading of the Rules is that it should 3375 have been in the P&R Plan when it was presented, but it was not and we are debating it now.

In my view, the list of outstanding Resolutions requiring the preparation of legislation dating back many years is totally unacceptable. We are elected to govern, and one of the key functions of Government is to act as a legislator and we cannot fulfil those responsibilities as a legislator when there is such a massive backlog.

3380 I am aware on some of the Committees that I sit on that we have to work on a day-to-day basis with outdated Laws which should be replaced, but because of this backlog and we have got other legislation which is waiting, there is little point us bringing reports to this Chamber to update those Laws or rewrite them, because there are not the resources to do existing, outstanding Resolutions, let alone bringing in other ones. So what it results in, Committees are 3385 forced to look, from where I am, at alternative solutions which perhaps are not the best solutions where legislation will actually be a more effective and cheaper way, a more effective way of achieving something. But we know that if we were to bring something it would just be delayed.

3390 So I see that – I have been in this Chamber a number of long years and we have had the
prioritisation of legislation in relation to Zero-10 and economic ones, so those trumped
everything else; then we had the deficit situation caused by Zero-10, so it was not acceptable to
add resources into writing new legislation because we were not in surplus. We are finally back into
a surplus situation so I believe it is the right time to actually look at allocating additional resources
which is why I support this amendment.

3395 This Chamber can then make a decision: do you want to allocate additional resources, is this
important enough for us? I believe it should be, but at least we would have the information to be
able to make that decision.

3400 We know, as has been said, that Brexit is going to involve considerable legislation, so if we do
not actually put more resources we are probably going to get in an even worse position with
more of other legislation apart from Brexit outstanding. So we need that information to be able to
make a decision. Therefore I fully support this amendment.

I was in correspondence with P&R about particularly the second part because I believe that we
should have that information to make a decision. So I thank Deputies Merrett and Yerby for
adding that into the amendment.

3405 As I understood that P&R were not pushing back against two because they accept to bring
that information to the States is an acceptable process, so we can make a decision. I would have
preferred that information to be given back to the States –

I will give way.

The Bailiff: Gives way to Deputy Trott.

3410 **Deputy Trott:** I am grateful to Deputy Dorey for so doing.

Yes, it was remiss of me not to mention that the Policy & Resources Committee does not
oppose Proposition 2 in this amendment. It does Proposition 1, for a number of reasons which I
shall articulate later, but not 2.

3415 Thank you.

Deputy Dorey: Thank you, Deputy Trott, for giving that information to the States.

3420 I would have personally liked it to come back sooner, because I think the problem is of
considerable size that we need to make a decision earlier, but I accept that they need a longer
period of time to do a proper job, and have obviously spoken to the Law Officers as well in
relation to it.

3425 Although 2 is not my ideal in terms of timeframe I accept it. But I believe that if we are going
to make a decision on the issue of resources we also need to have the information about the
outstanding legislation, and that is why I also support 1, because I believe that if we have the
information that we need about what is outstanding, and we have the resources that are needed
to take action, we can make a decision with the knowledge rather than where we are today
without the knowledge.

3430 So I urge Members, this I think, is such a key part of what our responsibilities are as a
Government that to support this amendment so that we can make informed decisions in the
future, which I believe is what this amendment will enable us to do.

So I would urge some who have spoken against it to rethink because I think it is such a key
responsibility that everybody should support it.

Thank you.

3435 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Thank you, sir.

I omitted earlier in a question I made to Deputy Trott when he made his commanding Brexit
speech that of course it is not just Policy & Resources that are involved in this, it is many other

3440 Committees but particularly Home Affairs where Deputy Prow, Deputy Lowe and the other
Members have had to priorities their resources, when we know that they have the onerous
responsibility for policing and looking after criminal justice legislation. I think some of the areas
that have been covered, such as the complexities that Deputy Lester Queripel, amongst others,
alluded to about, for example, sex offences legislation, involves a very careful amount of thought
3445 and work and is one of those projects that takes longer than others, shall we say.

I have to say I am sure the learned Comptroller or Procureur would disabuse me of any myths,
but I suppose it goes around the houses, the feeling in Guernsey that sometimes very important
legislation that is required for corporate law for the financial sector, especially to improve and
maintain our excellent reputation with international bodies like the IMF or Moneyval, does tend to
3450 take priority and then there are the political priorities of the day, such as general elections or even
referendums, and then perhaps important social legislation and then when you move down
anything to do with children, animals or the environment seems to be towards the bottom of the
pile. Clearly in the policy letter when you look at appendix one it indicates that actually that is
partly because of the resources available within the drafting team. I quote of St James's Chambers:

... to ensure that the top prioritised items of legislative drafting are possible within the skill set of the... Team [and] it
may not be possible to efficiently draft solely financial legislation in one quarter, due to the varying drafting speciality
skills ...

3455 Indeed it is a team of specialists and they are like hens' teeth and comparatively rare. It is not
necessarily a job for an average lawyer. They are very carefully selected and trained and work not
necessarily just in Guernsey but in other Crown Dependencies and perhaps in Westminster as well.
It is work that you cannot get wrong, and it is work that is rewarding, but perhaps historically the
workload is managed on a collegiate basis more than perhaps how a corporate law firm or a
3460 normal business would operate, and there is a factor as well that means that perhaps it is not like
a sausage machine.

I draw Members' attentions, as one or two others have done, Deputy Ferbrache alluded to it
earlier, that if you turn to appendix one in the main policy letter, it says:

Membership of the Prioritisation of Legislation Working Group will be: President [of Policy & Resources, Deputy St
Pier], Chief Executive [of the States], Chief Strategy & Policy Officer, Director of Strategy & Policy, H.M. Procureur [and]
Comptroller, Director of Legislative Drafting, [and a paralegal who does excellent work for us on the Legislation Select
Committee.]

3465 But actually of those eight very eminent learned and important people in our society, all of
whom have had legal training of one sort or another actually at a high level, you can almost play
spot the politician, there is only one of the eight and, as you know, sir, Deputy St Pier has onerous
responsibilities on a myriad of subjects, not just on the Island but outside it.

Now, this is interesting because once upon a time in my probably less than illustrious political
career, I was President of the Legislation Select Committee, then Vice-President. I followed Deputy
3470 Trott's career path, in a sense, (*Laughter*) and I did eight years in that role and I sit with Deputy
Green and some other Members now, now it is part of the Scrutiny context, and it always amazed
me that politicians who sit on legislation, of whom there has never been less than five, are not
involved in the prioritisation at all apart from being Members of this Assembly.

What it says on the tin, if you will forgive me, sir, is 'legislation', so it is not surprising that many
3475 members of the media, even some members of the Bar, think that we are somehow involved in
pushing up the queue for legislation. I used to get lots of questions about why animal welfare had
not been dealt with, as if I was somehow acting against the pets, but it was not my position to do
so, I did actually eventually ask a question. So there are issues that need ... and that is why I will
support Deputy Merrett's amendment, because it ticks two boxes actually, because it not only
3480 enables us to look, as Deputy Dorey said, at the budgetary issues and about Policy & Resources
pushing it forward on that level, but it also gives us more information, and sometimes I think the
newer and younger Members of the States are bringing a new energy, because some of us, they

sort of pass us by, these things, and they are what they are due to Zero-10 and many other factors.

3485 But if we are going to compete economically, if we are really going to be a world class community on a small level that has a global position, legislation, both politically and legally, is absolutely essential, it is not an optional extra.

I do believe – I am a heretic here – some of the legislation is not necessarily necessary, we must not follow the Blairite tendency which was if there is a problem in society you create a new law instead of implementing existing laws. I also believe that we could work better with Jersey and find ways whereby in some areas there might be neutral areas where legislation can be done.

3490 But I also know that several of the Principal Committees are getting to the stage where if there are not the legal resources in St James's Chambers in a timely way, they will have to outsource legislation and sometimes you can get world class experts, academics in law, at relatively useful fee and conditions, and so I think that is an option to follow.

I know in the digital world of dandelion and telex and all these things there was talk about Guernsey being a world centre creating electronic legislation. Some of that had happened but some of it seems to have been stopped or slowed down and we need somehow for Economic Development and other people to kick-start that.

3500 So in a nutshell, support the legislation select as well, the Scrutiny Management Committee, but support Deputy Merrett's amendment because I think it moves the story on more than what a rather disorganised appendix is that does not give any political ownership. Although actually, even if she loses, Deputy Merrett will have won the amendment because I believe the June Policy & Resource Programme of this will be beefed up and will be a stronger debate anyway.

3505 On an earlier speech made on a previous amendment, Deputy Leadbeater excellently delivered on behalf of us in the DPA, we do endorse every line of that from a Committee point of view, we know even now there are eminent members of the community who believe Environment & Infrastructure are in charge of planning and that can cause some confusion. We welcome the amendment of course, and on the wider question of whether DPA should be involved in some of these working parties, such as on the Sea Front, I think it is important Policy & Resources bear in mind there are five Members and it could be the skill set would not necessarily be the President's forte but could be the Members who sit on the Committee who have backgrounds as lawyers, builders or surveyors. So I just hope Policy & Resources will take those points on board as well.

3515 **A Member:** Hear, hear.

The Bailiff: Deputy St Pier.

3520 **Deputy St Pier:** Sir, I just want to speak a little bit more on the resources point which Deputy Ferbrache and Deputy Fallaize and others have spoken to, because I think it absolutely does identify the heart of this which is why, as Deputy Trott said in his intervention, Policy & Resources does not object to Proposition 2 in this amendment. But I think it is important to recognise and acknowledge that it is not just the resources within St James's Chambers and the legislative draftsmen which is a block to the development of policy. So taking the Court of Appeal Law, for example, I am aware, sir, that it requires input from the Courts, from yourself and from members of the Court of Appeal and from others. The Education Law, yes it can be prioritised in June, but that does not mean the legislative draftsmen can do anything with that from June on. It requires a lot of policy input; it will require the Committee to clearly define what it wants out of the legislation in order that proper legislative drafting instructions can be given to St James's Chambers to run away with. The sexual offences legislation I know that too has also required some toing and froing between the draftsmen and the policy makers, including consultation with other stakeholders and so on. All of this takes time and takes resources, much of which exist outside St James's Chamber, and the point which was drawn attention to, I think, by Deputy Gollop, in the policy letter about the skill-set of the draftsmen has to be acknowledged too: that

3535 actually where there are specialists who concentrate on certain areas it is a better and more efficient use of resource to have them concentrate on that than to try and get them to draft something with which they are less familiar.

Sir, absolutely, Proposition 2, if it does become a Resolution of the States, P&R can come back through the budget process to advise the States what steps could be taken, but I think it needs to be acknowledged that it is a far wider problem than just the legislative resources which exist in St James's Chambers.

The Bailiff: Deputy Yerby.

3545 **Deputy Yerby:** Sir, I will speak very briefly.

On the basis that Policy & Resources have indicated that they will support Proposition 2, I would encourage the Assembly to support the amendment as a whole. If Members do not feel that they can vote for Proposition 1, then so be it; it simply means that the schedule will not be noted at this time, but as we will be debating it again in three months, nothing is really lost by that.

3550 However, the reason why part one is in the amendment is because any process of prioritisation depends on you knowing something about the scale of the work that you have got to do and something about the amount of resources that you have got to allocate and allocating those resources appropriately to get the work done.

3555 If Policy & Resources are telling us that they have produced the schedule in front of us without any knowledge of how big and involving the work is and what resources they have to allocate then, frankly, the schedule in front of us is fiction. (**A Member:** Hear, hear.)

If we are going to have a schedule at all, if we are going to have this process of prioritisation at all, then let us make it as useful as it is possible to be, and that involves including some information about the scale of the work that we are doing and the resources that will be necessary to achieve it.

3560 As Deputy Dorey has already said, in order to have a meaningful debate on part two, when that comes around, if there are potentially more resources on the table then we need to know what we are capable of getting with our resources. So unless we have an idea of the scale of the work in the pipeline we cannot do so.

3565 I just wanted to pick up on one point that Deputy Lowe raised – that it is possible to do some of the smaller pieces of legislation opportunistically as you go along. Well maybe so, but there is a piece of legislation on the schedule, the Recognition of the International Criminal Court in Local Legislation, to avoid the embarrassing situation that we might not be able to co-operate with the International Criminal Court when it comes to matters of terrorist financing or other international concerns. That has been sat on the schedule for five years. If I quote from the policy letter the States considered at the time, the Procureur assured States' Members that:

These proposals are unlikely to give rise to any significant resource issues either in respect of drafting time or in relation to the involvement of the Law Officers and the Courts in the implementation of the relevant legislation once enacted.

3575 So it seems to me at the moment that these really quite important and internationally significant bits of legislation – bits of legislation which we are told are small in terms of drafting resource – are sitting on our schedule in our pipeline for arguably inordinate periods of time. The process is not working. We are going to have to do something to improve the process, whether it is injecting more scrutiny by giving States' Members more information, and more opportunity to prioritise, or whether it is by injecting more resources. One way or another this amendment leads us closer to being able to do that, and I would urge all Members to support it.

3580 **The Bailiff:** Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

3585 I will be very brief, because Deputies Ferbrache, Fallaize and Dorey have said everything that I would have said, but much more coherently and naturally quicker.

I just want to expand on what Deputy Yerby just said. I have done some quick sums and by my calculations, which might not be scientifically accurate but I have double checked them, I think that according to the schedule the cumulative total that we would be waiting for legislation is 682 years, (*Laughter*) an average of seven and a half, so I think that says a lot about how we need to reprioritise our resources in this area.

3590 Thank you. I would support the amendment and urge others to do so.

The Bailiff: Deputy Brehaut.

3595 **Deputy Brehaut:** Again briefly, sir.

I just wanted to touch on two things. There is a perception out there in the community that the States is still bludgeoned – sorry it is the wrong word; that the States is morbidly obese – with senior staff, and it clearly is not. I think anyone who comes into politics and takes up a role on any Committee knows that when you have senior staff around a table, whether you are moving
3600 between E&I, Economic Development, you are looking at the same faces pretty much all of the time, and there are very few staff at a senior level, or there are very few staff at a senior level when there is a perception out there that there are many more staff, and I think there is a deficit in that area that needs to be addressed, and there are people we know seconded, for example, to
3605 Population Office that have other responsibilities, we know that people are backfilling, and we know that there are huge pieces of work that some of these people will have to take on individually and we are shallow in that area. I think that is something we need to address.

I find it is interesting, the role that we have as Deputies. Everyone understands what it is to be a Deputy and be a parish representative; when you then ask people what is your role as a parliamentarian ... and I was interested actually reading most of what I could tolerate reading of
3610 an article in *The Press* today, an observation that a former States' Member did not enjoy coming to States' meetings because it was a talking shop and nothing was ever achieved. This is a parliament, this is a mechanism that can really deliver for the people of Guernsey.

Now if we had a conveyor belt in the middle of this Assembly running out of those two doors we can buy jet aircraft, parcel them up in cardboard boxes and get them on that conveyor belt.
3615 We can do buses as an outcome, as an output, and get them out of this Assembly, but legislation, why do we struggle so hard? Why do we struggle to get the delivery bit done? Deputy Lowe remarked that, or implied that, almost it is too difficult, it has worked like that for some time, it would be too resource intense, and we just have to knuckle down and get on with it.

But some of the very quick wins, even for E&I, some of the very small things in relative terms that we need to do, if this Assembly approves them and the mood of a community sometimes surmount one particular thing, this Assembly signs it off, but what is the output? What is the net
3620 result? What is the product? It is not there because the legislation is not there to back it up.

So over the remainder of this term the things we need to address, I think, head-on is to meet this challenge of the right number of people around the table – policy writers, those are the two
3625 words I was after before that escaped me – to make sure we have the appropriate number of policy – people who can write policy in the right places – and have those people, whether they are outsourced, wherever we get them from, to deliver the legislation for this community. What is it – 'Busy doing nothing, nothing the whole day through, and finding lots of time for things not to do,' or something? – and it does feel a bit like that. I have sat in this Assembly through impassioned
3630 debates that have been won or lost on the strength of one vote; then what? That actually nothing happens. There is no measurable output because it then gets stuck in a backlog of legislation, and that is something that we desperately need to address.

The Bailiff: ... [*Inaudible*]

3635 Deputy Trott, do you wish to speak immediately before Deputy Merrett replies?

Deputy Trott: Sir, thank you.

Let's start with some advice that the Policy & Resources Committee have received from H.M. Procureur. She has advised that with regard to the resource intensity of this sort of project it is very difficult, she advises, to assess resource requirements in terms of time and subject matter expertise required. That is not to say that it cannot be done, but what it is to say is that it is a difficult process indeed. In fact, sir, she goes on to say in the advice we have received that, as regards timings, there are too many unknowns and variables to be able to predict with any degree of certainty when items might be completed in any event, and Members will note that those words appear in the amendment.

3645 She gives some examples as to why that is, one in particular is the drafting of urgent sanctions. If we have to draft any urgent sanctions, that trumps all other legislative activity, which means, for that reason alone, things cascade down the timeline as a consequence of items that are essential for our international identity but not necessarily always things that we would prefer to prioritise ourselves.

3650 Now, sir, I have already said that Proposition 2 is not opposed by the Policy & Resources Committee, and there is a very good reason for that. It says:

To direct the Policy and Resources Committee to publish, in the 2019 Budget at the latest, a summary of the various options that would be available to increase the overall pace and productivity of the legislative drafting process, and the cost implications of those various options.

Now as Members will know, the 2019 Budget is scheduled to be debated in October.

Now with regard to Proposition 1 we simply cannot deliver within this timeframe proposed – the timeframe proposed, Members will note, is June 2018, and specifically the Policy & Resources Plan debate in June 2018. That debate has a specific set of Rules associated with it, which means that it has to be available for discussion, scrutiny and debate a full six weeks in advance. It is like no other policy document. Now that would mean, to be able to comply with Proposition 1 we would need to have completed this extremely resource-hungry exercise by the end of April in order to accommodate the six weeks Rule pertaining to June 2018.

3660 Now if Members decide to support Proposition 1 in that knowledge it will be a Pyrrhic victory – there is absolutely no way that objective will be achieved. So please look your constituents in the eye and make sure that they understand that you voted for something that is simply undeliverable within the time constraints given in the amendment.

3665 Now, sir, Deputy Lowe made the point that Brexit and all the associated legislation with Brexit will dominate for the next few months. She is quite right. In fact we heard this morning in answers to questions on the Brexit Statement that the Law Officers have said that they need additional legislative resource. That legislative resource has been funded. I am not sure yet whether it has been procured, because as Deputy Ferbrache said, indeed finding this resource is extremely difficult. In fact Deputy Ferbrache knows how expensive legal resource is probably better than anyone else in this Assembly, because I recall that he recently confirmed our fears with regard to legal advice when he advised that his earnings were approaching £3 million-£4 million per annum. These are substantial sums of money and it emphasises, I think, with particular – (*Interjection*)

I do not give way. I do not give way. (*Interjection*) No, I do not give way

3675 **Deputy Ferbrache:** With a point of correction, I think Deputy Trott –

The Bailiff: Point of correction

3680 **Deputy Ferbrache:** – has to give way.

The Bailiff: Point of correction, Deputy Ferbrache.

Deputy Trott: Of course.

3685 **Deputy Ferbrache:** I never said that about my legal earnings. But my actual earnings were higher than that! (*Laughter*)

Deputy Trott: Indeed. It is a matter of some further public knowledge where one particular fee income source has been derived from, and I wish his firm and he well, sir.

3690 The point is that these resources are extremely difficult to procure. They are quite expensive when they are procured. But the key message is this. It is absolutely pointless voting for Proposition 1 because we cannot deliver, we are being honest and frank with you. However, if the Assembly goes ahead and votes for it, well so be it. It will, as I described, be nothing more than a Pyrrhic victory and from that perspective a total waste of time.

3695

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

3700 First of all, I ask States' Members' indulgence; this is the first time I have summed up on an amendment, so please bear with me.

It was an interesting intervention, I thought, from H.M. Comptroller. Basically this decision – is it an operational decision for the prioritisation of legislation or should it be the decision of the legislator? That is basically in very broad terms what we are discussing.

3705 Deputy Lowe said the demand the amendments that will come before us if we have got the information required from Proposition 1 being an indication of what is required as a resource, what timing is required, and any amendments would be able to be pragmatic, they would be able to be intelligent and they would be able to be informed. Of course at this stage and in the debate today we have all assumed this is purely a lack of resource; without this information how can States' Members ascertain what sort of resource is required?

3710 Surely while compiling appendix two they must have known or had an indication to be able to prioritise the work as to what the resource implication would be. Deputy Inder implied in broad terms that it is indeed a moving beast, and there should be key high priorities. However, I am now led to believe Deputy Inder during debate has changed his mind and now is most supportive of both Propositions.

3715 I thank you too, Deputy Ferbrache, we do indeed need to know the cost and the timeframe. We need to know the resources. That is why we need to vote for Proposition 1 and Proposition 2.

3720 Deputy Fallaize, I completely agree it is a complete embarrassment. Do we want to be a mature self-governing legislation, self-governing by the legislator or self-governing by the Law Officers? When do we want legislation to come into effect? Part one is asking it allows us to be informed. We need to know what the indication of resources are. If you intend to increase the pace and productivity of the legislative drafting as in Proposition 2 then actually we need the information in Proposition 1 to be able to do Proposition 2, one follows the other, or at least it does if you apply logic.

We are responsible for dictating the pace. We need to understand the resources.

3725 I agree with Deputy Dorey: we are elected to govern, we are accountable, we are legislators. I could not agree more.

3730 So to enable Proposition 2 to enact it, the work in Proposition 1 will need to be completed at some point. We will need indication of resource as in Proposition 1(a)(ii). We will need indication of a timeframe, that is Proposition 1(b)(ii), an indication of whether Policy & Resource believes the resources are available. That is in Proposition 1(b)(ii). It is a statement of intent; 1(b)(i) is a timeframe in which high priority are to be completed. How long? What is acceptable for a high priority piece of legislation to be drafted and enacted by this Assembly? Does the Assembly think it is a seven-year wait, a 10-year wait, a 28-year wait? We simply do not know.

3735 I resonated with Deputy Gollop's comment of spot the politician, it is almost a case with this policy paper, as originally put before us, of spot the legislator. Where are we? We should be pushing up the queue. We at least should know and our community should know what they can expect and we have to decide what we will accept.

3740 I agree with Deputy St Pier, section 1(a)(i) is exactly this, it asks for an indication of where the decisions remain. Is it with the Committee or at States' level, because, sir, if it is at Committee level then why is it even in appendix two?

I thank Deputy Yerby for seconding this amendment and for her passionate speech, and for Deputy de Sausmarez and the support from Deputy Brehaut.

3745 And Deputy Trott, H.M. Procureur – if there are too many variables what is the point of having appendix two at all. When a Law Officer is assigned to draft legislation surely they must know how long the resource they are likely to be allocating is. Will it be three months, six months; will it need somebody working on, for example, GDPR for six months or is the timeframe GDPR to be enacted within four months?

3750 Sir, P&R have not got the resource after two years – *two years* – of being elected to their positions to even give an indication of the resource required, which is what we are asking under Proposition 1 and Proposition 2. Even if P&R have stated that they do not or cannot or will not abide. They are saying that if we in this Assembly agree to Proposition 1 they will not, they cannot, or they do not, they are not going to abide by what we ask them to do. They are not going to abide by a States' Resolution by the will of this Assembly.

3755 **Deputy Trott:** Sir, point of correction.

The Bailiff: Point of correction, Deputy Trott.

3760 **Deputy Trott:** It is the Rules of this Assembly that dictate the timeframes for the Policy & Resource Plan and I suspect when Deputy Merrett and Deputy Yerby constructed this amendment they had forgotten that important detail.

Deputy Merrett: No, sir, I can assure you we had not forgotten that at all.

3765 If the timing was an issue it is most disappointing that they, being Policy & Resources, did not indicate that whilst in discussion with myself and the fact they have not at any point discussed that with myself or indeed if they had not even met to discuss it with myself and Deputy Yerby in today's States' recess because we could potentially have looked at and discussed moving that date to make it more realistic, but that conversation just did not occur.

3770 After two years we still cannot understand why they still cannot give us an indication of the further work that is expected, of timelines or any indication of resources as in Proposition 1; furthermore in Proposition 1(b) they cannot give an indication of what they believe a high priority, how long that should take, or a moderate priority, and the current indication they now really do believe that we have to ask them to come to the table and let us know this as soon as possible.

3775 So I would urge all Members to support this amendment.
Thank you, sir.

The Bailiff: We vote – Deputy Lester Queripel.

3780 **Deputy Lester Queripel:** Sir, I ask for a recorded vote please.

The Bailiff: Right, we will have a recorded vote then on the amendment proposed by Deputy Merrett, seconded by Deputy Yerby.

3785 **Deputy Lester Queripel:** Could we have them separately sir, please?

The Bailiff: Well, the conventional way would be to vote on the amendment as a whole, because that then replaces the Propositions, so then at the end of the general debate if Members wish to vote for one Proposition but not the other they do that at the end of general debate, and the proposers of the amendment have not sought to disaggregate it; and I think it would be wrong for me to go against the will of the proposers of the amendment to impose something on them that quite clearly was not their intention and would be inconsistent with the speech that the proposer has just delivered.

So we will vote on the amendment as a whole, but if you wish to vote for one of the Propositions, if it carries – if it carries – and you then wish to vote for one of the Propositions and not the other you will have the opportunity to do so at the closure of general debate.

So we are voting on the amendment proposed by Deputy Merrett and Deputy Yerby as a whole.

There was a recorded vote.

Carried – Pour 27, Contre 8, Ne vote pas 0, Absent 5

POUR

Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Lester Queripel
Deputy Le Clerc
Deputy Leadbeater
Deputy Mooney
Deputy Le Pelley
Deputy Merrett
Deputy Inder
Deputy Laurie Queripel
Deputy Hansmann Rouxel
Deputy Green
Deputy Paint
Deputy Dorey
Deputy Dudley-Owen
Deputy Yerby
Deputy de Lisle
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Roffey
Deputy Prow

CONTRE

Deputy Parkinson
Deputy Trott
Deputy St Pier
Deputy Stephens
Deputy Lowe
Deputy Smithies
Deputy Graham
Deputy Brouard

NE VOTE PAS

None

ABSENT

Deputy Tindall
Deputy Meerveld
Deputy Fallaize
Deputy Le Tocq
Deputy Oliver

The Bailiff: Well Members, the voting on the amendment proposed by Deputy Merrett, seconded by Deputy Yerby, was 27 in favour with 8 against. I declare it carried.

We now move to general debate for those who have not already spoken generally.
Deputy Le Clerc.

Deputy Le Clerc: Sir, I was not sure whether to stand up during the amendment or to stand up now, so I apologise but I have got a prepared speech and I am going to say it.

Members may be wondering why disability discrimination legislation does not appear on the list of Resolutions requiring the preparation of legislation given that this matter is high on the political agenda. This is because the States gave in principle approval in November 2013 to the introduction of disability discrimination legislation and directed the former Policy Council to develop detailed policy proposals in this regard. Responsibility for this Resolution passed to the

3810 Committee for Employment & Social Security in May 2016, and this work-stream has been prioritised and resourced by the Committee. We are working hard to bring the policy letter to the States for consideration in 2019, at which time we hope the States will direct the preparation of the necessary legislation and give this high priority status for drafting.

I hope this clarifies the status of this project and why it is not currently listed on the schedule.
3815 A note to this effect will be included in the next iteration of the schedule which I understand is going to be included as part of the first annual review of the Policy & Resource Plan which is due to the States in June 2018.

I have made this speech today because I know that some questions have already been asked about this.

3820 Thank you.

The Bailiff: I see no one else rising.
Deputy Trott will reply to the debate.

3825 **Deputy Trott:** Sir, I ask Members to vote against what is now substantive item 1 when we go to a recorded vote on the matter please.

The Bailiff: We go to the vote then and I take it that is a request for a recorded vote. There are two Propositions which I remind you are the two Propositions inserted as a result of the successful amendment proposed by Deputy Merrett and seconded by Deputy Yerby.
3830

We vote first on Proposition 1.

There was a recorded vote.

Carried – Pour 19, Contre 15, Ne vote pas 0, Absent 6

POUR

Alderney Rep. McKinley
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Lester Queripel
Deputy Le Clerc
Deputy Mooney
Deputy Le Pelley
Deputy Merrett
Deputy Laurie Queripel
Deputy Hansmann Rouxel
Deputy Paint
Deputy Dorey
Deputy Yerby
Deputy de Lisle
Deputy Soulsby
Deputy de Sausmarez

CONTRE

Alderney Rep. Jean
Deputy Parkinson
Deputy Trott
Deputy St Pier
Deputy Stephens
Deputy Inder
Deputy Lowe
Deputy Smithies
Deputy Graham
Deputy Green
Deputy Brouard
Deputy Dudley-Owen
Deputy Langlois
Deputy Roffey
Deputy Prow

NE VOTE PAS

None

ABSENT

Deputy Tindall
Deputy Leadbeater
Deputy Meerveld
Deputy Fallaize
Deputy Le Tocq
Deputy Oliver

The Bailiff: Well the voting on Proposition 1 was 19 in favour with 15 against. I declare it carried.

Next a recorded vote on Proposition 2.

There was a recorded vote.

3835

Carried – Pour 36, Contre 0, Ne vote pas 0, Absent 4

POUR	CONTRE	NE VOTE PAS	ABSENT
Alderney Rep. Jean	None	None	Deputy Tindall
Alderney Rep. McKinley			Deputy Fallaize
Deputy Ferbrache			Deputy Le Tocq
Deputy Kuttelwascher			Deputy Oliver
Deputy Brehaut			
Deputy Tooley			
Deputy Gollop			
Deputy Parkinson			
Deputy Lester Queripel			
Deputy Le Clerc			
Deputy Leadbeater			
Deputy Mooney			
Deputy Trott			
Deputy Le Pelley			
Deputy Merrett			
Deputy St Pier			
Deputy Stephens			
Deputy Meerveld			
Deputy Inder			
Deputy Lowe			
Deputy Laurie Queripel			
Deputy Smithies			
Deputy Hansmann Rouxel			
Deputy Graham			
Deputy Green			
Deputy Paint			
Deputy Dorey			
Deputy Brouard			
Deputy Dudley-Owen			
Deputy Yerby			
Deputy de Lisle			
Deputy Langlois			
Deputy Soulsby			
Deputy de Sausmarez			
Deputy Roffey			
Deputy Prow			

The Bailiff: Well Members, the voting on Proposition 2 was 36 in favour with none against. I declare it carried.

POLICY & RESOURCES COMMITTEE

VI. Schedule for future States' business – Approved

Article VI.

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 18th April 2018 and subsequent States' Meetings, they are of opinion to approve the Schedule.

The Deputy Greffier: Article VI, Schedule for future States' business.

3840

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, it is self-explanatory and I have nothing to add.

The Bailiff: I have not received notice of any amendments.

We go to the vote on the Schedule. Those in favour; those against.

Members voted Pour.

3845

The Bailiff: I declare it carried.

That concludes the business for this meeting. Thank you, Members.

The Assembly adjourned at 4.50 p.m.