



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 5th February 2020

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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, D. A. Tindall,
B. L. Brehaut, R. H. Tooley

St Peter Port North

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

St Sampson

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

The Vale

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

The Castel

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

The West

Deputies A. H. Brouard, A. C. Dudley-Owen, E. A. McSwiggan,
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 S. Roberts and A. Snowdon

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 G. A. St Pier; (*absent de l'île*) (*relevé à 9h 44*)

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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 IV of 2020. I hereby give notice that a meeting of the States of Deliberation will be held at The Royal Court House on Wednesday 5th February 2020 at 9.30 a.m. to consider the items listed in this Billet d'État which have been submitted for debate.

IN MEMORIAM

Tribute to Deputy Jan Kuttelwascher

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

5 I am sure that like me you were deeply shocked to learn of the untimely death on 23rd January of Deputy Jan Kuttelwascher.

It is so sad to see that where he was sitting when we met just three weeks there is now an empty seat. More than just an empty seat, this Assembly is poorer for his passing. Until the very end he was a committed People's Deputy and a very active Member of this Assembly.

10 Jan was born in Czechoslovakia in May 1946. His family moved to England around the time the communists came to power in Czechoslovakia and he was educated in Uxbridge, Middlesex before attending school and university in London achieving a BSc special honours in physics.

15 Jan's uncle, Karel Kuttelwascher, was the famed Czech fighter pilot who served with the RAF during the Second World War where he was the RAF's most successful Czechoslovakian pilot and one of the RAF's highest scoring flying aces. His daring exploits inspired a young Jan's career choices, as he attended the Oxford Training School and obtained a commercial pilot's licence with instrument rating. He was a commercial pilot for 33 years with BOAC and later British Airways. In 1986 he was appointed a Civil Aviation Authority instructor and examiner on Boeing 747s. His passion for aviation and the skills through his career were demonstrated in this Assembly on a number of occasions.

20 He also founded an export-import company in 1975 and was involved in property development, both in the UK and Guernsey. Jan moved to Guernsey in the 1990's and soon became fully immersed in Island life. He was the Chairman for Age Concern Guernsey for four years from 2008, a St Peter Port Douzenier from 2005 until 2009 and first elected as a People's
25 Deputy for St Peter Port South in May 2008 and served that district in the Island for nearly 12 years.

His first Committee role was as a Member of the Scrutiny Committee and he would later extend his scrutiny role by joining the Legislation Select Committee in 2010.

30 His passion and interest in all things aviation related was quickly demonstrated via his successful sursis to delay consideration of the Public Services Department report, entitled 'Guernsey Airport – Pavements Rehabilitation' in December 2008 and this would be the first of many secondary propositions he would lodge in respect of the Airport.

35 The first requête he led on was in 2009 to seek to disestablish the Tribunal of Inquiry set up to look into the Airport firefighters' dispute. Whilst the Proposition was unsuccessful this did not dampen his enthusiasm for bringing such propositions to the States.

40 In February 2010, in response to some public concern regarding the waste treatment facility proposed, he led a requête asking the States to instruct the Public Services Department to return to the Assembly for authorisation for the final contract. This requête was subsequently successfully amended to go even further, with the Department instructed to cease its direction of travel and report back to the States with a revised strategy.

In 2011, he joined the Public Services Department and threw himself into the ongoing Airport and waste projects, bringing the skills he had honed through years of commercial experience to the role.

45 In 2012, further to re-election, he unsuccessfully stood for the role of Minister of the Public Services Department. He became Deputy Minister of the Treasury & Resources Committee and served a full term in that role. Again, he led a few requêtes, from seeking to freeze States' Members pay, to introducing a reciprocal health agreement with the United Kingdom and the European Union. However, these were unsuccessful.

50 In 2016, for the second term running, Jan found himself second in the polls in St Peter Port South. He was elected as a Member for the Committee *for* Economic Development which he served on until January 2018. Midway through that year he was elected as a Member of the States' Trading Supervisory Board.

55 In October 2018, he brought a successful requête looking at the possibility of increasing the runway length, and when in 2019 the States resolved that no further work be carried out to assess the option to extend the Airport runway he brought a further successful requête in November requiring a business case to come back to the States in 2020 regarding the extension of the runway. It feels somewhat apt that the last major item he presented to the States was the subject he had passionately fought for throughout his political career. If the runway is ever to be extended, it would surely have to be named after him in tribute to his dedication to the cause.

60 *(Laughter)*

I think perhaps former Deputy Andrew Le Lièvre summed up Deputy Kuttelwascher best when proposing him for the Presidency of the Public Services Department in 2012. He said and I quote:

Deputy [Kuttelwascher] is an honest and open man, full of integrity. You get what you see. He is bold, but not arrogant, forceful but not a bully, argumentative but not disagreeable. He might best be described as reliably persistent.

65 I think Members will agree that reflecting on Jan's political career, particularly in respect of all matters aeronautical, 'reliably persistent' may be the perfect summary of Deputy Kuttelwascher. He never faulted in standing up for what he believed to be right and he was a witty and insightful speaker. He was also a clever lateral thinker.

The Island of Guernsey is no doubt a better place for his contribution and as I have said poorer for his untimely passing.

70 Jan is survived by his beloved wife Andrea, their children Marika and Carl, four grandsons Trystan, Lucas, Griffin and Lachlan and granddaughter Lily, to whom we extend our sincere condolences.

**Tribute to
former Deputy Barbara Elizabeth Gaiger (formerly Nicolle)**

The Bailiff: I must now continue with a second tribute, this time to a previous Member of the Assembly who also made a substantial contribution. Former St Martin's Deputy Barbara Elizabeth Gaiger (née Lattimore), who was Barbara Nicolle when she sat in the States, passed away on 18th January, aged 97.

Barbara was born in Plymouth. She joined the Women's Royal Air Force and served for much of the Second World War with No. 11 Group, Fighter Command. She married her first husband Hubert Nicolle in 1948. He had landed in Guernsey early in the Occupation to gather information about the situation in the Islands, in what has since been described as the first ever commando raid.

Barbara was a People's Deputy for St Martin's for 12 years having first been elected in 1976. She served on a number of Committees during her time in the States. She was a Member of the Children Board for the entire time. She also sat on the Recreation Committee for all but the last two years of her States' service and the Insurance Authority, the Civil Defence Committee and the Sea Fisheries Committee.

She also served on two *ad hoc* Committees: the States Meetings Broadcasting Investigation Committee in 1982; and the Committee to Consider the Control over the Importation and Distribution of Obscene or Otherwise Undesirable Materials in 1983 – sign of the times that they had such committees in that era. *(Laughter)*

She campaigned successfully to ensure that Guernsey people who enrolled in the armed forces did not lose their rights to qualify under the Island's housing laws and she continued to be a regular attendee at the Commonwealth Parliamentary Association AGM long after she left the States, only ceasing a few years ago.

Outside the States, she was a member of the Guernsey WRVS and served as the Bailiwick organiser for a number of years. She was also a strong supporter of the local RNLI branch and assisted them with fundraising. We remember her as quite a determined lady who pushed hard for what she believed in.

After Hubert Nicolle died in 1988, she married Canadian William, known as Bill, Gaiger, who predeceased her in 2015.

Barbara leaves a daughter Jane, her son Stephen, grandchildren and great-grandchildren, to whom we extend our sincere condolences.

Tribute to former Douzaine Representative Godfrey Charles Le Mesurier

The Bailiff: Sadly, I continue with a third tribute, this time to former St Andrew's Douzaine Representative Godfrey Charles Le Mesurier, more often known as Geoff, who died on 15th January aged 90.

Geoff was born in Guernsey and was an electric engineer by trade. In terms of his public service, he is best known for his commitment to the work of his parish, St Andrew's, where he was elected as a Constable in 1979. He then became a Douzenier and served in that role until 2013, for the last four years of which he was Dean of the Douzaine.

In total he dedicated 34 years to the parish and was the Douzaine representative for St Andrew's from May 1994 to April 1998. Through that time he served as a Member of the States' Telecommunications Board and the Overseas Aid Committee and for most of his States' time he was also a member of the Board of Employment, Industry & Commerce.

He leaves a widow Joan, children Ann and Mark, grandchildren and great-grandchildren, to whom we also extend our sincere condolences.

Will you please now rise in tribute to Deputy Jan Kuttelwascher, Deputy Barbara Nicolle and Douzaine Representative Geoff Le Mesurier.

Members stood in silence.

The Bailiff: Thank you very much.

Deputy St Pier arrived just after I began. Do you wish to be relevé?

Deputy St Pier: Yes, please.

ANNOUNCEMENTS

The Bailiff: Before we continue with the business of this meeting, there are three announcements I wish to make.

The first is to say that if this meeting continues into Friday of this week, I will propose that we adjourn at a convenient point between 11.15 a.m. and 11.30 a.m., or thereabouts, to enable us to attend the funeral for Deputy Jan Kuttelwascher. We will resume the meeting if we need to do so at 2.30 p.m. on Friday, giving Members sufficient time to attend the reception to which they are all invited.

Secondly, I have been asked about a possible by-election. Section 29(2) of The Reform (Guernsey) Law provides that where a vacancy occurs after 30th November in the year preceding a General Election:

it shall be in the discretion of the [Presiding Officer] ... whether or not an [by-election] be held to fill the [seat] until the date of the General Election.

I have decided that in view of the proximity of the General Election, the time it would take to organise a by-election and the resources that would be required, which otherwise are preparing for the Island-wide Election, for all those reasons and possibly more, it would be inappropriate and unnecessary to fill the vacant seat in this Assembly. I will therefore not be ordering that there be a by-election. There will, however, be a need to fill Deputy Kuttelwascher's seat on the States' Trading Supervisory Board and I will be laying a Proposition to that effect at the next meeting.

Finally, the President of Policy & Resources Committee has written to me advising it will not be possible to complete all the business of this States before the end of this term *if* – and it is a big *if* – all the policy letters and other business of which he has been advised were to come forward. It may be necessary to convene additional meetings, which I have the power to do under Rule 2(5), if in my opinion 'circumstances so require' – quoting from the Rule.

I am therefore putting you on notice that there may be up to three extra meetings, each of potentially three days, commencing 25th March, 1st April and 29th April. I suggest that for now you pencil those dates in your diary in case they are needed. That is 25th March, 1st April and 29th April. They may not all be needed, but I think it is helpful for people to know in advance that those dates may be needed. It certainly helps us in this building so that we can make preparation and make sure a Presiding Officer and other facilities are available if needed.

So, we get on with the business of the meeting.

STATEMENTS

**Committee for Economic Development –
General update**

The Bailiff: We begin with a general update Statement from the President of the Committee for Economic Development, Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

155 I will provide an update to Members on some of the key areas of the Economic Development Strategy where progress has been made.

Transport connectivity remains one of the Committee's critical priorities. Since the introduction of the policy of quasi-open skies agreed by the Assembly in September 2018, we have seen the launch of a number of new air routes, including London Heathrow, Edinburgh, Southend and the
160 announcement of a new Newcastle service for summer 2020. We will also see new charter services launching from 16 German airports, including Berlin, Hannover, Dortmund, Dresden and Frankfurt.

During 2019, overall airport traffic has seen a number of record months with a total of 858,000 passenger movements through Guernsey Airport in the year. That is an increase of 6.1% compared to 2018, after *many* years of decline.

165 The London market in particular has shown strong passenger growth of 4.5% in 2019 following the launch of the new routes to Heathrow and Southend, in addition to the existing routes to Gatwick and Stansted. Southampton also saw a significant increase, with an additional 28,000 passenger movements in 2019 compared to 2018, an increase of 24%.

The Heathrow service saw over 27,600 passenger movements on the route to the end of
170 December 2019. The service is currently scheduled to operate until the end of March, but unfortunately the route will not continue into the summer season due to a lack of available take-off and landing slots at Heathrow Airport. The Committee will continue to work with Virgin Connect to identify slot opportunities for the 2020-21 winter season and will aim to resume the Heathrow service if an appropriate opportunity arises.

175 With so many new routes being trialled it was inevitable that some of those new routes would need to be reviewed. Last month, Blue Islands announced that they would cease operating their services to Southend and Liverpool. However, I am pleased to report that Flybe has announced that it proposes to operate the Southend route from the beginning of May.

Overall, consumer choice, connectivity and passenger numbers have all increased significantly
180 since the introduction of the quasi-open skies policy agreed by the Assembly in September 2018.

The Committee is developing a business case and cost-benefit analysis for the extension of the runway at Guernsey Airport, to create a runway of at least 1,700 m. I would like to take this opportunity to pay tribute to Deputy Kuttelwascher, who laid the requête that led to this work.

185 I can announce today that the Committee has commissioned Frontier Economics to undertake the economic impact analysis and the social and environmental impact analysis of the runway extension. Consultancy firm RPS has been commissioned to undertake the cost and engineering analysis.

The total cost of these three pieces of connected work will be £181,650, which is significantly less than the £360,000 approved by the Assembly. (**A Member:** Hear, hear.) Once the Committee
190 has received these reports it will report back to the Assembly by the end of this political term.

Members will be aware that the Committee oversaw the tendering of the Public Service Obligation for the Guernsey to Alderney air route. The Committee has made a recommendation to the Policy & Resources Committee, whose President has confirmed that it intends to bring a policy letter to the Assembly by April 2020.

195 The Assembly will also be aware that a consortium of Brittany Ferries and Columbia Threadneedle Investments has bought Condor Ferries, although the sale is still subject to regulatory approval. In the meantime, the Committee continues its dialogue with Condor and the

States of Jersey to agree the service level improvements and fleet investment and re-tonnage plans necessary for both Governments to consider an extension to the current 2014 Condor Operating Agreement, and for Guernsey to become signatories to that agreement.

The Committee has engaged with industry representatives and has agreed a 'Guernsey Tourism – Ten Point Plan for 2020-25', which was published recently.

I am pleased to report that the high-value staying leisure visitor numbers were up by 2% to 123,000 for the period from January to September 2019, helped by the additional marketing around the *Guernsey Literary and Potato Peel Pie Society* movie and the reopening of Hauteville House. The Committee has also made a modest investment in the new *Toilers of the Sea* film, based on Victor Hugo's book, which is intended to be filmed in Guernsey.

Total visitor numbers, including cruise and visiting yachtsmen, were very slightly down, by 1%, when compared to the same period in 2018. The total visitor numbers were impacted by a high number of cruise ship cancelations due to adverse weather. However, a very healthy 47% increase in visitors from France, to 28,000, contributed to the slight increase in staying leisure visitors.

General confidence in the tourism sector is improving, with firm proposals to develop buildings owned by the States in St Peter Port for the benefit of tourism.

I am also pleased to see that the work by Premier Inn to build a new hotel in St Peter Port has commenced and if all goes to plan, we understand that they are aiming to open the hotel later in 2021.

The Committee continues to look at ways of diversifying the economy, including the development of plans for an international university presence in Guernsey. In May 2018, the Committee welcomed overseas representatives from universities from Australia, Slovenia, Canada and the UK, as well as other local stakeholders who are interested in working in partnership with Guernsey on this exciting project.

The Committee has now agreed to commission a study from Oxentia, Oxford University's global innovation consultancy, into the feasibility of the international university. Oxentia have a strong track record of undertaking research in the higher education sector and based on the outcome of this work, the Committee hopes to bring more detailed proposals back to the Assembly.

The finance sector remains the engine of our economy, with excellent work being performed by industry, Guernsey Finance, the GFSC and Government in partnership to develop our offering in order to maintain and grow the sector.

The Committee has also commissioned an update of the Capital Flows report, which sets out the contribution made by Guernsey's fund sector to the UK and EU economies. This will enable Guernsey's world-class finance centre to demonstrate its positive contribution to growth and prosperity in the UK and Europe – a critical task in the post-Brexit economic landscape.

The Committee has made amendments to competition legislation to enhance the governance of the Guernsey Competition and Regulatory Authority and will present a policy letter to the Assembly to ensure that the competition regime remains fit for purpose in the medium to long term.

Legislation implementing amendments to the insolvency provisions of the Companies Law have been enacted and at the request of industry the Committee has been progressing the development of limited liability companies and intends to present a policy letter to the Assembly before the end of this term.

The Committee, in conjunction with the Policy & Resources Committee, will bring a policy letter to the Assembly in respect of the new credit and finance law designed to provide better consumer protection, in addition to the non-bank provision of credit, and will present legislation before the end of this term to increase depositor protection in the event of bank failure.

Locate Guernsey continued to promote Guernsey to high net-worth individuals and business owners. In 2019, it was directly involved in 35 relocations with a total financial benefit to the Island of at least £1.2 million in Document Duty alone. Enquiry levels also increased significantly, demonstrating rising interest and confidence in Guernsey, as well as growing awareness of the

250 Locate Guernsey brand. The agency has ambitious plans in 2020 to build on the success of the last four years.

In the Economic Development Strategy a commitment was made to review Guernsey's approach to supporting start-up and scale-up businesses. Having undertaken that review, the Committee announced a new partnership approach to fostering entrepreneurship, by establishing
255 a collaboration between the Digital Greenhouse, Agilisys and Barclays Eagle Lab, along with the potential involvement from the Chamber of Commerce.

This new model provides a significantly greater breadth and depth of support to local entrepreneurs than was previously available. The activity is co-ordinated by staff at the Digital Greenhouse, who will be the first port of call for local entrepreneurs.

260 The Economic Development Strategy prioritised digital connectivity and the acceleration of next generation digital infrastructure in Guernsey. In May 2018, the Committee set out its telecoms strategy objectives, which include the provision of high-speed residential broadband; the process for the roll-out over time of an Island-wide 5G network, including setting out licence conditions and criteria; and the provision of fibre to business.

265 I can announce today that the Committee will bring a policy letter to the Assembly by the end of 2020 on the policy on 5G technology, with specific reference to the licence conditions and criteria.

As you will appreciate, sir, there are many other workstreams being undertaken by the Committee, but I trust this has been a valuable update for Members of its main areas of focus.

270 **The Bailiff:** Questions. Deputy Graham.

Deputy Graham: Thank you, Mr Bailiff.

I wonder whether Deputy Parkinson would agree with me that the cost that he quoted for the three pieces of work to come up with some sort of business case for extending the runway is not
275 only significantly lower than the figure that he warned the Assembly a few months ago might be in play, but it is positively dwarfed by the £700,000 which was quoted to the Assembly in a previous debate by the P&R Committee, a figure which, I must say, I think swayed one or two votes against further investigation of that possibility?

280 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Yes, sir, I completely agree with Deputy Graham.

285 Of course when the figure quoted by P&R was put to the Assembly, all I was able to say was I thought the actual cost would be significantly less. I did not have any market-tested tendering process in front of me, so I had no evidence to come up with a better figure, but all I said was it will be much less.

290 When the late Deputy Kuttelwascher's requête was successful and authorised the expenditure of £360,000, again I stood here and told the Assembly, 'I think it will be significantly less' and I said, 'I think the work actually on the runway extension will probably be more like £150,000' and I said there will be some more expenditure on top of that to do with environmental and other impacts. And still, I did not believe it would be anywhere near £360,000. As it turns out the market-tested price was £180,000, which is half of the sum that the Assembly authorised (*Interjection*) and one quarter of the sum mentioned by P&R when this matter was first debated.

295 So I hope that Members do take comfort from that. Those who were swayed by the potential cost should be reassured that it has cost nothing like what was threatened.

The Bailiff: Deputy Gollop.

300 **Deputy Gollop:** Thank you, sir.

You, sir, as Presiding, Officer do not allow us to read newspapers as a discourtesy when we are at debate. But I see on the front page of *The Guernsey Press* today there is a story about Economic Development having a 10-point vision for growing the visitor market. But why has the announcement been made, apparently, that we are no longer interested in growing the staying visitor market beyond 1% instead of the 3% that we were formerly optimistic about?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, I am afraid *The Guernsey Press* is frequently somewhat misleading (*Laughter*) and I too have a copy of *The Press*. The headline to which Deputy Gollop refers reads:

Tourism reins in plans to grow visitor market

The reality of the situation is that Tourism is still very ambitious to grow the visitor market, but the Tourism strategy approved by the States back in 2014-15 planned for growth of 3% or 4% and to increase, to double, the visitor market, or some astronomical growth figure, over the 10 years of the plan. That was plainly unrealistic. Until very recently the market had actually shrunk through the life of that plan.

So what we have done is admitted that the target set in the original plan was wholly unrealistic. We have withdrawn that and we have said we are very keen to grow the market but we expect it grow at no more than 1% per annum, despite our best efforts, and it will not be for want of trying if the market does not grow.

The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

Just to remind Members, there is no tourism strategy approved by the States. That is still an outstanding Resolution, and that is my question. The Ten Point Plan published recently – well, it is today, and it is on the website – does still not deal with the outstanding Resolution which DPA requires. I would like the President to advise on how he is going to fulfil the second part of the Resolution in respect of the assessment of the current stock of visitor accommodation, because that is required for the five-year review, and also to comply with the Resolution with respect to bringing a tourism strategy back to the States.

So, Ten Point Plan, yes, but what about the Resolution outstanding, please?

Thank you.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, sir, I regret to advise Deputy Tindall that we will not be able to bring that matter to the States before the end of this political term.

The industry has told us consistently that what they want to see from the States is action and not yet another strategy. So we have focused on an action plan which, working with industry, has been developed with them to provide the support that the industry requires.

The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

Whilst I understand the President's preference for an action plan rather than a strategy, what it fails to recognise is that a tourism strategy agreed by the States informed the IDP and that mechanism cannot just simply rely on an action plan. I agree that there should be actions in the plan, but it does need to be agreed and debated in the States, so that it is a policy of the whole States (**Several Members:** Hear, hear.) and not just simply an action plan based on one industry's need.

Does the President understand that and would he agree with me? *(Laughter)*

Deputy Parkinson: Sir, I understand that there is an extant States' Resolution and I have just advised the Assembly we will not be able to fulfil that Resolution in this political term. Hopefully early in the next term the next Committee *for* Economic Development will be able to do so.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

In July 2019, the review of air transport licensing was debated by the States, and in that report under air route policy, spoke about the desired growth in visitor numbers. Yet when we look at the reports of the first three quarters of this year, departing visitors by air has fallen by 3% and departing Guernsey residents by air has grown by 16%. Also, the two main airlines have both criticised the quasi-open skies policy (**Several Members:** Hear, hear.) for the UK.

Does the President not consider that the policy has completely failed and will he commit to bringing back a report to the States so the States can re-debate this issue?

Thank you.

A Member: Hear, hear.

Deputy Parkinson: I disagree with Deputy Dorey completely. The policy has been massively successful and, as I say, has grown passenger numbers through the Airport for the first time in about 20 years.

We are in the process of turning this ship around, but it is a big ship and it takes a long time to turn. The answer to his further question is no, we do not intend to bring that matter back to the States.

The Bailiff: Yes, Deputy Merrett.

Deputy Merrett: Thank you, sir.

I would like to ask the President if he has seen the draft tourism strategy that I had on my desk in 2017 and if he could explain why that has taken, so far, two and a half years and still has not come back to the States; why he believes they have not been able to bring it back to the States in this political term? I had a draft in 2017, sir.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, sir, the Committee has not been working on that draft, because we have been concentrating on developing a 10-point action plan with our colleagues in industry. And the state of that draft which was on Deputy Merrett's desk two years ago, frankly, was in no sort of shape that I would want to bring to this Assembly.

The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

Would the President agree that in order for the DPA to bring back the five-year review that it requires information from all Committees that input into the IDP monitoring, and that includes fulfilling the States' Resolution to provide details about visitor accommodation and it was that question that, unfortunately, the President did not answer in my previous question?

I would be grateful if he would confirm that as well as the visitor accommodation, the Employment Land Study and other information that we have requested from his Committee, and indeed others, is required for the IDP five-year review.

The Bailiff: Deputy Parkinson.

405 **Deputy Parkinson:** Thank you, sir.

Well if my memory serves me correctly the five-year review is due to take place in 2021. Is that right? *(Interjection)* Well, I can assure Deputy Tindall that she will have the information that she needs in time to do that review.

410 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Yes, the President kindly mentioned the success of Locate Guernsey in bringing across, maybe, high net-worth individuals and businesses. But recently I attended another interesting lunch presentation at the Chamber led by Mrs Susan Crowder of Guernsey
415 Calling. Is Economic Development interested in a wider migration policy of skilled younger people who might not qualify as high-worth people in order to fill skills gaps and grow our economy?

The Bailiff: Deputy Parkinson.

420 **Deputy Parkinson:** Yes, that is a very good question from Deputy Gollop.

We are considering whether the mandate of Locate Guernsey should be widened to include, for example, key workers who the Island would want to attract to service our health and education systems and obviously Locate Guernsey ... Members may not be aware there are four staff there. There is a limit to what they can do with the resources they have at present. But if the mandate of
425 Locate Guernsey is widened to other groups that we may want to attract to the Island, then we will probably have to increase the resources available to the agency.

The Bailiff: I see no one else.

Committee for Education, Sport & Culture – General update

The Bailiff: We will move on to the next statement, to be delivered by the President of the
430 Committee for Education, Sport & Culture, Deputy Fallaize. Again, this is a general update statement.

Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

435 Since my previous update statement at the end of September my Committee has experienced a very quiet period. *(Laughter)* *(Interjection)* The Education Law is 50 years old this year. For many years, the States and successive Committees have acknowledged the need for a new law. Next week my Committee will begin a period of consultation on draft proposals before submitting a policy letter on a new law to the States, which if approved should allow for the law itself to be
440 submitted this calendar year.

Work continues on two other policy letters which we intend to submit to the States. One is a Plan for Sport, in which we will propose investment of around £1 million over a number of years to promote sport and physical activity.

445 The other is a Plan for Guernésiais, which will invite the States to provide limited but not insignificant funding to support our native language over a trial period of three years.

We are now entering the busiest period preparing for the celebrations to mark the 75th anniversary of the liberation of the Islands. A highlight will be an expanded motor cavalcade featuring over 150 military vehicles, 70 vintage cars and 30 floats.

At the end of September we opened the new eight-lane running track at Footes Lane, which has been well-received by athletes, and focus has now turned to phase two of the works which is scheduled to take place this year and next year.

We have begun work with colleagues across the States to prepare substantial capital projects to enhance Castle Cornet and access to it. Another phase of conservation work at Fort Grey will start in the spring, and the re-roofing of the married quarters at Castle Cornet is planned to commence shortly.

In 2019, the Committee recorded an underspend in its revenue budget of around £120,000.

Nothing is more important to the Committee than working with professional educators to continue the development of the Bailiwick Curriculum and to provide schools and colleges with the policies, resources and support to raise standards and outcomes for students of all abilities.

The Committee was recently able to invest several tens of thousands of pounds in high-quality phonetically decodable books which have been welcomed by primary schools and are enabling them to enhance their teaching of early reading. A research-based initiative, 'Thinking Reading', was recently introduced to our secondary schools and helped them reflect on how to improve the identification of students who need extra help with reading.

As colleagues are aware, the Committee has appointed Ofsted as the new inspectorate of our schools and colleges. This decision was influenced by Ofsted's reputation as an experienced inspectorate; by its recent extensive research and development, which has led to a significantly revised and improved approach to inspections, with a very strong emphasis on assessing quality of education rather than endless amounts of data; and by Ofsted's openness to work with the Committee and education professionals locally to adapt their inspection framework to the Bailiwick's objectives and unique circumstances. Formal inspections will begin in September of this year. Pilot inspections will take place in some schools during the summer term.

I will turn now to the Committee's leadership of the twice-agreed States' policy – the *States'* policy – of introducing two 11 to 18 colleges – Victor Hugo College and de Saumarez College – operating as one school – Lisia School – and integrating further and higher education in The Guernsey Institute in new purpose-built facilities. Closely linked to these policies are the long-overdue redevelopment of La Mare de Carteret Primary School and substantial investment in digital infrastructure and services in all schools and colleges, including in Alderney.

We are currently running the tender process for the construction of the two 11 to 18 colleges. Planning applications have been submitted and open planning meetings are expected in the next six weeks. We are pursuing changes to internal layout following feedback from teachers, including the layout of science labs and the creation of mezzanine floors to add more independent study space. In the new colleges, all students will have access to opportunities and facilities which are currently unavailable to most students.

The Executive Head Teacher and the two College Principals have been appointed. Teaching roles have been guaranteed to all teachers who want one. A full draft staff structure has been shared with unions and there will be consultation with all staff in schools in February and March. We anticipate submitting the final business case in March.

In September, a clear majority of the States voted to provide delegated authority to the Policy & Resources Committee to approve the release of funds to allow construction to start this summer. Since September 2018 parents have been aware of which secondary school their child will attend in which years during the transition phase, which is now under way, and in all future years.

I have said previously that sadly, not untypically for the States, communication of the reasons for these substantial reforms and the benefits they will provide has at times been deficient. We are trying to improve communication, for example, by starting a series of meetings with parents of children in primary schools, and of their own volition school and college leaders are communicating more directly with parents to explain the advantages of the new model.

As well as seeking to communicate more effectively, the Committee is listening to representations from teachers and members of the public. There is scope, following further

discussions with staff, to make additional changes to the internal layout and operation of the new colleges.

The number of students at each of the colleges will increase gradually over a number of years and there is potentially scope during the transition period to require a further review of space and prompt a debate on whether to add more before the number of students reaches its maximum.

A requête has been submitted. A majority of the signatories are Members of the previous Committee, which after 18 months in office was unable to present a model other than one considered not only undesirable but unworkable and which was rejected by all except six Members of the States who had not been Members of that Committee. The signatories are almost, but not quite, united only in their opposition to the new model agreed twice by the States. I respect that they are exercising their right to oppose States' policy, but they are disregarding any responsibility to propose even a half-decent alternative.

The requête offers no new ideas, no solutions and a hopelessly unrealistic timetable for finding any. It is silent on the very significant cost of stopping the current reforms. It would have the effect of ripping up the transition plan for students known since September 2018 and terminating the current construction timetable such that there would be no space in schools which children are expecting to attend next year – and it does nothing to explain where those children would go to school instead. The requête proposes detailed analysis of innumerable other models, which would inevitably create prolonged delay such that current Year 7 children and probably some of their successors would be denied the opportunity to access a full range of subjects once they reach Year 9.

It would keep all secondary school children stuck for an unidentified period of time in the current four-school model, which cannot provide adequate breadth of curriculum nor anything close to equality of opportunity and which is extremely expensive to operate annually despite requiring some students to remain in facilities which were inadequate 20 years ago.

The requête would also stop all the work to integrate and develop further and higher education in The Guernsey Institute – including the College of Further Education – and further delay the redevelopment of La Mare de Carteret Primary School.

As I have said, the current debate has been going on for nearly five years. Successive Committees across two States have studied countless models with different numbers of schools in different locations catering for different age ranges. And now, five years on, the requête offers nothing more than to stop the only model which has ever been approved by the States and offers nothing in its place, other than leaving the next States with a blank sheet of paper. Whatever the current challenges and whatever questions the States and the community now want answered, the requête does not provide the States, nor our community, with a credible way forward.

The Committee has to face considerable criticism from people who between them would like to see a wide variety of different models. I understand why there is concern about these reforms. I myself am a parent of children who will live through the transition period. But at this time of change, and unless the directions of the States alter, the Committee has a responsibility to provide leadership in the challenging task of implementing the States' agreed policy.

When this matter is re-debated by the States in a few weeks, I hope colleagues bear in mind that we are here, not to act as a giant scrutiny committee only ever picking holes in the ideas of others, but to act as a government with a responsibility above all to provide solutions.

My Committee is not deaf nor inflexible, but it will not withdraw from the principles which have guided its approach to these reforms, which include: that we must capture for our young people the best of non-selective education, which means 11 to 18 schools; we must provide equality of opportunity for all young people irrespective of where in the Island they live; we must provide every young person, rather than only some as at present, with facilities of high quality; we must deliver as soon as possible the integration of further and on-Island higher education in purpose-built facilities; and we must do these things at a cost the Island is willing to pay.

Thank you, sir.

The Bailiff: Any questions?

Deputy Inder.

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Deputy Inder: I do, sir. I have got one on behalf of, I am afraid, anonymous teachers at St Sampson's, given the culture that exists within the schools at the moment.

There are grave concerns about the current transitional process. As I understand it, the staff were promised that one of the blocks would be up before the classrooms would start being jiggled around, that is not happening at the moment, and there are genuine concerns about the repurposing of some of the classrooms before the blocks are going up.

560

Can I ask the President, have things changed of the promises made to St Sampson's staff and what is he doing with his Committee to reassure the staff at St Sampson's High that the transition will be smooth and children's learning will not be affected?

565

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Sir, that is a two-part question.

I do not believe that any promise – certainly that I have been aware of – have been broken in relation to the transition model or the order of repurposing at St Sampson's and Les Beaucamps. It was always the case that there has to be a degree of repurposing and remodelling in advance of the construction commencing. That is the timetable that has been set out for some time.

570

In relation to staff concerns around transition, the senior leaders – the education professionals – are working with the staff in school to ensure that the transition period is as smooth as possible.

575

In any move from the number of schools currently to a smaller number of schools, whether it is three, two or one, there is going to be a transition period and there is going to be a movement of some students between schools. That inevitably causes some challenges. But I believe that there are adequate plans in place to ensure that the outcomes for students, the experiences for students, are not compromised during that period. There is additional investment being ploughed into the secondary phase to try to ensure that that is the case.

580

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

585

I would like to ask the President, please, I am led to believe that at St Sampson's High there are approximately 40 more students gone into this Year 7 cohort than were originally anticipated and they are already at lunch recess eating in the hallways. There is a concern there is not a lot of space for the cohorts that are going up at the moment, because they are larger cohorts than previously.

590

So could the President advise the Assembly of what will happen if there is delay to the cohorts going in? Just how many more students can the existing site take per annum *per se* until it comes to a state where there is simply not enough space for those cohorts to continue to go in without a resolution in place; a build, an extension in place, sir?

595

The Bailiff: Deputy Fallaize.

Deputy Fallaize: The current configuration at St Sampson's is inadequate in many respects, which makes we wonder why some States' Members want to keep it this way (**A Member:** No.) for even longer than it needs to be.

600

There is not the kind of increase in the number of students in 2020 which Deputy Merrett has asked about, but the answer to her question in relation to when there will be insufficient space is as soon as next year. So parents believe – hundreds of parents of hundreds of children – or have been advised for the last nearly 18 months that their children will go to St Sampson's – and a not

605 dissimilar thing applies to Beaucamps, actually – in 2021. That is based on the current transition timetable and the current construction timetable. If that cannot happen then there will not be space for those students in that school.

I think this is something that is very important to understand: that we are now in the implementation period. We are no longer debating what might happen in the future, we are in the implementation period. There are children in schools now in a transition period based on getting the two 11 to 18 colleges, as approved by the States twice.

The Bailiff: Deputy Lester Queripel.

615 **Deputy Lester Queripel:** Sir, I was delighted to hear that ESC have committed £1 million towards a plan for sport. I applaud them for doing that.

Can the President tell me, please, whether there are any plans to commit a similar amount of money to promote and support the arts here in the Island, which always seems to be the poor relation compared to the investment made into sport?

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, it is not quite as simple as Deputy Queripel ... I said that we would propose a policy letter to the States asking the States to back £1 million, or thereabouts, of investment in sport over the next few years. I hope the Policy & Resources Committee will be supportive and if they are not I hope the States will direct them to find the resources in any event.

625

The issues around the arts – the development of our plans around the arts – are on a different timetable and we had some exchange I think during Questions or a statement recently where I explained that we were reforming the Guernsey Arts Commission and that that body was then going to assist the Committee in the development of a plan for the arts and eventually that plan will come to the States. But it is more in its infancy than development in relation to sport, where there is a very well-established Guernsey Sports Commission and we are able to put forward concrete proposals sooner than we are in relation to the arts.

630

But that does not in any sense suggest that we are not committed to trying to increase investment privately and publicly in the arts. That is something the next Committee is going to have to continue to commit to, I think.

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The Bailiff: Deputy Brehaut.

640 **Deputy Brehaut:** Thank you very much, sir.

Education, Sport & Culture have asked the requérants on a number of occasions to make the time to meet with them to discuss the requête. As we understand it, the requérants appear to be fully committed this week. *(Interjection)* Bearing in mind we are in one building under the same roof and all politicians, would there not be merit in the requérants meeting with the Committee at some point to discuss the requête?

645

Thank you. *(Interjection)*

The Bailiff: Deputy Fallaize.

650 **Deputy Fallaize:** I am not sure that is a question that strictly concerns –

A Member: No it is not; yes.

Deputy Fallaize: ... the mandate of the Committee, but nevertheless –

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Deputy Fallaize: I would be quite happy to answer it.

I have been writing to the requérants for the last three weeks, when I was first supplied with a draft of the Requête, requesting to meet. Largely because there are in two or three places parts of the Prayer of the Requête on which the States will be asked to vote which are very unclear and it is not possible for the Committee to advise either the signatories nor the States, nor the Policy & Resources Committee, of the educational and financial implications of the States approving the Prayer unless we can obtain more clarity about the effect of the Requête according to the petitioners.

This particular week, we have offered nine time slots, before the States each day, during the lunch adjournment each day, and after the States each day, and the most recent communication I have is that the signatories to the Requête are not available during any of those times.

But yes, I would encourage them to meet us as soon as possible.

The Bailiff: Deputy Trott.

Deputy Trott: Thank you, sir.

Sir, if the teaching staff employed within the public sector were able to achieve consensus around a particular education model, would Deputy Fallaize's Committee be prepared to present an appraisal of such a proposal before this Assembly?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, sir, that is an extremely hypothetical question and a problem arises in relation to it, which is how do you judge what the balance of opinion is in the profession? The opinion of the professionals in schools and the school and college leaders is very important. But unless we are going to say as a Government that we effectively will delegate the decision about the future structure to them, probably ultimately by balloting them, then I do not think we can get stuck on a principle that we are unprepared to introduce any change or reform to the education structure unless we have an indication that a clear majority or an overwhelming majority of the profession is in favour.

So I do not know how Deputy Trott would propose that we try to create the circumstances which would provide us with that sort of information.

What I would say to Deputy Trott and other Members of the States is I have set out in this statement, towards the end of it, the principles which this Committee will not withdraw from around 11 to 18 schools, equality of opportunity, facilities of the highest possible standard that the Island is prepared to pay for etc. etc. If there are any modifications to our plans which can still deliver on those principles, then clearly the principles would not be offended. But this Committee is not going to withdraw from those principles.

The Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

Would the President agree with me that the Requête that is being placed in no way or form asks the States to debate a new form of, or model for, education and also that the vast majority of teaching staff in the secondary system have come out asking for what the Requête asks for: a pause and review of the current plans?

Thank you, sir.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, sir, a pause is a misleading word in this context, because unless the children are going to be given a sabbatical for as long as the pause lasts it is not possible to pause their transition period.

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Deputy Fallaize: Deputy Gollop wants them to be given a period off! *(Laughter)* What Deputy Meerveld has said, that the Requête does not propose further models, is just fantasy. Anybody who reads the Requête can see that that is exactly what it proposes. It proposes in its second Proposition a requirement for a Committee to analyse –

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Deputy Meerveld: Point of correction, sir.

The Bailiff: You cannot have a point of correction on an answer. **(Deputy Meerveld: Sorry, sir.)** *(Interjection)* Deputy Fallaize, please continue.

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Deputy Fallaize: I do not know how long I have left now, sir.

The Bailiff: I have no idea. *(Laughter)*

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Deputy Fallaize: Call it 10 minutes, sir.

The Bailiff: I think you have another 40 seconds.

Deputy Fallaize: Okay.

730

So the Requête does propose an analysis of an endless number of other models. It calls for an analysis of proposals previously presented to Committees. There is no clarity around what that phrase actually means. That is one of the reasons why we wish to meet the signatories.

Deputy Meerveld is trying to win support for his Requête. Let me tell him, there is no point pursuing that argument that the Requête does not propose further work on additional models, because it is plain for everybody to see that that is exactly what it proposes. That is just a fantasy.

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The Bailiff: Deputy Inder has already had one question.

I would just remind Members, questions are to be within the mandate of the Committee. This is in danger of becoming a debate on ... **(Several Members: Hear, hear.)** anticipating the debate on Requête, although I accept that is within the mandate of the Committee. But if there are persons who want to ask other questions on other aspects of the mandate, I would encourage them.

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Deputy Gollop.

745

Deputy Gollop: ... *[Inaudible]*

The Bailiff: Can you put your microphone on; and do not be naughty! *(Laughter)*

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Deputy Gollop: Well, it is just that one of the points, to be fair, that was within Deputy Fallaize's interesting speech related to the fact that in relation to the curriculum and the new model, the one the States approved, the unions have been consulted about the draft staff structure. Now, we have seen, at least as lay Members of the States, a number of teachers across the schools and colleges signing letters that they have reservations about the current implementation and aspects of the model.

755

How seriously will Education, Sport & Culture, at a political level, take these reservations and deal with them regardless of the Requête and its arguments?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: The answer is very seriously.

760 Clearly there is to some extent mixed opinion among the professionals. I think there were, in terms percentages of teachers who expressed reservations ... it ranged from over 90% at one school to 47% at Les Beaucamps. And we know that there are a range of views about what the profession would want to do instead – as many views as there are among the general public.

765 Deputy Gollop says, what are we doing to take the concerns seriously – in two respects? In terms of the model, well, the model has already been agreed twice by the States. In terms of the total space, I have said that there is an opportunity, which we are very happy to pursue in discussion with the profession and the Policy & Resources Committee, to review the space – the footprint, the building space – once the transition model is further underway and before the number of students at the colleges reaches their maximum point.

770 In terms of the implementation of the changes, the operational or the day-to-day changes, there is a great deal of scope for modification, not least of all because many of things, which are of course being determined by school leaders and education professionals, are not yet set in stone. So there is not only opportunity for further dialogue with the profession, but there must be – there will have to be – further dialogue with the profession –

775 **The Bailiff:** Time is up.

Deputy Fallaize: – before some of those operational changes are determined.

780 **The Bailiff:** Deputy Hansmann Rouxel has stood a number of times.

Deputy Hansmann Rouxel: Thank you, sir.

785 The review of special educational needs education across the entire education system, but more specifically because we are going through a transformation in secondary education ... Is that piece of work progressing in time for it to influence the Education Law as it was originally intended?

The Bailiff: Deputy Fallaize.

790 **Deputy Fallaize:** Yes, because the Projet will be drawn with sufficient breadth that it will be capable of accommodating whatever emerges from the review which Deputy Hansmann Rouxel refers to.

795 I think when she sees the consultation document which is likely to be on Monday, or she is likely to receive it on Monday, she will understand that there is nothing in the proposed Law, or the policy letter which we hope will lead to the Law, which would offend any of the potential outcomes from the SEND review.

The Bailiff: Deputy Soulsby.

800 **Deputy Soulsby:** Thank you, sir.

805 Deputy Parkinson in his update for Economic Development mentioned about the implementation plan for tourism. I would like to know from the President of the Committee *for* Health ... *for* Education, Sport & Culture (*Laughter*) – I have not got the answer to this – whether his Committee, with its mandate in terms of Sport & Culture, has been consulted in relation to that tourism plan?

The Bailiff: Deputy Fallaize.

810 **Deputy Fallaize:** My honest answer to that question is if we have I do not recall it, or if we were we must have written back and said that we were content with whatever Deputy Parkinson's

Committee was proposing, otherwise I would definitely be able to remember a letter of a different character.

But I do not think that we were consulted. If Deputy Parkinson knows any different, then I am sure he will advise the States accordingly.

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The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

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At a meeting last week, an officer informed the meeting that attendance levels were currently the lowest they had been since 2014, but the results were being skewed by two schools. But he did not go on to say which two schools those were. So I wonder if Deputy Fallaize could let us know, please?

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Sir, I do not have in front of me the attendance figures for each of the schools, but I am very happy to get back to Deputy Leadbeater with that information.

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The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Thank you, sir.

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I apologise for labouring the point, and I appreciate that Education, Sport & Culture have far more ... other topics that they would want to talk about. But if the Requête is successful, has the Education Department costed out, both in time and economic cost, both on a minimum and a maximum, what that would amount to? In other words what is the quickest, if the Requête was successful, that matters could get back before the Assembly and what is the reasonable, if that does not meet with the minimum period ... what does it anticipate is the likely period? And also, what effect would that have on the College of FE proposal?

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The Bailiff: Deputy Fallaize.

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Deputy Fallaize: Yes, the minimum delay, if that is the right word, would be two years, which would be in the event that a subsequent States confirms the model which the current States are pursuing, obviously at a cost of millions of pounds more because of the intervention of the additional time.

If this or a subsequent States was to determine a different model the delay would be longer than that, remembering that this States inherited a States' Resolution to get on with a non-selective model of education and potentially we are going to be handing over to the next States, if the Requête is successful, the same challenge.

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The effect on the College of Further Education would be profound. It would not be possible to continue any of the work to integrate or develop the College of Further Education and its new partners in the Guernsey Institute if the Requête is successful, because it calls for a review of so many different models of secondary education, some of which have an impact on post-16, that the work to develop the Guernsey Institute, which is relevant to our model only, would have to cease. So the effect on that sector would be profound.

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We are still working up the costs of all of this. There are costs in human terms to students, but the cost in financial terms will certainly be many millions of pounds. Until we can meet the requérants and establish exactly the effect of their Propositions, we cannot advise how many millions.

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The Bailiff: Deputy Inder, you may ask your second question.

Deputy Inder: Thank you, sir.

I am back to St Sampson's. This is more about what happens operationally.

865 At the moment lunch hour is 12.25 p.m. to 1.25 p.m. and the refectory area is very small, it is very loud, there are queues there, the tables are filled up, there are children actually, under the current system, standing up eating. Years 10 and 11 are dotted around the top floors sitting next to walls eating their food and the rest of the school is dotted around the lower floor.

870 Now, with the idea of staggering some of the lunchtimes, using the social area as long as it is either too hot or too cold, why does Deputy Fallaize and his Committee think that by doubling the school size, or even marginally staggering the lunch times, that is going to be mitigated in any way? The school refectory area I am afraid – I hope he would agree – is just too small.

The Bailiff: Deputy Fallaize.

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Deputy Fallaize: Of course the refectory area is too small, which is why I do not understand why Deputy Inder and others like him want to keep it that way.

Deputy Inder: You are not expanding it!

880

Deputy Fallaize: It is this Committee implementing the policies of the States, which is trying to change that. Under the plans the refectory area will increase in size and the number of students eating lunch at any one time will decrease. So the problems which Deputy Inder is identifying will be addressed as part of the reforms.

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The Bailiff: Deputy Dudley-Owen.

I will extend by another five minute. We are already over the 20 minutes, so I will extend by another five minutes.

Deputy Dudley-Owen.

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Deputy Dudley-Owen: Thank you, sir.

Deputy Fallaize is intent on making a very big deal about meeting with the requérants and I do feel that he is doing that in a manner to try and besmirch us, I am afraid – and that is *really* unfortunate.

895 However, my question to the President is, would he agree with me that the States had inherited a Resolution, not just once, but twice, to continue to deliver a three-school model?

The Bailiff: Deputy Fallaize.

900 **Deputy Fallaize:** Well, yes, sir, I am not trying to besmirch the signatories to the Requête at all. I really want to meet with them. We need to meet with them! We are asking our officers what is the effect of the Requête and our officers are saying we cannot tell you until we can understand from the signatories exactly the effects that they have in mind.

905 It is very normal for signatories to requêtes and proposers of amendments to meet with the Committee concerned to try to establish what they are after. (**A Member:** Hear, hear.) That is all that we seeking. I do not mind whether it is one of the signatories, all of them, or whether they bring anybody else with them, but we just need to speak to them to understand what their concerns are.

910 I regret that I have forgotten the second part of Deputy Dudley-Owen's question and I would ask her to repeat it please, sir.

Deputy Dudley-Owen: Thank you.

I am very pleased to repeat it to remind people, and hopefully the President will also be reminded, that the States *twice* was asked to deliver a three-school model.

915 **Deputy Fallaize:** Sir, Deputy Dudley-Owen is intent on dragging us back to 2015 and 2016 and 2017. I want to talk about 2020 and 2021 and the years thereafter.

Deputy Dudley-Owen of course is correct. There was at one time a Resolution of the States to the Committee to draw up a three-school model, as it became known. When that proposal was put before the States it was very strongly opposed by a large body of the profession, particularly
920 around the post-16 sector, and all but six Members of the States who were not Members of that Committee rejected that proposal.

But if Deputy Dudley-Owen wants to revive that proposal, she can, and we can have a more constructive debate when she lays her Requête. We could compare the model which the States agreed in 2018 and 2019, and which is now being implemented, against the model which her
925 Committee put forward, and the States could make a straight choice between those two worked up models. If that is what the Requête is after, we can achieve that for Deputy Dudley-Owen and her fellow signatories if they could only meet us and tell us what it is they are after.

The Bailiff: Deputy Trott.

930 **Deputy Trott:** Sir, thank you.

This is a supplementary to my earlier question.

Sir, while I accept that the chances of achieving consensus for an alternative approach may be slim, does Deputy Fallaize agree that within the teaching profession there is in aggregate material
935 opposition which shows little sign of abating despite his best and substantial efforts?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: I would say two things, well, three things to Deputy Trott. I think that I would
940 draw a distinction between opinion around the model and opinion around the implementation of the model, and I think there is quite a lot of anxiety about how the colleges will operate in practice. That is the first thing.

Secondly, in order to meet the requests from the profession in the aggregate it would be necessary to throw very significant additional sums of capital at this project, because most of the
945 concerns represented are around space. Deputy Trott will remember the efforts of previous Committees, going back over successive States, to redevelop secondary schools all of which have foundered because the Treasury Department of the day have opposed them on the grounds that they were proposing schools with too much space.

The third thing I would say to Deputy Trott is, yes, indeed there is a great deal of experience in
950 the teaching profession, but there is a wide diversity of views. There was quite a lot of teacher anxiety expressed about a four-school model that was proposed, about a three-school model that was proposed and now about our model that has been proposed. But we are continuing to work with the profession. We will work with them to the greatest extent possible.

As I have said, this Committee will not withdraw from the principles which I set out at the end
955 of my statement.

The Bailiff: Time is up.

Deputy Fallaize: If there is any room for manoeuvre within those, we will find it.

960 **The Bailiff:** Deputy McSwiggan.

Deputy McSwiggan: Sir, given the responsibility of Policy & Resources for industrial relations, will Deputy Fallaize advise us what assistance has been given or should be given to his Committee
965 by the Policy & Resources Committee to help address the concerns of the staff which Deputy Trott has outlined?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: That is a very good point.

970 I think the way in which employment functions in the States are structured and divided, the Policy & Resources Committee has responsibility for them and with the exception of pay and conditions, and even to some extent sometimes including pay and conditions, actually, it is the Committees delivering the services which have to deal with the issues around staffing which arise. That is no different in this case.

975 I must say that on two occasions when we have met union leads, Deputy Le Tocq, and on one occasion other Members of the Policy & Resources Committee, attended as well, and in the most recent meeting with the union leads, Deputy Le Tocq was very clear about the model agreed by the States and about the determination of the employer to work with employees during the implementation and transition period.

980 But if Deputy Yerby is suggesting that some additional resource and support to assist through this transition period for staff from those parts of the States responsible for employment matters would be desirable, I would agree with her.

The Bailiff: Deputy Merrett.

985

Deputy Merrett: Thank you, sir.

I wonder if Deputy Fallaize would agree with me that as much we like to discuss how many sittings students may have in the refectory, it is actually, indeed, what students are being served in the refectory, nutritional standards and guidelines that actually do need some attention, rather than focusing on how many times they are going to sit down? What they are going to sit down to actually access, what they are actually going to eat, is in my mind, sir, more important.

990

The Bailiff: Deputy Fallaize.

995 **Deputy Fallaize:** Well, I do not know if it is more important, because I do think it is very important that adequate space is provided for students when they are having lunch, and our proposals will, if the States stick to them, provide adequate space, because there will be more refectory space for fewer students than there are now to eat lunch at any one time.

1000 I also, however, agree with Deputy Merrett that what is being provided is of crucial importance. We have had some exchange about that in the States previously and we and the school leaders are doing some work to ensure that we are meeting the highest possible standards in the future.

I would say though, I do not think those things are necessarily best resolved on the floor of the Assembly. When I consider the kind of interrogation that has gone on over the last few months around unbelievable levels of detail around what is actually going to be delivered at an operational level – (**Deputy Inder:** Good.) Deputy Inder says ‘good’, I think the States, to some extent at least, does need to raise the level of its debate so that we are dealing with strategic policy (**Several Members:** Hear, hear.) rather than getting very bogged down in the weeds of operational detail. Those things are very important but we do pay professionals, not just in Education but across the States, quite large sums of money to deal with those sorts of things on a professional basis.

1005

1010

The Bailiff: Deputy de Lisle; and this will be the last question.

Deputy de Lisle: Thank you, sir.

1015

Given the frustration of the public with the plans for secondary transformation, will the President – and I am talking about the crowding and the traffic problems particularly around the two schools that have been chosen – will the President of Education consider adding space through a third school location?

The Bailiff: Deputy Fallaize.

1020

Deputy Fallaize: Well, Deputy de Lisle talks as if I was persuaded by him or perhaps overnight decided that that was a good idea that I could just stand here and announce it. *(Laughter)* Deputy de Lisle knows that much to the regret of some of my colleagues up here, though not me, we do not have that sort of system of Government. So I cannot give him that sort of assurance.

1025

In terms of adding space, the space is a consequence of space standards. So we took the advice, in conjunction with the Policy & Resources Committee, of people who are very experienced in determining how much space is needed for schools, and they advised how much space was needed and we added about £20 million. That was effectively the proposal that was approved by the States.

1030

If we went to a different model with a different number of schools the space standards would remain the same unless the Policy & Resources Committee is suddenly going to say, 'Actually, let's abandon those space standards, let's just have much larger space standards and let's effectively concede to the kind of proposals that were being put by Education Committees, not even by our predecessor Committee, but the Committee previous to that Committee, to build very much larger schools than anyone else would ever contemplate.' Frankly, if that is what the States want to do, then our Committee is not going to stand in the way. But the States have refused to do that for numerous years.

1035

The Bailiff: Right, we have now had nearly 33 minutes compared with the 20 envisaged under the Rules. So I think it is time we moved on to Question Time.

1040

Questions for Oral Answer

POLICY & RESOURCES COMMITTEE

Alderney connectivity – Additional aircraft

The Bailiff: The first question is to be asked by Alderney Representative Roberts and I think will be answered by Deputy Brouard on behalf of the Policy & Resources Committee.
Alderney Representative Roberts.

1045

Alderney Representative Roberts: Thank you, sir

In the light of an impending Alderney connectivity disaster relating to just two aircraft for 2020, would the President of Policy & Resources please investigate and communicate with the STSB to explore alternative and supplementary aircraft supply to protect part of the Bailiwick?

1050

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir, and thank you to Alderney Representative Roberts for the Question.

1055

The Policy & Resources Committee and the States' Trading Supervisory Board have met on numerous occasions during this political term and the officers supporting the Policy & Resources Committee and the States' Trading Supervisory Board also meet on a regular basis.

The Policy & Resources Committee is currently undertaking a review of Guernsey's air policy framework to ensure a clearer more joined up approach across the States of Guernsey in relation to air services, including the shareholder objectives given to Aurigny.

1060 The Aurigny fleet that is deployed on routes it operates is a matter for Aurigny and its board and for the States' Trading Supervisory Board, which represents the shareholder.

The Bailiff: Are there any supplementary questions?

1065 **Alderney Representative Roberts:** I have two, am I allowed two, sir?

The Bailiff: Alderney Representative Roberts, yes.

Alderney Representative Roberts: I am allowed two?

1070

The Bailiff: Yes you are.

Alderney Representative Robert: Thank you, sir.

1075 May I thank the President of P&R for this, but it reminded me of the saying in politics, 'it is not what is not said that matters'. Neither Aurigny nor the STSB can address the immediate crisis facing Alderney's air links unless P&R takes some action to find a solution.

Will the President of P&R give this Assembly a commitment that he will take action over this issue or not?

1080 **The Bailiff:** Deputy Brouard, can you speak for the President?

Deputy Brouard: At the moment, sir.

1085 Again, a very difficult question. I am not in a position to give that undertaking. The result of where we are today is a combination of events all the way through, from the issues that Alderney raised about its connectivity going back several years. That then resulted in the PSO being put out to tender. That did not come back with the results that we had hoped for. It has gone out to tender again and those results are now being re-evaluated by our Committee after the sterling work that was done by Economic Development.

1090 So unfortunately I am not in a position for us ... But we will be returning to the States, as the Alderney Representative knows, by the end of April on the results of the PSO process, which will give a clearer picture as to how we go ahead.

The Bailiff: Alderney Representative Roberts, your second supplementary question.

1095 **Alderney Representative Roberts:** Thank you, sir. That is disappointing. *(Laughter)*

1100 Relating to only two aircraft in 2020, would the President not agree that in May 2003 the then Chairman of Advisory & Finance Committee, Mr Laurie Morgan, gave two specific assurances to Alderney: firstly, our Southampton would not be affected; secondly, that political influence would not be exerted? With the service downgrade now damaging Alderney, what is your view on that trusted promise to a fiscal partner and friend made at the time of purchase in May 2003?

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

1105 A lot of water has passed under the bridge since that date.

The commitment of Aurigny to fly to Alderney: I do not think there is any other aircraft that I can think of, or any other company, that has been flying to Alderney for so long, in my memory, and continuously, despite several other companies coming and going.

1110 The issue of the Southampton route: as we know, it is for Alderney to decide whether that is a lifeline route or not. Guernsey has committed that the Alderney-Guernsey route is a lifeline route and we are doing all we can to ensure that that is available. The process is underway and it will be a matter of months now before we have the results of that.

Thank you.

1115 **The Bailiff:** Any there other supplementary – Deputy Tindall.

Deputy Tindall: Thank you, sir.

I declare an interest, as I own a property in both Alderney and Guernsey and I hope that declaration is sufficient in respect of all questions I may ask this morning in relation to Alderney.

1120 As the lack of a third Dornier will no doubt result in a reduced tax take for the States of Guernsey and in increase in the costs of transferred services, can Deputy Brouard advise me if it is the view of P&R that reduced air links, or indeed no air links, to Alderney is in the best interests of the taxpayer of Guernsey?

1125 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you.

1130 I think probably the first point of call on this is ... I would refer Deputy Tindall to the Rule 14 questions, the written ones, which Alderney Representative Steve Roberts had answered by the States' Supervisory Board. That goes into some detail with regard to the wet lease opportunities and the costs involved.

1135 From Aurigny's point of view, they have a conundrum. They have got a plane there which will cost about half a million pounds to re-wing and yet they may or may not receive the PSO tender. What are they meant to do? So please, have a look at the Answers to those Rule 14 Questions and then please come back to me if you feel that you have any further questions.

Thank you.

The Bailiff: Deputy Tindall.

1140 **Deputy Tindall:** Sir, Deputy Brouard did not answer the question and that was, basically, if I may repeat the second part, which is – in fact, I will repeat it all – the lack of a third Dornier will no doubt result in a reduced tax take for the States of Guernsey and in increase in the cost of transferred services. Can Deputy Brouard advise me if it is the view of P&R that reduced air links, or indeed no air links, (*Interjection*) to Alderney is in the best interests of the Guernsey taxpayer? It was not about what STSB has done to try and get a third Dornier.

1145 Thank you, sir.

The Bailiff: Deputy Brouard.

1150 **Deputy Brouard:** Thank you.

1155 The idea that by putting on another flight, or another Dornier, that it will be, somehow, cheaper ... they are extremely expensive aircraft to bring on to the route. The tax equation of how many extra tourists you would get into Alderney or how much extra benefit, that work is still progressing. Because that is the dilemma that we have at the moment: do we spend a lot of money on getting a second aircraft, or a third aircraft to compete with the other two? That is the conundrum and at the moment the work is ongoing. I am unable to answer that question.

Thank you.

The Bailiff: Deputy Roffey.

1160

Deputy Roffey: Would Deputy Brouard agree with me that the term 'lifeline route' is causing some confusion and doublespeak here? Because we have used it in the terms of licencing routes which still need to be licenced under the quasi-open skies policy. And of course, Alderney to Southampton cannot possibly therefore qualify to be a lifeline route in that context, because we do not licence that route and never have, because it does not come to Guernsey. But by saying, therefore it is not a lifeline route, sends out the message that it may not be critically important to the Island of Alderney, which is a totally different thing.

So I think some guidance from P&R at some stage on whether they think it is crucial for Alderney to have a direct link to the UK, rather than whether it is a lifeline route in the context that we have defined would be extremely useful.

A Member: Hear, hear.

The Bailiff: Deputy Brouard.

Deputy Brouard: Deputy Roffey is absolutely right. It is up to Alderney to decide whether they call the Alderney-Southampton route a lifeline route from their point of view.

Air services that we provide to Alderney via Aurigny have been as a result of us purchasing Aurigny. It has not come about as a conscious decision of this Assembly or previous Assemblies where we have decided to add another element to the 1948 Agreement. We have slept into this. We are now having the opportunity, which is I think a fair reflection after 70 years, to review the 1948 Agreement and it also it is inextricably linked with the air connectivity and the cost of that air connectivity.

If you listen to some of the rhetoric that we heard several years ago, people believed that Aurigny was run badly, that there are lots of other aircraft who could do this job *much* cheaper, but the reality with the PSO has come out that actually that is not quite so.

So that is where we are today, sir. Thank you.

The Bailiff: Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir.

We have been told the cost of wet leasing a Dornier is €33,000 a day. Could we see the quote for the €33,000 a day and if any other quotes have been received? We have heard a Twin Otter could be available for £15,000 a day.

The Bailiff: Deputy Brouard, are you able to answer that?

Deputy Brouard: Yes. Thank you, sir.

I think the answer which Alderney Representative Snowdon is referring to came out of the reply from Deputy Ferbrache's Rule 14 Question which he answered on behalf of Alderney Representative Stephen Roberts. So I would refer him to STSB, who will probably be able to advise him more fully as to the details. I have the answer to the question, but I have not got that detail.

Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes, this really is a supplementary to Mr Roberts' question, but might be slightly beyond P&R's role in this. But given the obvious cyclical nature of transit to Alderney with summer highs, especially during Alderney Week and other festival periods, do Policy & Resources have concerns that in the event of one or even both planes being technically unavailable that there would be some form of crisis that Guernsey would be brought in to manage?

The Bailiff: Deputy Brouard.

1215 **Deputy Brouard:** I think that is a very interesting question. I think Aurigny, in the circumstances that they have, are doing their absolute best to provide the link between Guernsey and Alderney and also they are providing some flights from Southampton to Alderney as well.

Part of the mitigation process to ensure that we can get as many flights through as we can using the two aircraft, I think STSB have made arrangements to open Alderney Airport longer
1220 during the summer period so extra flights can be put in.

So we are working with the contingent ... but until the PSO is issued, as it were, or the results of that are known we cannot really take the next stage forward.

Thank you.

1225 **The Bailiff:** Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir.

Is Policy & Resources concerned about the economic impact the service will have deteriorating from what we had last year for this summer and the effect on the economy for the Island?

1230

The Bailiff: Deputy Brouard.

Deputy Brouard: Absolutely, because the tax take from Alderney comes to Guernsey to help to mitigate the cost of operating the 1948 Agreement.

1235 But Alderney themselves, their politicians, their States, have also a responsibility for their economy far more than I have and we also have to be cognisant you do not want to spend £2 to get £1 back. So there are some economy ... this has to be taken into account There is no point for Guernsey taxpayers to spend a lot of money in order to make a smaller pile of money as a result of the investment.

1240 So these things are quite delicately balanced, but we are certainly very conscious of the air links being one of the factors to the Alderney economy.

The Bailiff: Deputy Trott.

1245 **Deputy Trott:** Thank you, sir.

Is Deputy Brouard able to confirm that the subsidy on the Alderney-Southampton-Alderney route is a staggering £100 per sector, and is he further able to confirm that the existing subsidy from the taxpayers of Guernsey is a *staggering* £3,000 per capita for every Alderney resident?

1250 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, Deputy Trott, for the ...

Yes, I am aware of those. There is a ... Guernsey over the years, and especially through the 1948 Agreement, has done proud by Alderney. We have supported them through for 70-odd years. We
1255 are providing virtually the same level of services we are committed to in their Island as we do here to our citizens. It is a unique relationship and I think all of us here in the States can be extremely proud of what we have managed to do to support Alderney for the last 70 years.

COMMITTEE FOR ECONOMIC DEVELOPMENT

**Assessment of Economic Benefits –
Impacts other than on direct taxation**

1260 **The Bailiff:** We move on to the next question which is to be asked by Alderney Representative Snowdon of the President of the Committee *for* Economic Development.
Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir.
Following the Visit Guernsey media campaign branding the 'Islands of Guernsey', would the
1265 President agree strong transport links to the Islands are absolutely essential?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, I do think strong transport links to the Islands are extremely important
1270 and the Committee is keen to do what it can to support reliable and sustainable connectivity to and from the Islands.

The Bailiff: Any supplementaries?

1275 **Alderney Representative Snowdon:** Yes. Thank you, sir.

The Bailiff: Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir.
1280 Does the President agree that a strategic review of Alderney's air transport links should take place involving both Governments, focusing on the economic benefits and potential growth?

The Bailiff: Deputy Parkinson.

1285 **Deputy Parkinson:** Certainly when P&R come to bring to the States their recommendations as a result of the PSO tendering process, I trust that they will present to the States the business case for further investment in Alderney's air links and the States will be able to make an informed decision on how much they are willing to invest in those links.

1290 **The Bailiff:** Your second question?
Sorry, it is Alderney Representative Roberts who is asking the other question. I apologise.
(*Interjection*) I wondered why you had done the second one first, but sorry, that is my mistake.

1295 **Alderney Representative Roberts:** As the President of Economic Development, does he subscribe to the view that the assessments of economic benefits should centre on impacts of direct taxation or does he take the wider view that impact on GDP and the catalytic and multiplier effects of the investment are also important?

1300 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: When considering investment options to grow the economy the Committee aims to take a comprehensive view of the possible economic benefits. This includes direct impacts, indirect impacts and induced impacts, as well as any possible multiplier effects. They are widely recognised by economists as the key elements required to measure economic

1305 impact effectively and accurately. They help to identify if there are likely to be clear benefits to investment in the economy.

The Bailiff: Yes, supplementary.

1310 **Alderney Representative Roberts:** I have been considerably reassured by the President's response.

Can he now confirm that any statements in regard to the economic impact on the wider Bailiwick of cutbacks on Alderney's connectivity with Southampton should incorporate such analysis of the economic costs, and would he question or reject a decision-making process which takes a narrow view restricted to direct tax take ignoring the wider and truer economic position?

1315

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, sir, when the Policy & Resources Committee comes to the States with their proposals for the Alderney PSO I trust that the policy letter will set out the full economic impact assessment for any proposed level of investment. As I have said, I think the States needs to have that economic impact assessment in front of it in order to make an informed decision.

1320

Certainly when we bring our policy letter to the States on a potential runway extension that is the approach we will take. We will measure the economic impact of a potential extension.

1325

The Bailiff: Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir.

Does the President know if there is an assessment being undertaken about the importance of the Alderney-Southampton route at the moment?

1330

Thank you.

The Bailiff: Deputy Parkinson.

1335 **Deputy Parkinson:** Sir, I am afraid I do not know that, because the matter is being dealt with by the Policy & Resources Committee.

The Bailiff: Deputy Gollop.

1340 **Deputy Gollop:** Sir, in relation to the answer given to Mr Roberts and also Mr Snowdon earlier, has Economic Development given any thought to, I think, the admirable suggestion of Deputy Trott, that an additional element of Alderney's transport link would be an all-year round medium-sized boat/ship sailing link? Has that been considered for investment purposes by Economic Development in concert with States of Alderney?

1345

The Bailiff: Deputy Parkinson.

Deputy Parkinson: I am sure that option will be evaluated in the policy letter that P&R will bring to the States on the PSO.

1350

The Bailiff: Deputy Tindall.

Deputy Tindall: Sir, can I just clarify, I was hoping to ask a supplementary question to the middle question and you went straight to Alderney Representative Roberts –

1355

The Bailiff: Yes, because I did not see you rising, sorry. Were you standing? Sorry, I did not see you.

1360 **Deputy Tindall:** I was waiting for the end of the breath, as it were, but apologies if I missed my opportunity.

The Bailiff: Well, Deputy Parkinson, do you object if Deputy Tindall now – ?

1365 **Deputy Parkinson:** Not at all, but I do not know whether I can answer the question until I have heard it. *(Laughter)*

The Bailiff: Deputy Tindall.

1370 **Deputy Tindall:** I very much thank the President of the Committee *for* Economic Development; it was with regard to the question on the Visit Guernsey campaign.

Basically, does the President agree that in order to offer island-hopping between the Islands of the Bailiwick of Guernsey the 2020 schedule between Alderney-Guernsey and Alderney-Southampton is of a calibre that will reassure holidaymakers that island-hopping is indeed a hop and not a triple jump?

1375 **The Bailiff:** Deputy Parkinson.

1380 **Deputy Parkinson:** Obviously good connectivity between all of the Islands of the Bailiwick is essential to the promotion of our offer of the Bailiwick as the Islands of Guernsey – plural – and the exploitation, if you like, of the fact that we are an archipelago of islands.

So yes, good connectivity between the Islands is important to our tourism offer and we would like to see that maintained.

1385 **The Bailiff:** Right, does anybody else have any supplementary questions?

If not, I think the Alderney Representatives questions are now finished, despite me losing my way in the middle of it.

POLICY & RESOURCES COMMITTEE

1948 Agreement between Guernsey and Alderney – Review

1390 **The Bailiff:** So we will move on to – keeping the Alderney theme – a question from Deputy Gollop to the President of the Policy & Resources Committee, which I suspect Deputy Brouard will be answering.

Deputy Gollop: Yes, thank you very much.

In relation to Deputy Tindall's declaration, I have inherited the estate of Mrs Vera J Gollop, which includes property and land in Alderney – but I still need to do some work on the exact status of it all.

1395 My first question is what is the current state of play and point of progress in the agreed desire of representatives of the States of Guernsey and the States of Alderney to look at reviewing, updating and even replacing the terms and arrangements of the so-called 1948 Agreement?

The Bailiff: Deputy Brouard.

1400 **Deputy Brouard:** Thank you, sir, and thank you, Deputy Gollop, for the questions.

The review of the 1948 Agreement and the wider relationship between our two Islands is ongoing and discussions have taken place between the Committee and representatives from the States of Alderney's Policy & Finance Committee.

1405 The Committee recognises that despite best efforts this matter has progressed slowly, but remain committed to working with colleagues in Alderney to ensure that this relationship is sustainable on both sides.

1410 It must be recognised that this is a complex matter reviewing a relationship that has existed for over 70 years. The delivery of Brexit and the upcoming negotiations on the Bailiwick's future partnership with the EU is affecting us by drawing time, people and resources away from other priorities in Guernsey and Alderney.

While the priority has to remain dealing with negotiations on the future partnership with the EU, given the tight timelines ahead of us, the Committee are actively considering the next steps to progress this matter of which resourcing the work will be an important part.

Thank you.

1415 **The Bailiff:** Deputy Le Clerc, you have a supplementary question?

Deputy Le Clerc: Yes, sir.

1420 Sir, would Deputy Brouard not agree with me that it is unacceptable, the delay that has occurred, on coming back to the States with this work?

We debated it in February 2016 and here we are in February 2020, and that is an unacceptable delay.

1425 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you.

We have to, as a States, prioritise. I wish all Committees had done all their mandates and were completely up to date with everything and I do not think there is a Committee President here who can stand up and say that.

1430 We have to prioritise our work. We have limited resources and we have to prioritise our work to where it is most effective. Our relationship with the EU and our relationship with the UK, at this critical time, is taking our focus.

1435 The relationship with Alderney and the 1948 Agreement: services are being provided today, we have been providing these services for 70 years. Although we are wishing to review it, it is not imperative that they are reviewed today, tomorrow or yesterday. It is an important matter, it has got to be taken very carefully and it has got to be considerate to both sides. It is not something you want to rush and we have got to be very careful how we handle it – and take our time.

1440 So I do apologise that we are not where I would like to be, but I think we all recognise that we have got far more important and more pressing – I would say – issues to deal with at the moment, and we are supporting Alderney yesterday, we are supporting Alderney today, and we will be supporting Alderney tomorrow whether we review or not.

The Bailiff: Alderney Representative Snowdon.

1445 **Alderney Representative Snowdon:** Thank you, sir.

Could the President confirm if all Committees who are responsible for delivering transferred services under the 1948 Agreement will be consulted regarding their responsibilities during the review?

Thank you.

1450 **The Bailiff:** Deputy Brouard.

Deputy Brouard: I am sure that is the case, and thank you for the question.

Yes, of course we will be referring to all the Committees who have got responsibility for the transferred services. But we are at the moment just in the very early stages of this review. So yes, of course we need to get information. But there are many questions of how far you go into it. If you take Health, for instance, do we go into what bandages are supplied at the Mignot Hospital; do we look at the holistic thing; do we look at the number of doctors there?

There are *many* facets to this, and it needs to be done carefully and proportionately.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, yes, Deputy Brouard's answer to Deputy Le Clerc's question contradicted what he said previously where he said it was important because it was costing us a lot of money. I was going to ask the question Alderney Representative Snowdon asked. I would like to say, in terms of the Agreement, does he not appreciate that this is very important to those Committees that provide transferred services and costing us an awful lot of money?

Several Members: Hear, hear.

The Bailiff: Deputy Brouard.

Deputy Brouard: I am not sure I get the gist of the question.

Are you saying that the transferred services that you are providing through Health are costing you a lot of money and therefore you wish to reduce them or are you saying that you want them reviewed because you want a different service to be provided?

I am sorry, I am just not understanding the question.

The Bailiff: Deputy Soulsby ...

Deputy Soulsby: I did not know it is two-way questions, but – (*Laughter*)

The Bailiff: You can have a second supplementary, if you wish.

Deputy Soulsby: As Deputy Brouard knows, 1948 was an awful long time ago – 72 years ago – and life has moved on. The 1948 Agreement as far as I am aware only states that the States of Guernsey should be providing health services to the States of Alderney. That is a very broad brushstroke. We do not know, from a day to day point of view where our responsibilities lie with respect to Alderney.

Life is far more complicated, services are more complicated, and the sense of urgency in terms of the requirements of Alderney at the moment, particularly the problems existing in primary care ... for us is a matter of urgency and we need to get some sense of understanding and a firm footing about what it is that we should and should not be providing.

The Bailiff: Deputy Brouard.

Deputy Brouard: I totally agree with Deputy Soulsby. That is what we are trying to get to.

Should this Agreement have been reviewed 50 years ago? Should it have been reviewed 30 years ago? Should it have been reviewed 10 years ago? Of course it should. We have ... States over the years have, I suppose, sleepwalked, or we have just allowed services to expand and to be up to date and modernised. The original 1948 Agreement says that we should provide an airfield! I do not think it was even tarmac back then. So we have come a *long way*. (*Interjection*)

The result of the last three years ... I did not predict that we would have Brexit. We have had Brexit going on, we have had some very important negotiations to undertake with the EU and the

1505 UK and those are our priorities. I wish we were further ahead with the review, but we are not. That is the reality of the day.

The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

1510 Would Deputy Brouard not agree with me that this is exactly the point that we, the Committees, need clarity as to the terms of the 1948 Agreement, that the taxpayer of Guernsey, as well as Alderney, deserve clarity, so that there is a fair treatment between the Islands, but also that there is money involved and that this is costing the taxpayer if we do not have that clarity, and that coordination of P&R is vital in this and it has been lacking?

1515 Thank you, sir.

The Bailiff: Deputy Brouard.

Deputy Brouard: Well I agree with most of what Deputy Dawn Tindall said, except the last bit. 1520 It is not for want of endeavour, it is just that other endeavours have come up which are more of a priority and I think the States would agree with that.

But the taxpayer you have talked about ... the taxpayer in Alderney gets a very reasonable deal. For every £1 they pay in tax they get £2 back. That is a reasonable deal. So I fully appreciate the frustration that we are not further ahead with this item, but on balance, I think we have done the 1525 right thing by concentrating on our relationship with the EU and our relationship with the UK.

This is one of the first States ... and I have been in the States nearly 15 years now, this is the first time that we have actually decided that we want to actually give some focus to the 1948 Agreement, see if it working properly; see what it looks like; see how it has changed; see what the original intention was for it. So we are ... The intent is right, it is just we are just slightly behind 1530 where I would like to be with it.

The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

1535 Deputy Brouard has answered the question twice in respect of the taxpayers of Alderney. I am a Deputy of Guernsey and I would like him to answer my question: does he agree with me that this is so important to the taxpayers of Guernsey; to try and sort this out as early as possible to save money?

1540 Thank you, sir.

The Bailiff: Deputy Brouard. Can you put your microphone ...?

Deputy Brouard: Sorry.

1545 Again, I think Deputy Tindall is coming to a conclusion before we have had the review. If she is saying that she wants to pay less in the 1948 Agreement then that is fine; if you want to have less services in Alderney and we withdraw, that is fine. But that is coming to a conclusion before we have had it.

What the taxpayer of Guernsey is looking for is for us to have good services over here and to have a very robust, good, strong economy. Now, our major trading partner is the UK. The UK has 1550 gone through massive change with Brexit. Our relationship with the EU is changing. Protocol 3 is disappearing.

Now, if you want to go into making Alderney our top priority for the taxpayer of Guernsey, that is fine, but it is not where I want to be. I want to be focused on the economy of Guernsey and the wider Bailiwick, so that we have our tax take; that we have got our people in employment; that we

1555 provide good public services. That comes from frying the bigger fish and I think it is the bigger fish that we need to be looking at at the moment.

Although Alderney is extremely important, that is a smaller issue for us as Policy & Resources at the moment.

1560 **The Bailiff:** Alderney Representative Roberts.

Alderney Representative Roberts: Thank you, sir.

1565 Would Deputy Brouard not agree that since the community returned to Alderney in 1948 after the War and became firm friends and partners ... Now the new 1948 Agreement is under review, would the States of Guernsey recognise it; and it would not be fair to review it without a third party due to the massive difference in our resources and yours?

The Bailiff: Deputy Brouard.

1570 **Deputy Brouard:** We are still at the early stages of this review.

1575 It may well be that a third party would be of assistance to us. I have not come to that conclusion yet. We are just literally at the cusp of starting to put our thoughts together, just as I hope the Alderney States are looking at putting their thoughts in order to have some idea of what they want for the future. Do they want to take back more control? Do they want to have more services provided from Guernsey? Do they want to have fewer services provided from Guernsey? What the future for the next 70 years looks like.

So we are just at the beginning of this engagement. We are not renegotiating it at the moment. We are just reviewing what we have got, what it costs, and how it affects each other.

1580 **The Bailiff:** Alderney Representative Snowdon.

Alderney Representative Snowdon: Thank you, sir; just a point of clarification really.

1585 There have been reviews in the past, but my question really is, we are in a fiscal union, Alderney and Guernsey together, I think the 1948 Agreement does have to focus on the economic benefits, and you touched on in an answer that you gave to someone else about a strong economy for Guernsey. I think if Alderney has a strong economy, you are going to get those pounds back that you are putting in. We need to strengthen it.

1590 I would like to ask the question, would Policy & Resources agree that it is important Alderney's economy is strengthened and that should somehow be included in the 1948 Agreement with our joint fiscal union?

The Bailiff: Deputy Brouard.

1595 **Deputy Brouard:** It is obviously of benefit while Alderney has a strong economy. What we also have to bear in mind is that we do not want to spend a large fortune to make a small fortune. So we have to be careful on how we spend the public money.

1600 The 1948 Agreement has grown substantially. When it was first set up it was £20,000 – I think was the original cost – and if you equate that forward today, it would be about £500,000; today's equivalent. We are spending today somewhere near £6 million, because of the Alderney factors. It has become a different beast to what our forefathers started with.

1605 Of course a strong Alderney economy will benefit us jointly through the tax take. But a strong economy without a tax take does not help. So there is no point having a lot of residents on Alderney who are paying little tax but may need a lot of services from Health or from Social Security. So these are the very tricky balances we need to sort out and look at sometimes, perhaps, some of the political issues. Although we are in fiscal union, we also need to consider the political things that the Alderney States and how they affect us as joint custodians.

The Bailiff: Deputy McSwiggan.

1610 **Deputy McSwiggan:** Sir, incredibly, I think it was a year and a month ago that I asked Deputy
Brouard questions about progress with the 1948 review, to which he gave the answer, 'we are just
on the cusp of getting this ready'. A year and a month later he gives the same answer. Would he
agree that P&R is neither committed nor fit to deliver this review and agree to bring forward
proposals for an alternative approach that properly engages the Committees and the States'
1615 Members who care about the mutual survival and thriving of Alderney and Guernsey as a
Bailiwick?

Several Members: Hear, hear.

1620 **The Bailiff:** Deputy Brouard.

Deputy Brouard: I would like to say, 'I thank you for that question' – but I do not. I do not
agree with much of what you said there. I think that was quite offensive; I am sorry.

We all have to have priorities and unfortunately other people are dictating some of our menu
choices (**Deputy Gollop:** Boris?) and the UK government and its changes are focusing our
1625 attention.

Now, if you want us to put more resources in, which is what I have mentioned, then we will be
taking them away from somewhere else, unless we are going to spend more money on it.
Although it is an extremely important issue, we need to do it sensitively and with care. It is not
something you can just rush into. We have taken 70 years to get where we are today, I do not
1630 think waiting another day or so is going to make any difference.

I think it was more of an attack on P&R, and I do not think that is appropriate.

The Bailiff: Deputy Le Clerc.

1635 **Deputy Le Clerc:** Thank you, sir.

I was going to pick up on the point that Deputy McSwiggan picked up on. When we hear early
stages ... You have had two Presidents now that have stood up to say, 'We are not sure where we
are' and we are two Committees that actually have to spend money because we are part of the
shared resources.

1640 I would ask Deputy Brouard if he can tell me how often the Committee meets and who is
included in that? Because I do not think representatives of ESS have been included in those
meetings so far. If we had been, we would probably be more aware of where we are.

So I would ask those questions. Who is involved and how often does this working group meet?

1645 **The Bailiff:** Deputy Brouard.

Deputy Brouard: The Policy & Resources team meet weekly, as most of you know, and in fact
the Alderney issue has been on most of our agendas one way or the other for the last year or so,
and we had some papers only this Tuesday.

1650 So it is very much in front of us and we do appreciate that Guernsey, in effect, is providing
some very vital services to Alderney and the Committees are doing so well and good, both Home
with the provision of the Police service, with the provision of the health and also with social
security facilities.

1655 But I go back again, we have to prioritise what we do, and this is just one element of our role
as a Government and I do think it would be appropriate to put major resources into this review
and let the EU and Brexit and that just go by the way. But if that is what the States want, then that
is a different States than I would like to be with.

The Bailiff: I think Deputy Trott wants to help.
Deputy Trott.

Deputy Trott: Thank you, sir. Yes, sir. *(Laughter)*

While progress has been slower than anyone would prefer, any accusation of a lack of a focus on materiality is unfair. There is currently a £6 million deficit, £3,000 per capita. 50% of that deficit is made up with the subsidy to Aurigny for the provision of air services to and from Alderney. So the materiality issue is unquestionably met.

Would Deputy Brouard further agree with me that in order for the deficit to be eradicated the size of the Alderney economy would need to double, and is he aware as to whether any Member of the Alderney States has proposed such an outcome to their constituents? *(Interjection)*

The Bailiff: Deputy Brouard.

Deputy Brouard: I completely agree with Deputy Trott.

The 1948 Agreement has provided the real support to Alderney for 70-odd years, but the review of it is complicated and it has to be done carefully and sensitively. And what we started off with as quite a small funding has become quite a large funding and we need to get a handle on that and to understand what we can do to either reduce it or to see what other services we need to add to it, and also Alderney needs to eventually to come up with what they would like to see, how big an economy they would like and how they are going to achieve it.

The Bailiff: Deputy Tooley.

Deputy Tooley: Thank you, sir.

I believe that all concerned have agreed that a review is necessary, both in the States of Guernsey and the States of Alderney, and that that review is both necessary and desirable. We are informed by Deputy Brouard that delay to that and the slow pace at which it has run has been unavoidable because of worldwide concerns around other issues. And while I would prefer that not to be the case, I have to accept that there have been other issues going on.

But my question therefore is, what or who, what body or who, is deciding the level of support that Alderney should be receiving during this delayed period, and what is the cost of this delay? Because where there is delay there is almost always an intendent cost. I would like to know what the cost of this delay is in order for us to decide whether we would be best to add resource and see this resolved more quickly.

Thank you.

A Member: Hear, hear.

The Bailiff: Deputy Brouard.

Deputy Brouard: A very interesting question; thank you.

The cost of the delay: the services we provide now at the moment; they, from the last year's budget, the net cost was £5.6 million.

When you say the cost of the delay, you are almost implying that you are going to reduce the costs in the future, because the delay is not causing costs. The delay means we are just incurring the expense that we always have done. It is just that over time the services that we have provided have improved, the standards have gone up, the hospital has better facilities now than it ever did have in the past, it is the same with the school and the education provision: they are all much better than they were in 1948 or the 1950's or the 1960's.

So if you are implying somehow we are going to have the review and there is suddenly going to be less cost, it is not an outcome that I have envisaged yet. There may well be, but if so, who is

going to be picking up that cost? Are you then implying that Alderney will now be picking up the cost of their hospital? Are you implying that Alderney will be subsidising their own airline or their own flights to Southampton? Are you implying that Alderney will have their own Police Force?

That is what I do not understand. There is –

1715

The Bailiff: Time is up, Deputy Brouard.

Deputy Brouard: Thank you.

1720

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

1725

Whereas we understand Brexit, I think we cannot just stand behind Brexit as the only reason for not progressing on certain issues, when States' Members have been assured that this is in progression.

So I would like to ask Deputy Brouard this: would it be helpful if States' Members gave direction to you, Policy & Resources, to give Policy & Resources the policy and resource they need to actually deliver on what we believed they were delivering?

1730

The Bailiff: Deputy Brouard.

Deputy Brouard: Would we wish more resources? Yes. Would the States be prepared to pay for them? Maybe; I do not know.

1735

Of course we would like more resources, but again, I think the issues that we have faced for the last three years have been unprecedented and unfortunately it has taken our focus away from this issue.

Guernsey is still providing all those services to Alderney: yesterday, today and tomorrow. So we are fully meeting our commitment, but we would wish to review those and to see what is fit for the next 70 years.

1740

The Bailiff: Some of you have already had two supplementary questions. There are more questions to come so may you will have another chance yet.

Deputy Oliver has not asked a question, so I will call Deputy Oliver.

1745

Deputy Oliver: Thank you, sir.

I understand there has been a delay, but is there now going to be any timeline in place, or is there nothing?

The Bailiff: Deputy Brouard.

1750

Deputy Brouard: From our meeting with our staff on Tuesday, they are working towards putting some sort of timeline together that they would find and then come back to ourselves. This is just at the very early part of this. We are just trying to get some of our thoughts together, just as I hope that Alderney States are trying to put their thoughts together.

1755

Thank you.

The Bailiff: Deputy Tooley.

Deputy Tooley: Thank you, sir.

1760

With apologies to Deputy Brouard for perhaps not having enough clarity in my earlier question, my query should not be taken to imply that I am suggesting that there would be an immediate reduction in service which would provide a saving. My query is about the cost of

1765 delaying deciding what services should be. And those costs are not necessarily just financial, but also human costs in terms of the change that is made to an Island like Alderney when it is under review and an ongoing without actual progress review and they are unable to plan for the future because of the delay that is being created in deciding what this Agreement should look like in the future.

My question is, has a proper consideration been given to what the cost, both financial and human, is of delaying this review? And I think it is as simple as a yes or no answer.

1770 Thank you.

The Bailiff: Deputy Brouard.

1775 **Deputy Brouard:** I suppose if you want a simple answer, but of course it is not going to be correct, is no. I think that is ... But the review is still in its early days and one of the big pieces of the review is aligned up of course with the aircraft and of course the PSO services. So that is where there is about £3 million worth of cost and that is part of it that will be coming to the States fairly soon, and you will have sight on the PSO and what you then wish to subsidise or not – and who.

1780 **The Bailiff:** Deputy St Pier.

1785 **Deputy St Pier:** Sir, does Deputy Brouard agree with me that one of the fundamental problems in conducting this review is that because we are not in a political union with Alderney it does require both sides to move at the same pace and that has been one of the fundamental problems for the delay?

A Member: Hear, hear.

1790 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Absolutely, sir, and thank you to Deputy St Pier for that.

The Bailiff: Deputy Merrett.

1795 **Deputy Merrett:** Thank you, sir.

'Early days' of the review, I assume, would mean that terms of reference have been drafted and agreed, potentially between the States of Alderney and States of Guernsey. Could Deputy Brouard please advise us if the terms of reference have yet been drafted or agreed?

1800 **The Bailiff:** Deputy Brouard.

1805 **Deputy Brouard:** They have not, as far as I am aware. That is why we are just at the early part of this review. We are trying to understand what we have got in front of us and we will be taking it forward step by step.

We are intertwined in quite complex ways with Alderney and we need to get a really good handle as to what is happening, where are the levers, where are the costs, what changes each piece; and we are not at the stage. So I am unable to give Deputy Merrett the terms of our review.

1810 **The Bailiff:** Alderney Representative Roberts.

Alderney Representative Roberts: Thank you, sir.

1815 Deputy Trott quotes £3 million for our transport. Does Deputy Brouard agree, for a strong economy you need proper transport that brings people, to increase the sort of numbers that you require?

The Bailiff: I think this is straying beyond the answer that has been given, but, Deputy Brouard.

1820 **Deputy Brouard:** Yes, you do need a strong economy, but it is not necessarily for Guernsey to provide air services in every which way for Alderney.

Alderney is a separate jurisdiction. It has its own parliament it has its own representatives. You are guardians of your jurisdiction. Guernsey is helping obviously with the 1948 Agreement and supplementary to that we have almost by default or by luck, whichever way you want to look at it, 1825 taken on Aurigny which has got flying services into Alderney which, I think we will all agree, require a subsidy; we can have the argument over how much that subsidy should be.

So that is where we are.

The Bailiff: I suggest we move on to the next question. Or, Deputy Gollop, do you have one 1830 more supplementary ... (**Deputy Gollop:** No –) Does it really arise out of the original answer? We seem to have strayed way beyond the original –

Deputy Gollop: I am ready to get on with my next question –

1835 **The Bailiff:** Your next question, please do.

Deputy Gollop: – and the two supplementaries from me afterwards.

The Bailiff: I think it has probably already been covered, but anyway. Please, your next 1840 question.

Deputy Gollop: There might be more big fish to come.

My second question is, has every effort been made to ensure both Parliamentary Assemblies feel comfortable and agreeable about the process?

1845

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, Deputy Gollop.

As I made it fairly clear in the Answer to Question 1, which was some time ago, discussions are 1850 ongoing on this matter. Every effort continues to be made to try and ensure that both parties are engaged and as comfortable with the process as possible. These efforts are the joint responsibility of both parties engaged in the process as we work together to review our existing relationship to ensure it is fit for purpose.

1855 **The Bailiff:** Deputy Gollop.

Deputy Gollop: My first supplementary, if you will forgive me, sir, also came up with 1860 Mr Roberts' earlier question, and that is some senior people have suggested to me that the process would get off to a greater springboard if there was a neutral, but wise and able, chairperson who was not a current politician.

Is Deputy Brouard and the Committee considering that seriously? And that kind of person, for sake of argument, sir, could be a retired Bailiff or Judge or H.M. Procureur or whoever – retired Procureur! (*Laughter*)

1865 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you.

1870 Deputy Gollop may well be right and there may well be a need at some time for some third party intervention. It may be that we agree wholeheartedly with the States of Alderney, and the States of Alderney wholeheartedly agree with us. We may find ourselves in different camps and we may need some assistance. But that is a different phase. That is the negotiation phase, if there is going to be a negotiation, if we find that services need to be changed on either side. But at this stage we are just undertaking the review.

1875 **The Bailiff:** Deputy Gollop.

1880 **Deputy Gollop:** My second supplementary is, we all know that the States of Alderney has a very able Chief Executive and Civil Service team. It also has 10 elected Members, the two gentlemen here and eight others, and an elected President who is new to the office but keen to make an impact.

Have Policy & Resources invited all 10 elected Members and the President to contribute to this process and be part of the kind of issues Deputy Soulsby and others have alluded to?

1885 **The Bailiff:** Deputy Brouard.

Deputy Brouard: We are engaging with the States of Alderney. How the States of Alderney choose to represent themselves is a matter for them. So yes.

Thank you.

1890 **The Bailiff:** Alderney Representative Snowdon.

1895 **Alderney Representative Snowdon:** Could Policy & Resources just confirm that we will be equally represented around the table – I am just trying to find the right words here. I think it is just important that both parties around the table – and hopefully you can confirm – will be represented equally and there will not be one-sided them and us sort of feeling.

Thank you.

The Bailiff: Deputy Brouard.

1900 **Deputy Brouard:** Again, that is probably moving into a further phase of the review.

1905 I am fully aware of the equity of arms issue, if that is what you are raising. Of course we know, as Guernsey, full well what the equity of arms feels like when we have talked to our cousins in the EU and in the UK. So I am well aware of that. We are trying to review this for the longer term. I do not know how painful it might be. It might be not painful, it might be very pleasant, but we need to have our review and then see how we take it forward.

The Bailiff: Deputy Le Clerc.

1910 **Deputy Le Clerc:** Sir, I think I probably worded my question incorrectly on one of the previous questions, and it picks up on what Alderney Representative Snowdon has just asked about who was represented. I would like to know which Members of the Committees, ESS, Health, Home etc., who are party to the 1948 Agreement – and Education – on transferred services ... what representation we have at either political level or at Civil Service level in the working group and how many times that working group has met in the last four years?

1915 If he cannot do the last four years – if Deputy Brouard cannot say that – even in the last year would be really useful, I think, for this Assembly to hear that.

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you.

1920 There is no working group. We have a Policy & Resources team, there are five of us on the
Policy & Resources team, and at the moment we work together collegiately. The staff we have
under the new arrangements from the Chief Officer, there are now strategic leads which work
across all these areas. The Treasurer and the strategic leads are fully aware of the issues with
regard to Alderney and so is our Head of International Relations and his team, who have basically
1925 got the greatest responsibility.

How often do we meet? Weekly or more, not necessarily always about Alderney, but virtually
every other week it is on our agenda in one form or another. We have not yet got to the stage of
having a workshop and a working group. There was quite a lot of work done on the financial
arrangements between us and the States of Alderney and that was done about ... oh, was it the
1930 1990's? So we now have ... That has been continued, so we have got a reasonable handle on
where the expenses are, because at one time all of our finances were mixed together and we
could not separate Alderney out from Guernsey.

So we are not at a stage of having a workshop as to what the future looks like. We are just
putting the starting bits of our review together.

1935 But thank you for that question.

The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

1940 Can Deputy Brouard advise, please, if there is a – because the 1948 Agreement is not one
document – a Bible of documents of the complete set that has been agreed between the States of
Alderney and the States of Guernsey, and that for transparency and to assist with the equality of
bargaining power for both sides that that Bible of documents could be provided to Principal
Committees and confirmation that it has been agreed with the States of Alderney?

1945

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you for that question.

I think Deputy Tindall has almost come to the nub of the problem. The 1948 Agreement is
1950 fairly loose and we have interpreted it as we see fit in our various Committees over the last 70
years. It has grown not by ... I would not say desire; but it has not grown by conscious decisions it
has been governed by, (*Interjection*) as my colleague has just said, good intentions on Guernsey's
part. So as standards have risen, we have sought to replicate those in Alderney – and rightly so.

That is one of the issues with the 1948 Agreement: it is not codified. It does not say it has to be
1955 a runway of 22½ feet wide, it does not say that there have to be 15 teachers at the St Anne's
School and we ... It does not. We have just replicated almost the services that we provide in
Guernsey in Alderney in an *ad hoc* fashion by each Committee as they see fit to discharge what
they believe morally and equitably is fair under that original premise of helping Alderney after the
desolation of the War.

1960

The Bailiff: Does anyone have a supplementary question that arises out of the answer given to
Deputy Tindall?

Deputy Tindall: I believe so, sir.

1965

The Bailiff: The Answer given to Question 2.

Deputy Tindall: Yes, which was with regard to making sure the States of Alderney and the States of Guernsey are jolly along nicely, sir. I believe that was the question and I think Deputy Brouard's answer to the last question illustrates the urgency and the need because of this lack of clarity.

And so I repeat, have they agreed at least the basics of what they are talking about between the two parties of Alderney and Guernsey in order to go forth? You have to have an understanding of where you are in order to go to the next stage.

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you for the question.

Yes, that is exactly what we are trying to do: get an understanding of where we are and what the indications are. And I think in reply to Deputy Merrett's question at the Budget debate, the staff members working for us and those staff members that Alderney had come up with thematics of different areas which would be of interest and will perform part of the review.

The Bailiff: Your third question, Deputy Gollop.

Deputy Gollop: Third and final one. I will just say it. My question is, and again, I think I have two supplementaries: will the commitment by Guernsey to provide a working airfield, or airport, transferred services, which include a fully functioning and quality primary and secondary school at St Anne's, and a modern medical service, including appropriate accident and emergency cover, be non-negotiable items for both parties?

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir. Thank you for the question, Deputy Gollop.

As previously stated in this Assembly, responding to questions on this matter, we are not currently re-negotiating the 1948 Agreement. It is being reviewed. Following that review there may be changes suggested to the relationship between Guernsey and Alderney at which point there would be a discussion between the parties.

The Bailiff: Deputy Gollop.

Deputy Gollop: In thanking Deputy Brouard and the Committee for their answers, and apologising if I used accidentally the word 'negotiate' in the wrong context, I would though ask, would not, in a sense, the discussions between two assemblies that are both equal and valued members of the Commonwealth Parliamentary Association be in one respect a negotiation between States, or at least Crown Dependencies, and therefore require a degree of international negotiation beyond just a review like a sub-committee.

The Bailiff: I am not sure that arises from the Answer. Deputy Brouard.

Deputy Brouard: I do not think it does, sir, and I am conscious of the time that we have spent on this issue.

The Bailiff: The question was all about transferred services and whether they would be non-negotiable.

Deputy Brouard: I do not think I have anything further.

The Bailiff: That seems to be going into a completely different issue.

2020 **Deputy Brouard:** Thank you, sir.

2025 **Deputy Gollop:** Well, my second question relating to the transferred services is: does the Policy & Resources Committee plan the workshops that have been mentioned on, for example, issues like ensuring that the medical model in Alderney is fit for purpose, which might include ambulance provision, and, for example, that the school is fit for purpose and that there are parents and pupils in the community engaged in the governance of that school to ensure that it continues to thrive with viable numbers for the Island to continue to serve as a community?

2030 **The Bailiff:** Deputy Brouard.

Deputy Brouard: I am losing a little bit the sense of that particular question.

2035 The services that are provided by Education to St Anne's School: I am sure that they will say they are doing the very best they can to ensure that they have the best outcome for the children of Alderney as part of our obligation under the 1948, just as much as Health & Social Services will be working their utmost to make sure that they have a fully functioning hospital of the level it is at to provide services to Alderney. But we are not at the stage of having workshops to discuss individual ... That is something that may happen *much* further down the road.

Thank you, sir.

2040 **The Bailiff:** Deputy Tindall.

Deputy Tindall: Thank you, sir.

2045 Does Deputy Brouard agree with me that this is an opportunity to do more than just nibbling round the edges of what is an old agreement and do a broad review of the 1948 Agreement which involves a full and frank discussion as to the potential for a revised relationship between Alderney and Guernsey for the benefit of both sets of taxpayers and that to do so there needs to be an equality between the parties with no red lines set out before the discussion begins?

2050 **The Bailiff:** Deputy Brouard.

Deputy Brouard: I think I very much agree with Deputy Dawn Tindall on this point. Yes, absolutely. Nothing is off the table.

2055 We are looking for something ... If you are asking whether we will not have a relationship in the future, I doubt that very much. I think Alderney is very much part of our Bailiwick, hence the Bailiff has jurisdiction over ... We will have a relationship going forward.

What exactly that relationship looks like ... and what our cousins in Alderney want as well. They may wish to take back some of the services; they may wish to have more added; they may wish to have it paid for in a different way; we may not wish to be doing some of the services in the way that we are doing them now. Yes, absolutely, no red lines.

2060 But there will be a point that if you wish to pay less someone is going to have to pay more than they are doing now or someone is going to have less services than they are having now. And that, unfortunately, is modern economics for you.

2065 So be under no illusion: it would be extremely painful for Alderney if we withdrew some of those services and left them with inadequate time to find other ways of funding them. That is why we have to take this review very seriously. We do not need to rush it, but we do have to be very thorough in it and we do have to also, as I said earlier to Alderney Representative Snowden, be very mindful of the equality of arms.

2070 **The Bailiff:** Alderney Representative Roberts.

Alderney Representative Roberts: Would Deputy Brouard not agree that the 1948 Agreement is a joint agreement and not an imposition?

The Bailiff: Deputy Brouard.

Deputy Brouard: It was an agreement basically put together by Chuter Ede, the Governor at the time, Neame, and the Bailiff there at the time, Sir Ambrose Sherwill. It was something that ... The UK Government were looking at maybe attaching Alderney to Hampshire. Because of the devastation, there was just virtually ... most of the houses were all destroyed, they had very little infrastructure, and as part of the rebuild after the War the offer was put to Guernsey that perhaps with a tax take from Alderney, Guernsey would be able to provide some services to get Alderney back on its feet; Guernsey was probably very grateful of the help that the UK gave us in all our evacuees. So yes, I suppose we were, yes. It was not an imposition; it was something we were happy to do.

The Bailiff: Right, that concludes those questions.

We have now run slightly over the hour, so I have a discretion ... But I think given that we have only got half an hour to lunch, we are not going to get into any really substantive debate and any detail. It may be better to just finish Question Time. So rather than put off the remaining Questions to later in the meeting, I suggest we get on with those.

COMMITTEE FOR EDUCATION, SPORT & CULTURE

One school on two sites – Compliance with space standards

The Bailiff: So there are Questions to be asked by Deputy Carl Meerveld of the President of the Education, Sport & Culture Committee.

Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

What is the square meterage of the kitchen and dining areas for each of the proposed two new school sites on the Les Beaucamps and St Sampson school sites and the percentage variance, plus or minus, from the minimum recommended area for kitchens and dining rooms under the UK standards BB103, based on the projected peak student numbers attending each school?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir. Having not spoken about all this for half an hour, I think the slot is due again.

At De Sausmarez College the lunch space will be 444.6 m² and at Victor Hugo College the space will be 505.2 m². These spaces are 23.1% and 39.8% respectively above the UK's BB103 guidelines.

They take into account that not all students will eat lunch at exactly the same time, which is not unusual in slightly larger secondary schools, and that BB103 guidelines assume that lunch space will include a combination of formal dining and other multi-use areas. BB103 guidelines vary depending on how food is prepared and served. Currently in our schools, lunches are prepared both on and off site, which requires less on-site kitchen space. We do not propose to change that arrangement.

2115 If we were proposing to prepare all meals on-site from scratch, the kitchen areas would be below BB103 guidelines. That is not what is happening currently and it is not what is proposed to happen in the future. Incidentally, if it were, the kitchens at the Grammar School and La Mare de Carteret High School would need to be more than twice their current size to meet minimum BB103 guidelines.

2120

The Bailiff: Supplementary questions?
Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

2125 Please can Deputy Fallaize confirm if the Committee *for* Education, Sport & Culture informed the Committee *for* Policy & Resources that the kitchen areas do not meet the UK standard BB103 before P&R approved the area specifications for the two new schools?

The Bailiff: Deputy Fallaize.

2130

Deputy Fallaize: No, because they do. So why would the Committee *for* Education, Sport & Culture have advised the Policy & Resources Committee of something that is not true?

2135 If there were at any point staff level discussions where these areas were going to provide less space than is actually the case, I am not aware of them. If the review that was done by an external person commissioned by the two Committees originally suggested that the dining space/refectory space could be less than that which we are developing, I cannot recall if that is the case. That may be true, because, as I have explained many times, we have added around £20 million of construction costs and space to that which was recommended as what was necessary for schools of this size.

2140 But these are the spaces being proposed, included in the plans and which will be delivered by the Committee.

The Bailiff: Deputy Meerveld.

2145 **Deputy Meerveld:** Thank you, sir.

Deputy Fallaize stated that the dining areas are 444.64 m² and 505.2 m². However, these figures are nearly double those previously supplied to me by ESC. How can the discrepancy be explained and which set of figures are inaccurate; the ones supplied to me two weeks ago or the ones supplied today?

2150

The Bailiff: Deputy Fallaize.

2155 **Deputy Fallaize:** Well, sir, I do not believe that I have supplied Deputy Meerveld with figures which differ from the ones that I have read out in the States today. If he has had other figures then I would invite him to send me those figures, and if there is any disparity I will look into it and I will explain why.

I am quoting here the figures which are relevant to the space that is planned. I am sorry if the figures do not come out as Deputy Meerveld anticipated them to come out when he put in his Question, but these are the facts. (*Interjection*)

2160

The Bailiff: Your second question, Deputy Meerveld – and your microphone.

Deputy Meerveld: Thank you, sir.

2165 What is the square meterage of the total net site area as defined in BB103 – outdoor sports and recreational areas, etc. – for each of the proposed two new schools on the St Sampson and Les Beaucamps school sites, including and excluding the recently purchased Delisles Church, and

the percentage variance plus/minus from the minimum recommended total net site areas under the UK standards BB103, based on the projected peak student numbers attending each school?

2170 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

As a result of pressure on land in Guernsey, it can be difficult to meet the UK's BB103 figures in relation to outdoor space. The same is true for many secondary schools in the UK, including some
2175 high performing schools. Victor Hugo College at St Sampson's has 42,697 m², which represents 59.2% of the BB103 figure, and De Sausmarez College at Les Beaucamps has 20,659 m² without the church site, which represents 28.6%, and 21,217 m² with the church site, which represents 29.4% of the BB103 figure.

I want to compare these figures. At Les Varendes, if it accommodated 1,300 students, which it
2180 would need to under the three-school model favoured by some of our critics, the outdoor space would represent 50.4% of the BB103 figure. At Elizabeth College, where there is around a third of the number of students or more, there is around a quarter of the space there will be at De Sausmarez College and around 10% of the space there will be at Victor Hugo College.

Staggered lunch time arrangements will mean only half the students being at lunch or in
2185 recreational time at any one time, there will be multiple recreational facilities at both colleges and our school leaders are comfortable with the plans in this regard.

If any Deputy is concerned about outdoor space at schools, they should be more focussed on some of our primary schools. (**A Member:** Hear, hear.) For example, at Vauvert Primary School there is only 2,318 m² of outdoor space and at Notre Dame du Rosaire Primary School there is
2190 only 1,594 m².

The Bailiff: Deputy Meerveld.

Deputy Meerveld: I thank Deputy Fallaize for his background on schools that were built
2195 decades ago, but we are talking today about the ones we are trying to, or are proposing to, build now.

Please can Deputy Fallaize confirm if the 'Committee for Sport & Culture informed the Committee for Policy & Resources that the total net site area at the St Sampson's site will be 40% less than stipulated in the UK standards BB103 and 70% less at the Les Beaucamps site prior to
2200 P&R approving the area specifications for the two new schools?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, sir, I must confess I am not an expert mathematician, but since I just
2205 said that the space at Victor Hugo represents 59.2% of the BB103 figure and De Sausmarez College represents 29.4% of the BB103 figure, I cannot recall exactly, but I am prepared to accept Deputy Meerveld's assertion that the Policy & Resources Committee was advised that the disparity in space between BB103 and the sites would be 40% and 70% respectively, because those figures together with the figures in my Answer add up to 100%.

2210

The Bailiff: Deputy Dudley-Owen.

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

The President has just said that they are comfortable with the space standard figures. I just
2215 wanted to know, in response to a recent tweet from Deputy St Pier by Deputy Tooley, she asked him: did you get the chance to explain that is P&R who are determined to keep the space in the new colleges low and not ESC? I wanted to ask the President please to reconcile this with a statement made by Deputy Roffey at a parents' presentation that I went to this week on the one-

2220 school two-sites plan at the Forest School, where he said that the Committee believes that they have got the space standards right. These seem contradictory positions. Please can we get some clarification?

Thank you.

The Bailiff: Deputy Fallaize.

2225 **Deputy Fallaize:** No, they are not contradictory positions at all.

The space standards, which the two Committees were advised was strictly necessary in order to deliver schools with this number of students, is the figure around £42 million which I have referred to in the States many times. The plans that we put before the States which were approved, and then the Policy & Resources Committee was given delegated authority, envisaged construction costs of being in the low-£60-millions.

2230 There are ongoing discussions related to the submission of business cases between the two Committees about how you get from £42 million to just over £60 million. In other words, the Policy & Resources Committee is saying to our Committee, 'Look, if you want to go above the space standards which we were advised by the external advisors were necessary, you have got to justify it in terms of each bit of space that you want.' That is the process we are currently going through with the Policy & Resources Committee.

2235 We are not going to withdraw from the construction costs which we put before the States, because we believe that the schools need to be of that size to cater for what is needed in Guernsey. But there is actually quite a significant difference. If they were being built in England they would be substantially smaller than we are proposing.

The Bailiff: Deputy Dudley-Owen.

2245 **Deputy Dudley-Owen:** I am sorry, I do not understand that response at all. I would like that in plain English, if possible, from the President.

How does he reconcile the position? They are either too low and P&R are keeping them low, or the Committee are comfortable and they are not being kept low. One Committee Member is saying one thing and implying that the Education Committee is unhappy about the space standards and another Committee Member is saying, 'No, we are very comfortable with the space standards.'

2250 Which is it please?

The Bailiff: Deputy Fallaize.

2255 **Deputy Fallaize:** No, the Committee is uncomfortable with the space standards which were identified by the external advisor originally. That is the £42 million, or thereabouts, figure. The Committee is comfortable with the space standards which are at the level of the delegated authority provided by the States to the Policy & Resources Committee. That is around the low-£60 million mark.

2260 In order to ensure that there is an understanding around the Policy & Resources Committee table and support for the details of the final business case, we are working with the Policy & Resource Committee through each of the items which adds cost from the low-£40-millions to the low-£60-millions.

2265 The Policy & Resources Committee understandably is putting our Committee under some pressure and challenge and scrutiny to explain why this additional space is necessary in Guernsey when it would not be necessary in England.

2270 But we believe that it is necessary, because we do not want to go only for the minimum space standards, we want to have more generous space standards so that there is reasonably generous room, but which is affordable to the taxpayer and which the States are prepared to pay, unlike

previous projects which have always been thrown out because Treasury Departments have advised that the space standards exceed what Guernsey is prepared to pay.

The Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

Deputy Fallaize stated that the outdoor space is 42,697 m² and 20,659 m². However, these figures are some 14,500 m² larger than the external activity space statistics supplied to me by officers of ESC when asked for statistics relating to the BB103 standards. Please can Deputy Fallaize advise how the 14,500 m² discrepancy is made up and which set of figures are inaccurate; the ones supplied to me two weeks ago by ESC or the ones supplied today?

Thank you, sir.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Sir, I am afraid I am not aware of what was supplied to Deputy Meerveld two weeks ago. I do not believe that that request came to me or came through the Committee. But as I have said in response to his previous question, or one of his previous questions, if he has figures which differ from those which I have provided to the States, then please provide them to the Committee. I will enquire with officers and if there is any disparity we will be able to explain the disparity. All I can tell him is that his questions came in, I asked the officers to provide the technical information; this is the technical information.

I might suggest that if Deputy Meerveld, who is one of the signatories to the requête, came to meet the Committee, which we have asked to do consistently, we might, as well as trying to understand some of the parts of their requête, be able to answer his questions around the disparity which he thinks exist. But I do not believe I have any visibility on the previous set of figures which he says differ from this set of figures. But obviously I am happy to discuss it with him.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, I just want to clarify.

The Committee obviously has given this long thought. Does it realistically believe – it does not matter what might be achieved in theory – it will, at a reasonable cost, be able to increase the outdoor areas, or does it think it is probably taken that – and I note all the comments that were helpfully made today by Deputy Fallaize in that regard – as far as it can?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Well, certainly at Victor Hugo College there has not been any attempt to extend that space. So the answer in that respect is certainly there is more than enough space.

At Les Beaucamps, if there was the opportunity to purchase a grass field which could be used for sport near the school then we would take that opportunity. We do not believe that it is essential. Under the plans that we have, which include a very advanced artificial grass full-size playing surface at that site, we believe there is more than enough outdoor space. And again, I would compare it to Elizabeth College. We will have, at both of these sites, vastly more outdoor space and vastly better facilities than are provided on that site, for which most parents are paying very large sums of money every year.

These colleges will provide facilities to a much higher standard than most secondary schools students have at the present time. The Committee is very comfortable with that and is putting forward its plans on that basis.

The Bailiff: Deputy Gollop.

2325 **Deputy Gollop:** Well, as one of the requérants, I would be delighted to meet the Committee for lunch, a nice lunch – a nice healthy lunch or tea! (*Laughter*) But my question is about healthy lunches. On both questions the President has referred to space for lunch and so on. My question therefore is, if there was in the future a policy from the States, or a sense that we needed to move toward full lunches for the entire school cohort and in addition to that there was an increase in
2330 the school population aged between 11 and 18, how would the capacity as designed in the space outlines cope with that kind of scenario?

The Bailiff: Deputy Fallaize.

2335 **Deputy Fallaize:** Well, sir, you could say that about any kind of school model and any kind of building. If Deputy Gollop is suggesting that refectories should be built so that 1,300 or 1,400 students at our colleges, or 1,300 students at Les Varendes for those people that want a different model, should be built so that all those people can sit in one place and at one time, and for the rest of the day the space should remain completely empty, I disagree with him. He was free to
2340 propose that kind of solution to the States. He will need tens and tens of millions of pounds more to provide it.

What we are proposing to do ... There is no doubt that the refectory space at St Sampson's at the present time is not adequate. I know that from close personal experience as much as anyone. In our plans the refectory space is increasing and the number of students who will be using it any
2345 one time is decreasing. So the provision will improve.

There is perfectly adequate space for lunch and dining facilities at both of these colleges. If there was not we would be proposing more. But we do not need to because the space is more than adequate. As I have explained, if we were to meet minimum BB103 guidelines to have all of the food prepared on-site and everybody sitting down at the same time, the current space at the
2350 Grammar School and Le Mare de Carteret High School would need to more than double and not all of those schools were built 50 years ago.

The Bailiff: Deputy Tooley.

2355 **Deputy Tooley:** Thank you, sir.

Just briefly, I wonder if the President of ESC would like to agree to me that there is a world of difference between low and too low?

Thank you.

2360 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Yes, clearly. I mean if the Committee felt that any of the space standards in relation to any of the facilities were too low then we would not be proposing them. We would have proposed more generous space standards.

2365 But look, ultimately previous proposals have foundered partly on the fact that the space standards were too generous. I know some Members of the States voted for them, I used to vote for those school proposals. Could not get them through the States because the space standards were too generous and therefore the costs were too great. Deputy Green will remember, from personal experience, that.

2370 Now there are some Members, ironically some of the same Members who voted against those proposals, now saying, 'Ah, these space standards are not large enough. We should be prepared to invest even more in that!' There has got to be a balance between providing the space that is needed to have high quality facilities accessible to all of our students at a cost the taxpayer is willing to pay. We have struck that balance in the proposals which have been approved by the

2375 States in September 2019 and which we are now trying to take through the Policy & Resources Committee through various business cases.

The Bailiff: Deputy Trott.

2380 **Deputy Trott:** Thank you, sir.

So Deputy Fallaize has confirmed that space standards of the proposed buildings are, notwithstanding previous answers, at a material premium to that of the UK's. Is the President able to confirm that the additional space is already in the range of 25% to 40% higher?

2385 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: I do not have the percentage figure in front of me, but I think I can fairly safely confirm that it is in that kind of ballpark, which is indicated by the additional cost which we are effectively planning to spend over and above the space that would be provided if these schools were being built in the UK.

2390 The typical experience is that the inside of the schools in the UK, the buildings, would be substantially smaller. It might well be that in some, but my no means all schools, the outdoor space would be greater. But this is a function of living in a small Island where land is at a premium.

2395 We are not going, and we have made this clear to the Policy & Resources Committee, to cut the space standards below the maximum delegated authority that the States approved, because we do believe that it would not be possible to provide what we want to provide adequately or generously if we did that.

2400 But certainly the space standards are substantially above those which would be provided in the UK.

The Bailiff: Well, that concludes Question Time, and we can move on to legislation, Greffier.

LEGISLATION LAID BEFORE THE STATES

**The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit)
(Amendment No. 7) Regulations, 2019;
The Data Protection (General Provisions) (Bailiwick of Guernsey)
(Amendment No. 2) Regulations, 2019;
The Boarding Permit Fees (2) Order, 2019;
The Income Tax (Guernsey) (Valuation of Benefits in Kind) (Amendment)
Regulations, 2019;
The Income Tax (Pension Amendments) (Guernsey) Regulations, 2019;
The Health Service (Medical Appliances) (Amendment) Regulations, 2019;
The Social Insurance (Benefits) (Amendment) Regulations, 2019;
The Health Service (Payment of Authorised Appliance Suppliers)
(Amendment) Regulations, 2019;
The Health Service (Payment of Authorised Suppliers) (Amendment)
Regulations, 2019;
Document Duty (Amendment) Ordinance, 2019;
European Communities (Official Controls) (Implementation and General
Provisions) (Guernsey) Ordinance, 2019;
Reform (Guernsey) Law, 1948 (Amendment) (No. 2) Ordinance, 2019**

2405 **The Deputy Greffier:** Legislation laid before the States: The Health Service (Benefit) (Limited
List) (Pharmaceutical Benefit) (Amendment No. 7) Regulations, 2019; The Data Protection (General
Provisions) (Bailiwick of Guernsey) (Amendment No. 2) Regulations, 2019; The Boarding Permit
Fees (2) Order, 2019; The Income Tax (Guernsey) (Valuation of Benefits in Kind) (Amendment)
Regulations, 2019; The Income Tax (Pension Amendments) (Guernsey) Regulations, 2019; The
2410 Health Service (Medical Appliances) (Amendment) Regulations, 2019; The Social Insurance
(Benefits) (Amendment) Regulations, 2019; The Health Service (Payment of Authorised Appliance
Suppliers) (Amendment) Regulations, 2019; The Health Service (Payment of Authorised Suppliers)
(Amendment) Regulations, 2019; Document Duty (Amendment) Ordinance, 2019; European
Communities (Official Controls) (Implementation and General Provisions) (Guernsey) Ordinance,
2415 2019; Reform (Guernsey) Law, 1948 (Amendment) (No. 2) Ordinance, 2019.

The Bailiff: Well, I have not received notice of any motion to debate any of those items of
legislation, so we will move on to Policy & Resources Committee Reform of the Matrimonial
Causes Law, if you could announce that please Greffier.

2420

Billet d'État IV

POLICY & RESOURCES COMMITTEE

I. Policy & Resources Committee – Reform of the Matrimonial Causes Law – Debate commenced

Article I.

The States are asked to decide:

Whether, after consideration of Policy Letter of the Policy & Resources Committee entitled 'Reform of the Matrimonial Causes Law', dated 23rd December 2019, they are of the opinion:

- 1. To approve the proposals laid out in section 8 of the Policy Letter to reform the law relating to divorce, annulment and judicial separation of marriage.*
- 2. To direct the Policy & Resources Committee working in partnership with the Committee for Home Affairs and in consultation with the Committees for Education Sport & Culture and Health & Social Care to investigate and take forward actions to improve access to information and support services relating to family law matters, as part of the work on Justice Policy to 'remove delay from systems and processes relating to the delivery of services to children and young people in need, and to ensure that such systems and processes are centred on the best interests of the child or young person concerned', before May 2020.*
- 3. To direct the Committee for Home Affairs to consider and oversee the amendments required to the Domestic Proceedings legislation to align with the proposals in this policy letter to remove fault grounds.*
- 4. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.*

The Deputy Greffier: Article I, Policy & Resources Committee – Reform of the Matrimonial Causes Law.

2425 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, thank you.

In introducing this debate (*Interjections*) I shall be relatively brief, as Members clearly wish me to be, (*Laughter*) and just draw out a few key points.

2430 The States of course prioritised the review of this legislation governing how couples divorce and judicially separate or annul a marriage in the P&R Plan in June 2017. So it has been one of the pieces of work that have been prioritised in this term.

2435 Of course divorce, legal separation and annulment do result in a fundamental change in the legal status between couples and obviously that has significant long term implications for the parties concerned in terms of their responsibilities relating to finances, property and children. It is therefore an important part of our family law legislation.

2440 This Law has been in need of reform for some time. The current Law of course dates from 1939 and the review has been seeking to ensure that we have something that is more equal and inclusive; that is simpler and fit for purpose, including ensuring sufficient time, support and guidance is available for the related important decisions that do need to be made when a couple part, and where possible reducing the stress and conflict that often comes with these situations and result in poor outcomes for all involved – especially the children involved. But also developing a framework that is supportive of those who are wishing to reconcile and couples in these circumstances in general.

2445 The changes also align with the changes made in other jurisdictions – I will touch on that in a moment – and other changes made to Guernsey's Family Law framework in recent years, such as the Marriage Law, 2019, introducing a more modern Marriage Law; the Same Sex Marriage Law, 2016; and of course the Children's Law, 2008, which is currently being reviewed led by the Committee for Health & Social Care.

2450 The framework, we would also argue, recognises and aligns to some of the social justice principles, where inequality is decreased or removed and inclusiveness of diversity is promoted by treating all parties to a marriage equally, but of course, importantly, respects different religious beliefs and ensures that there are sufficient safeguards to protect vulnerable parties.

2455 The key components, and the central one I guess, is the introduction of a form of no-fault divorce, in other words, not seeking to attribute blame to one or other party, which is so central to the current Law; removing the ability to contest a divorce, in other words, recognising that if a marriage is over for one party it is over; and modernises the grounds for annulment.

2460 With simplification to the point that couples can process the divorce themselves, in other words, they do not need hopefully in many cases the requirement to use advocates and the cost that comes with that mirroring the situation that exists in, for example, Scotland and in due course the digit– (**A Member:** Digitalisation?) Thank you; I cannot get there this time – of the process following the legal changes, the suggestion that we are making is that the policy changes can be embedded in an online system and that is put in place to ensure the process works well.

2465 I am not intending to run through all the Propositions, in particular Proposition 1. I am taking that as read by Members, but obviously will be happy to address any questions that arise in summing up in the debate. I will briefly address the other Propositions.

Proposition 2: the intent behind this Proposition is to join up the separate work which is already underway in the same area in terms of information and support in Family Law that a number of different Committees are undertaking or planning to undertake.

2470 The direction is to investigate and take forward actions, not necessarily to have completed these by May this year. The Committee for Home Affairs was concerned about the timescale when we initially consulted, but I understand that the intention, once it had been explained, has given them some comfort on that point.

2475 The direction suggests the need to align the work underway as part of the Justice Policy and of course it is my understanding the Committee for Home Affairs intend to bring a policy letter on that again before the end of this term, and a review of the Children's Law that I have already mentioned, because all of these have touch points with the services that support families through separation. Both of those pieces of work are of course agreed through the 2019 Future Guernsey Plan.

2480 Proposition 3 is simply a minor amendment to align and then there are a number of issues which are really outstanding. There is the question of legitimacy and illegitimacy and the Committee for Employment & Social Security have agreed to propose to their successor Committee that this is a matter that is perhaps addressed so that will be dealt with through their handover report to their successors.

2485 There is the question of legal protection for cohabiting couples, a significant issue and a complex, one possibly establishing a family court and also the very complex issues around pension arrangements. These will be proposed for future consideration through the Policy & Resources handover report so that they can be given due consideration through the next round of policy prioritisation.

2490 As I think I have explained before, sir, it was Policy & Resources Committee's view that if we tried to do everything in one go we would end up doing nothing and therefore it was better to deal with these issues in bitesize chunks. This is obviously a significant bitesize chunk.

2495 So finally, in summing up, this is a major social change whose time has come. It is the job of Government to create the legal framework to enable couples to marry if they so wish and of course to enable that legal status to be changed on divorce if the relationship comes to an end. But in 2020 I am pleased that it is no longer seen as the job of Government to pry into

relationships voyeuristically seeking to understand what has gone wrong under the false premise that making that information public through the divorce process is somehow in the public interest
(**A Member:** Hear, hear.)

2500 Had this been proposed five or even 10 years ago, I have no doubt that it would have met strong opposition. But today, as the consultation showed, as is detailed in the policy letter, it has actually met with very strong support. And I am delighted too that we can move before Jersey (*Interjections*) and of course also England and Wales, where both the current and former Lord Chancellors have endorsed the concept of no-fault divorce, but have not yet been able to deliver that change, although it is fairly imminent in England and Wales.

2505 I therefore ask Members to endorse the Propositions in this policy letter, sir.

The Bailiff: We will resume at 2.30 p.m.

*The Assembly adjourned at 12.32 p.m.
and resumed its sitting at 2.30 p.m.*

POLICY & RESOURCES COMMITTEE

Reform of the Matrimonial Causes Law – Debate concluded – Propositions carried

2510 **The Bailiff:** We resume debate on the Reform of the Matrimonial Causes Law. Who wishes to speak?
Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I wholeheartedly support the Propositions and I take great comfort from what we are told in paragraphs 14.2 and 14.. We are told in those paragraphs:

14.2. The transition arrangements to the new ... formalities including training for Court staff and judges will be one-off costs and will be managed through existing Royal Court resources.

14.3. No ongoing costs are expected, but in due course if the process is to be digitalised then ... it is feasible to assume it will be possible for this requirement to be incorporated into any future digitalisation of the Royal Court.

2515 Now I say I take great comfort from all of that because, far too often, we are told that in order to put facilities and processes in place and progress initiatives we will need more resources, which of course means more money or more staff, or sometimes both. That is not so in this case, thankfully, and that is extremely good news.

I also take great comfort from what we are told in paragraph 16.2, where we are told:

The public were consulted on the proposals to reform and the majority were supportive of the Committee's main proposal.

2520 I say I take great comfort from that because we hear it said all too often, out in our community, 'the States never listens to the people'. Well, here is yet another prime example of the States listening to the people. So we can only hope that the tedious mantra of, 'the States never listen to the people' is now amended accordingly, out in our community.

Thank you, sir.

2525 **The Bailiff:** Very unusually, Members, we have got through the whole morning without anybody asking to remove their jacket! Now obviously some people have warmed up over lunch

and those who wish to do so may remove their jackets. (**A Member:** Retrospectively!) Retrospectively.

2530 Deputy Lowe.

Deputy Lowe: Thank you, sir.

2535 The policy letter presented by the P&R Committee today makes several references to the Committee *for* Home Affairs and it may be useful if I clarify the position of the Committee in this particular matter. The Domestic Proceedings and Magistrates' Court (Guernsey) Law, 1988, for which the Committee *for* Home Affairs is responsible, currently enables a married person to apply to the Magistrates' Court for a separation order and financial provision. Such an application may be based on behaviour, desertion, or adultery, or the respondents' failure to provide maintenance for the applicant or their children.

2540 If the States resolve that fault should be removed from divorce, as is recommended by Proposition 1 of the P&R Committee's policy letter, the Committee considers it would be sensible to remove the necessity to prove fault from applications under the 1988 Law. Subject to the States' approval of Proposition 1, the Committee *for* Home Affairs will consider and oversee the amendments required to the 1988 Domestic Proceedings legislation, so that it aligns with the proposals to remove fault grounds from divorce.

2545 This will, however, as Members will appreciate, have to be prioritised alongside the Committee's existing legislative and policy commitments. Further, as part of its work on justice policy, the Committee *for* Home Affairs recognises the potential benefits of improved access to information in relation to support services for Family Law matters and as a means of reducing delays in process relating to the delivery of services to children and young people.

2550 In this respect, when the Committee considered this aspect, it agreed it would support, in principle, Proposition 2 and work with P&R and other Committees to improve access to information. The reason for the in-principle caveat is that, to expect this complex issue to be investigated properly and actions implemented before the end of May this year is unduly optimistic. That is not to say some small changes cannot be made in that timeframe, but there is a need for realism in all these matters.

2555 Thank you, sir.

The Bailiff: Deputy Dorey.

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Deputy Dorey: Thank you, Mr Bailiff.

2565 I also support the Propositions, but I have a couple of points. As I understand, a grant used to be paid to Relate, but for the last two years has not been paid. My concern is that there needs to be available to Islanders, I believe, a relationship counselling service. I think everybody accepts that there is benefit from people being able to have access to such a service, so that they can at least try and repair a relationship.

2570 If you are not going to provide a grant to a charity to provide this service, then either we need to find an alternative charity to Relate or provide the service ourselves, to our community. I just ask the President of P&R what he intends to do to ensure there is a relationship counselling service?

2575 I do notice that, I think, the Deanery have made a grant to the charity – I think it was announced at the beginning of this week – but it is not of the same proportion as the grant that used to be paid by the States. Also, in paragraph 5.7 on page 10, it speaks about the situation in other communities and it mentions that civil partnerships are not available in Guernsey. I just wondered, in the reforms that P&R have been doing in relation to marriage and relationships, legally, are there any plans to bring civil partnerships in Guernsey?

Thank you.

The Bailiff: Deputy Gollop.

2580 **Deputy Gollop:** Yes, I can follow a lot of what Deputy Dorey says because I was asked only the other day about the anomaly that, despite a successful Resolution in the Assembly, put across by Deputy Roffey in a requête, for civil partnerships for gay couples, that never actually happened. And of course now it is an option, from Christmas onwards, for heterosexual couples as well, which was in the original Roffey Requête, he was ahead of his time. But that has not been acted on, here, either.

2585 Now we have discussed at Social Security, in a brief manner, the complicated issues related to some of these wider questions and I think the board were overwhelmingly supportive of work done on looking at any remaining prejudice or problems with illegitimacy, but the other issue relating to the rights and duties and settlement arrangements of couples who might not be legally married, in the Guernsey sense, but still together, but really it is a complicated workstream that we know requires significant resources, both in political time and the staff and legal assistance. I am willing to do that, personally, but you know it cannot be done overnight.

2590 That brings us to another question. I have been a Member and I know Deputy Le Clerc says, 'You must be more loyal to us' – and I am loyal. I perhaps was a bit naughty when recently BBC Guernsey covered the Relate question, the one that Deputy Dorey has identified, because I was a bit upset that the Relate grant was cut. I did not myself go to those meetings to explore it with the charity, but we knew, as a Committee with collective responsibility, we had to trim our budget according to the overall avenue of the States and the instructions and the dimensions that Policy & Resources put to us.

2600 We have our priorities and our priorities were more on helping the people with significant disabilities or with financial issues, rather than Relate. I thought about the Relate decision and wish we could have supported them. But voluntary organisations have a model and a way of working. Some are extremely successful at raising money privately, or from sponsors or from benefactors, others less so.

2605 Of course, the very nature of this policy letter – to stick to the point, as the Bailiff certainly asks us to – is very much about managing break-up and divorce. Whereas Relate is about a whole wider range of conversation about relating better in a relationship. In my view, Relate is obviously a very worthy third sector organisation, but is more within the mandate of Health & Social Care, because it is part of mental health, wellness and so on.

2610 This brings me to another topic that I think another workstream that Policy & Resources could put more effort into maybe – we all could – is working with a Partnership of Purpose with the third sector, the voluntary sector. I know Deputy Stephens and Deputy Le Tocq have done a lot of work on that over the years. We need to have a holistic strategy across the six Principal Committees and P&R on who we are going to support, and what criteria we wish to support and which services we should give to the third sector. So that is my take on that, because I am very much part of the Employment & Social Security decision.

2620 On other issues here, another relevant ESS issue is we actually have the responsibilities – it used to be the Policy Council – for managing the legal aid budget and we know that legal aid can be expensive for people seeking divorces; yet we have information that we should be careful with the budget, not to have an ever-open door to higher and higher legal aid and perhaps our legal aid is nowadays slightly more generous, certainly in its fees, than the UK model.

But this policy letter clearly calls to direct the Policy & Resources Committee, working in partnership with other Committees, to investigate and take forward actions to:

investigate and take forward actions to improve access to information and support services relating to Family Law matters, as part of the work on Justice Policy to 'remove delay from systems and processes relating to the delivery of services to children and young people in need, and to ensure that such systems and processes are centred on the best interests of the child or young person concerned' ...

2625 Well, that is not just a Children and Young People's Plan initiative. It does imply, maybe, a Family Court. I have said on social media I believe that the next term will hopefully have the time and space to look at a certain amount of legal reform so that we find ways of doing Civil Law and

Family Law in more modern, cost-efficient and appropriate ways, and that might imply more work on mediation.

I heard one media pundit suggest that we should not be encouraging divorce and we should look at it from the other angle and give compulsory counselling to people who wish to get married. That goes well beyond this scope and does not take into account people who are together in other contexts. As Deputy St Pier has pointed out in the policy letter, clearly three quarters of the population want to move away from the old-style fault divorces. I think some church groups do as well, so I am happy to support all of the policy letter.

I will make just one other observation. It is still possible in this day and age, as I come into the States, or the Legislation Select Committee, to stand, watching the reception of the Royal Court, in the new entrance, and you still see 'divorces pending', with their names and addresses. I wonder if that is really appropriate in the long-term and maybe that is a survivor of when it used to be in the *Guernsey Press* and I do not think, long-term, that is probably the way to go.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

I will be quite brief because Deputy Gollop has actually touched on this. Under 1.15 it does talk about co-habiting couples and such is the lack of protection of those couples. This does concern me, sir, because it is often, I believe, that it is not until co-habiting couples break up or split up they actually realise they do not have the relevant protections which they believed, in all honesty, in a progressive, modern community, they would have.

So although it is alluded to, such is the lack of protection, I wonder if Deputy St Pier could actually expand on that for us and let us know what lack of protection it is actually referring to, because I do believe there are more than just protections towards tax laws.

Also, sir, I wonder if Deputy St Pier knows, from the consultation that they did, if there was an indication of what percentage of our community are now living as co-habiting couples rather than as married couples; because I would reasonably expect that many couples who are co-habiting are not getting married.

I do not know that for a fact but surely, from the consultation, as there were questions on that consultation regarding this, I believe, because I did actually fill that out, if we have got an indication of a percentage of the population co-habiting and the other question is, lack of protections. I think we need to be more open and transparent and let our community know that, if you are co-habiting, the lack of protections are actually these, these and these so the members of our community are actually informed as to the risks ... well I say risks, sir, the risks versus benefits of being married *per se*, but certainly co-habiting and what they should be aware of. I just do not think it is open and transparent.

Thank you.

The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

I too wish to thank P&R. I thought it was an excellent policy letter, a lot of work gone into that, and come out with some great recommendations. I am going to also add a few comments to it, because I think it is worthy of such. I start with Proposition 1, which I think is explained quite well in paragraph 4.5, the first bullet point, which states that the first reform proposal is to retain:

irretrievable breakdown of marriage as the sole ground for divorce but removing the requirement to provide evidence of conduct or separation facts ...

I think it is worth thinking about that, because for me, the removal of the requirement to produce evidence of these two things ... we have often seen it on the telly of how evidence is produced for a fault-based divorce. The accidental interruption by the hotel housekeeper of an

adulterous act, surveillance of one party to the marriage. But for me, through my work in the Family Law department in the UK, it is what I heard when we were taking instructions from clients, the recounting of such awful, unreasonable behaviour, abuse, both physical and mental, listening to reasons for the many years of bruises and coercive control was really heart-wrenching. Whilst the suffering, unfortunately, will go on, at least the evidence and that need to recount it should no longer be needed.

Similarly with separation facts no longer being required, that is actually not at the front of one's mind when you think about divorce but the question arose quite a lot of times when ... because to set the two or five-year clock ticking, you had to separate. Obviously not everyone can afford to move out and some do not want to move out because, for children of the family, it is much better if, whilst they want to divorce, they can get on and stay in the same relationship in the same environment and they sit better for the children, even though they are intending to go their separate ways at some point.

Similarly, the ability to make a joint application and the removal of the ability to contest a divorce all reinforces this non-adversarial nature of the changes. So as well as removing the fault, mediation is also, for me – I have mentioned it many times – a very important tool to help people going through this. Not just, of course, their emotional side, but the financial side. That is something that is always ... when I say always, quite often the sticking block.

For example, somebody can turn around and say, 'Yes, you can have the house and I will have the car.' Then, all of a sudden, there is this particular asset, like the dog, and all hell breaks loose. It is strange what can happen when you are discussing with people, trying to keep it as amicable as possible.

At 6.30, we are told:

the use of ADR methods as a means to reduce conflict and reach an agreement on ancillary matters does not seem to be widely accessed.

I agree with that. That is my impression. The next sentence says:

Overall, it was felt that there was a need for greater awareness and clarity of the support services available to couples before the marriage has [irretrievably] broken down or to assist them reach the necessary agreements following the filing of a Petition.

Deputy Dorey, obviously, and Deputy Gollop have mentioned Relate, for example, and the mediation and the signposting of services I think is extremely important. But also of course the simplification of the process. This will remove the need for petitions to be filed through an advocate; all go hand in hand with aims to support Islanders at a difficult time and also, quite nicely, to save some money for the Court.

The fact Islanders have to use advocates, who charge higher costs in comparison to other jurisdictions, combined with the fact there is not a more affordable alternative, is something I have mentioned before and do feel strongly about. Paragraph 9.5 of the policy letter sets out ways to provide greater clarity on costs, which I also fully support. At 9.9 it says:

It is also expected that practitioners will take on board the findings of the Review and seek to fully ensure their clients are better informed, in advance, of the likely costs that will be incurred.

I am reliably informed, by a Member of this Chamber, that there is currently a method for the payer of advocates' costs, in litigation, to ask for an independent person, or taxing master as it is called, to review bills of costs. It would be good if it applied to all bills, not just in litigation, as it would encourage transparency for the client and it gives the duty to advocates to provide clear cost advice at the beginning.

So all of these recommendations in the policy letter are a step in the right direction in ensuring a greater equality in the access to justice. As I mentioned, the support service is very important and talking through issues in a calm manner can save time, emotional energy and money.

Mediation is a great tool, but it must be understood it is not there to beat a weaker partner into submission but is there to come out with a solution in the best interests of all parties.

2720 The one thing that I would have liked a little bit more detail, that is not in the policy letter, is something Deputy Gollop mentioned, which is the effect on the legal aid bill. For me, it does imply that if you do not have to use an advocate to present the petition ... highly likely that there could be a reasonable amount of saving. There is also the ability to have no-fault divorce, which could also assist with other aspects of the process, because you are not having adversarial and I think actually that is not just a good thing for personal wellbeing, but it is also potentially
2725 something that will benefit with the reduction in the legal aid bill.

This policy letter is an important step in the right direction and I hope that matters in section 8 will assist families and go some way to removing the cause of the pain of divorce, which unnecessarily damages the mental wellbeing of both parents and of course children and I think that is a real important part here and is certainly something that I am sure all Members here will
2730 wholeheartedly hope will be the outcome.

But it does not matter where you are. The same emotions are involved when ending a relationship. The same emotions can affect the discussions on splitting the finances and the same emotions do untold harm on the children. Having seen many a family torn apart by divorce, especially when fault has to be proven, and being involved in mediation, this policy letter will help
2735 many in the future and so I urge Members to support these Propositions.

Thank you, sir.

The Bailiff: Deputy Le Clerc.

2740 **Deputy Le Clerc:** Thank you, sir.

I have just got a couple of points to make. My first point is on page 35, on 'Resource implications', it says in 14.3, and I think it was Deputy Lester Queripel that highlighted this, that:

No ongoing costs are expected ...

Well, actually, as President of the Committee of Employment & Social Security, there is work for us to be done next term on the legitimacy and we prepared to put that in the handover report,
2745 but I think it is fair to say that there will be some resources that will be required to carry on that work and bring that back to the Assembly.

So I just question, 14.3 intimates that there is not cost but I think there will be costs for our Committee, for Home Committee, for Health & Social Care Committee next term ... so just to ensure that that is going to be adequately resourced so that we can bring it all back in a timely
2750 manner.

But I just wanted to pick up on Deputy Dorey's question, and it has been mentioned by a couple of other Members, and that is on the Relate situation. I said to Deputy St Pier I will answer the questions. Up until 2018, Employment & Social Security were responsible for a grant of approximately £21,000 to Relate each year. During 2016-17, Relate approached us and asked us
2755 for an increase in their budget.

During that time, we were all under pressure for budgets, and we discussed with them how they might want to offer their services slightly differently. They talked about expanding their services and I think we pointed out at the time that some of the expansion plans that they had, there were already other third sector organisations either offering that service free of charge or
2760 there were other providers providing a counselling service with a small fee.

We said that we were willing to help them with their business case and have a look at that. They went away and we heard very little back from them. Perhaps another couple of meetings but no more than that. Actually, when it came back to the full Committee, I think it was decided at that time, actually I am not sure that the business focus for Relate actually fitted in with
2765 Employment & Social Security mandate.

We informed them at that time that we would not be providing a grant beyond 2018. Again, if they wanted to discuss that with us, they intimated at the time that they would have alternative forms of funding. I do not want to go into third sector funding of an organisation in this Assembly but, needless to say, we felt at that time that they had alternative sources of funding, so we withdrew our funding from 2018.

Now that money did not stay with the budget of Employment & Social Security. That £21,000 has now been returned back to the General Revenue, so that is back with Policy & Resources as it were. I would say that, if Relate are struggling, then it is for them to come back to Policy & Resources, with a business case. In view of this policy paper, where it talks about, I think it is on 6.29 and 8.49, relationship counselling, their proposals 18A and 18B on page 28 and what is available, this policy paper is saying that there is mediation available.

Cafcass is a family mediation service. Now there is a fee for Cafcass so it may be that there is some other way of providing some financial support for the mediation services. But I just wanted to give an update on where we were with Relate and to say that money is not just being taken into ESS budget, it was returned to the Policy & Resources budget and I hope that clarifies the position for everybody.

Thank you, sir.

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Thank you, sir, and I thank Deputy Le Clerc, who has just spoken before me, for dealing with some of the issues and that will shorten what I am going to say. I welcome the proposals, primarily because they are step towards the sort of scenario of *union civile* that I suggested in the last Assembly in that, really, what these proposals do is make civil marriage in Guernsey effectively a recognition of co-habitation. They largely remove the sexual, ethical and religious undertones that have been in our Marriage Law for some time.

I think that is absolutely appropriate because I do not think the States should get involved in trying to define, for individuals, what that relationship should be. Now some people have mentioned civil partnerships. I think it would be very easy to move from this position to a position where we keep, effectively, the Law that it is, and people can choose to call it what they want. If we are just talking about a name I know that certain individuals do not like to use the term marriage because of its historical connections to religious ceremonies.

But from my point of view and bearing in mind we live in a pluralist society, there are lots of different views and different attitudes towards marriage and the definitions of adultery and the effects of consummation being included in the Law made it, in my mind, hypocritical. From my perspective and my wife, myself and our community of faith believe, with regards to marriage, marriage as defined by Law in Guernsey has been far too easy to get into and far too easy to get out of for very many years. It is not nothing like the Biblical view of marriage that, as a covenant, we would see.

We are very happy with other people having other views but we do not think the States should get involved in that sort of nitty-gritty and I think that is where, very often – I have seen this pastorally – families, particularly couples, have ended up fighting over issues that really the state should not get involved in and it has over complicated matters. It has certainly made a lot of money for lawyers and it has caused a lot of stress in families.

So removing that means that people are then free to choose how they relate, how they act out their relationships in the communities that they choose to relate to and how that is respected by the wider community. As far as the Government is concerned, the State is concerned, I think they should remove themselves from the things that these proposals suggest and concentrate only on the issue of two people choosing to live together and the rights and responsibilities that come with that. That is what it effectively moves towards.

So I do think in the end it will take some time because culture change does take time. But I am glad we are moving ahead of other jurisdictions in this respect. I expect that the complications

that arise and cause anxiety, stress and very expensive legal fees, will diminish, as people seek other routes to resolve those issues.

2820 So, sir, I do encourage the Assembly to vote for these Propositions.

The Bailiff: Deputy Tooley.

Deputy Tooley: Thank you, sir.

2825 I am very supportive of these proposals. I think it is high time we had a legal system that looked like this around the ending of marriage in this Island. I did have one small, niggly concern that has occurred to me during the course of debate and that is around the situation of legal aid.

As has been said, there is a potential benefit to the community in lowering the cost of legal aid because there will not be the requirement, necessarily, in simple divorce cases, for lawyers and so on to be considered. I would just like some assurance that there is no suggestion that it would be made more difficult for somebody who felt the need to be represented by somebody with experience of the Law, rather than representing themselves.

I would like reassurance that somebody in that position would not be in a position where we would be saying we do not need legal aid for that because you do not actually need a lawyer to be able to do it. So I would like some assurance that is a protection that will be there for those who do not feel able to put their own case and bring this forward for themselves.

Thank you, sir.

The Bailiff: Deputy St Pier will reply.

2840

Deputy St Pier: Thank you, sir, and thank you for those that have contributed to the debate.

I thank Deputy Lester Queripel for his comments in relation to what has been noted in the policy letter on resources. I hope he also finds reassurance that, as the policy letter notes, this policy letter has been produced as the result of quite a lot of engagement, including with the Royal Court, which enabled us to make those comments with some confidence. Indeed, also the engagement with the Family Bar enabled the comments around costs and section 9 of the policy letter, which Deputy Tindall also referred to.

Deputy Dorey was the first to raise the question of Relate. I think I have very little to add to the comments which Deputy Le Clerc has made in response to that and I thank her for that. Deputy Dorey also was the first to raise the issue of civil partnerships. Of course civil partnerships ... we need to examine their history. Their history was originally to provide, frankly, an available option for same-sex couples. It was clearly at a different part of the community's social history, when it was felt that, I guess, society was not quite ready to recognise same-sex marriage, but there needed to some kind of legal alternative.

Clearly, as has been noted I think by Deputy Gollop, in England and Wales, things have moved on and there is now a requirement to give recognition opposite sex partnerships in a way that was never originally envisaged. From Policy & Resources' consideration of this issue, and we did give it some consideration, our view was simply that it is just not a priority for this community at this time. We have not found any significant pent-up demand for civil partnerships, either from same-sex couples or otherwise.

So I do not think it is necessarily precluded, as Deputy Le Tocq has said. I think in the future it could be something that could be developed if it was felt that it was necessary. But I do not think we felt that it warranted the devotion of time and resource to develop a proposal and develop a new legal regime at this point. But that does not close it off for the future if it is felt appropriate for the future.

In relation to paragraph 1.15, which Deputy Merrett raised in relation to the lack of protection for co-habiting couples, I do not have the number I am afraid. I do not know what the proportion of people currently living in co-habiting relationships is. I think the lack of protection that we were referring to was really many of the misperceptions that many couples would have about their

2870 rights, whether they are legal rights, property rights, inheritance rights, rights to financial assets, the rights of next of kin, of course, which is also another particularly important issue, to be able to make decisions on behalf of their loved ones in situations where that is called upon.

We absolutely recognise there is a whole body of work there and Deputy Le Clerc noted that will be a responsibility, potentially, for the next Committee *for* Employment & Social Security, if they choose to pick it up. But it is a large, complex area. But I think, given the number of people it does affect, it is something, or it should be in our view, a priority for the next States to seek to grapple with rather than leaving it in the 'too hard' box. But that will be an issue for the next States.

2880 Deputy Le Clerc did make a point – I think it was a valid one – in relation to the comment in 14.3 about the resources for these proposals. Clearly the comments we were making were about these proposals. In terms of the ongoing costs for her Committee and its successors and indeed other Committees, clearly there may be some resource requirements need for that work, to the extent that is in addition to existing Policy & Resources, either within that Committee or the wider States at the time, that will need to be prioritised in accordance with the normal processes. It is certainly a valid point that she has made.

2885 Then I think, finally, from Deputy Tooley's question that she raised, I think I can give the reassurance she is looking for. There is absolutely nothing in these proposals which seeks in any way to change the rights of access to legal aid. Again, in the future, whether as a result of the operation of this new regime, there is a view taken that should be changed in the future that is a matter for further down the track. But there is nothing in these proposals that seeks to do that.

2890 Clearly the mandate for legal aid sits with the Committee *for* Employment & Social Security and of course the legal aid administrator is key to that in providing policy advice to them as to what is appropriate, given the experience of operating the legal aid scheme. So I hope that addresses Deputy Tooley's concerns and with that, sir, I do urge Members to support all the Propositions.

The Bailiff: There are four Propositions. I put all four to you together. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

II. Secondary Pensions –

Detailed proposals for the Introduction of Automatic Enrolment into Private Pensions and the Establishment of 'Your Island Pension' – Propositions carried

Article II.

The States are asked to decide:

Whether, after consideration of the policy letter entitled 'Secondary Pensions: detailed proposals for the introduction of automatic enrolment into private pensions and the establishment of "Your Island Pension", dated 27th December 2019, they are of the opinion:

1. That a duty should be imposed in legislation on employers to ensure that eligible employees are automatically enrolled in a qualifying pension scheme ("the auto-enrolment duty"), as described in section 1, into which employers and employees shall be required to make defined minimum contributions.

2. That the imposition of the auto-enrolment duty on an employer should be phased in by reference to the number of employees that are employed by that employer, as described in Appendix A.
3. That the defined minimum contributions of employers and employees into a qualifying pension scheme should be increased over seven years from introduction, as described in Table 1 in section
4. That exemptions to the auto-enrolment duty and the attendant duty to make defined minimum contributions should be specified in legislation, as described in section 8.
5. That the sharing of relevant data between the Revenue Service and other government and regulatory bodies and agencies should be permitted through legislation for the purpose of monitoring and enforcing employers' compliance with the auto-enrolment duty and the payment of minimum contributions, as described in section 17.
6. That a pension scheme ("the Scheme") should be established as described in section 3, and that further to this:
 - a. a statutory corporation should be established to act as the Trustee of the Scheme;
 - b. the rules governing the scheme and the operation of the Trustee should be publicly available, and established and amendable by the Committee for Employment & Social Security;
 - c. the governing board of the Trustee should be appointed by the States of Guernsey on the recommendation of the Committee for Employment & Social Security;
 - d. the Policy & Resources Committee should make available on demand, a loan facility in favour of the Trustee, on such terms as the Policy & Resources Committee may agree, for the purpose of providing financial support to the Trustee until such time that it becomes financially independent;
 - e. any necessary minor legislative changes are made to ensure that the Trustee and the Scheme may be licensed by the Guernsey Financial Services Commission as appropriate, and are subject to the same regulatory requirements (subject to any necessary modifications) as other comparable pension providers.
7. That Smart Pension Ltd, or a subsidiary of Smart Pension Ltd, should be appointed to deliver administrative and custodianship services to the Scheme, as described in section 14, and in furtherance of this:
 - a. the Committee for Employment & Social Security should have authority to contract with Smart Pension Ltd to develop these services until such time as the Trustee is established and can assume responsibility for the delivery of administration services, and
 - b. to direct the Policy & Resources Committee to make available on demand a loan facility of £800,000 in favour of Smart Pension Ltd, on such terms as the Policy & Resources Committee may agree with Smart Pension Ltd, for the purpose of establishing the scheme.
8. To direct the Committee for Employment & Social Security to report back to the States within six months with proposals for enforcing employers' compliance with the auto-enrolment duty and the payment of minimum contributions, as described in section 17.
9. To direct the Committee for Employment & Social Security, after consultation with the Revenue Service and the Trustee, to report back to the States by 2025 with an update on the introduction of these proposals, and proposals for the introduction of an auto-enrolment system for self-employed and non-employed people.
10. To direct the Policy & Resources Committee to investigate the best way for the States of Guernsey to fulfil its obligations as an employer under these rules, and make any changes to the public sector pension scheme it deems necessary, following consultation with the members of that scheme, to comply with the proposed legislation.
11. To direct the Policy & Resources Committee to consider the impact of the auto-enrolment duty when preparing the budget for 2021 onwards.
12. To direct the preparation of such legislation as is necessary to give effect to these propositions.

2900 **The Deputy Greffier:** Article II, Committee *for* Employment & Social Security, the Secondary Pensions – detailed proposals for the introduction of automatic enrolment into private pensions and the establishment of ‘Your Island Pension’.

The Bailiff: Deputy Le Clerc.

2905 **Deputy Le Clerc:** Thank you, sir.

This is the second paper on this topic that the Committee has brought to the States. A scheme of this nature received overwhelming support in February 2016, when the in-principle proposals were debated and only two Members voted against at that time. We are hoping that support will continue to remain strong for the detailed proposals we bring today.

2910 Auto-enrolment has proved to be very successful in the UK. The auto-enrolment policy, supported by the NEST pension scheme, has resulted in an extra 10 million people and those who do save have started earlier. Their opt-out rates, at around 9%, are far lower than initially modelled and we think that we can replicate those sorts of rates with this scheme.

2915 The original 2016 Report indicated that approximately 25,000 residents of working age in Guernsey and Alderney are not making any private pension provision for themselves. They will be relying solely on their States’ pension when they retire if they do not do something now. Guernsey is not alone in facing these issues but we are facing up to them and doing something about the future financial security of our Islanders.

2920 To receive a full Guernsey pension, a person will need to make insurance contributions over a 45-year period. With many young people starting work later in life, taking career breaks, many will not achieve a full pension record. In fact there are many pensioners not receiving a full pension even now.

2925 This leaves and will leave many individuals with insufficient income to support themselves in retirement. There are currently over 900 pensioners receiving some level of assistance through Income Support today. There will be growing reliance on Income Support to provide pensioners with top-ups and financial support, increasing General Revenue spending in future years, if we sit back and do nothing, kick the can down the road for another States to make the difficult decisions. Perhaps even more worrying we would be placing the financial burden on those of working age when we know the demographics will be changing and there will be fewer in work supporting more in retirement.

2930 We are therefore bringing before you today plans for our auto-enrolment scheme. However, there will be an option for an employee to opt out and for employers already offering a qualifying scheme that is at least equal to or better than this new scheme, that they can continue to provide that scheme.

2935 This is about making that saving easy and the norm, not about making it mandatory or taking the choice away from Islanders. We have endeavoured to make the scheme both affordable and understandable, as we know there are many put off by hefty annual fees and charges and the technical jargon around pensions.

2940 We felt that it was better to have an arm’s length approach, on the day-to-day administration, to distinguish clearly that this is not part of the States’ pension. This will be an individual’s own pension pot, portable and mobile, that can be taken from job to job if necessary. The opt out nature is flexible enough to allow for changes in financial circumstances, such as starting a family or taking on a mortgage, *etc.* We have called it ‘Your Island Pension’, YIP, which we hope will send the message very clearly: it is an individual’s pension pot, distinct from the State pension.

2945 There have been some murmurings that business start-ups should be exempt from the scheme. There was much discussion within the working group and it was decided that, as the scheme was going to phased in, this would give smaller start-ups time to plan, build the cost into their business plan. There are no exceptions in the UK for start-ups. Start-ups in the UK also benefited from the staged launch by virtue of their size, not the age of their organisation.

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It is also a challenge to define what a start-up is. We have found it very difficult to find a useful definition in any legislation to use as a template. Start-ups are a very broad group. On the one hand, you have the self-employed plumber, setting up on his own or starting with one or two employees. On the other hand, you have a potentially substantial organisation that has an established presence in another jurisdiction, wishing to start up in Guernsey, who may employ 20, 30, or more staff. Are they really a start-up?

What would the phasing period be? We know that the working-age population will be declining. I believe that employers, including start-ups, will be actively seeking the best staff they can and want to offer the best package of benefits they can, and we hope, therefore, be keen to be part of this scheme,

Although the States will be involved in instigating the scheme and providing some initial funding and the necessary legislation, thereafter the governance will be at an arm's length, as outlined in our proposals. We are proposing the administration will be provided by Smart Pension Ltd, and we have included information on Smart Pension in our Appendix C.

Smart have been through the States' comprehensive procurement process. They are offering a digital platform, a smartphone app, where individuals can track their pension and investments. We need to remind ourselves that, although we want all ages to start a pension, this is targeted at our younger workers, who we want to encourage to start saving as soon as possible in their working life.

Robust governance is also important, but we also know that the scheme needs to be transparent to inspire trust and confidence. What better way to do that, by making sure every member has their up-to-date account balance, investment returns and fee information at their fingertips. In addition, Smart will have a small on-Island presence, for those wanting more traditional contact and service.

At this point I should note one area where our plans have recently deviated from what is written in the policy letter. Section 9 refers to re-enrolment, which is the obligation of an employer to periodically revisit the enrolment status of those who have opted out. The policy letter suggests that re-enrolment would occur on the third year anniversary of the employees' initial opt-out. We have decided to simplify this. Instead, every employer will be obliged to go through just one re-enrolment exercise every three years, with exceptions for any employee who opted out in the previous 12 months. This is in line with the UK and we think will be simpler and easier for businesses to introduce. This change does not affect the Propositions.

As outlined in the policy paper, financial support will be needed from the States in the early years, only after which the scheme will be financed from relatively modest annual management charges on the invested funds. Yes there is some income loss in tax revenue on contributions, but we cannot afford to prevaricate; kick the can down the road. In the long term, the benefits will be substantial, not only to the individuals that will face their retirement with greater financial security, but also to Government, with potentially less people needing support and assistance.

Sir, I ask this Assembly to endorse our proposals without delay. Thank you.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, in 1965 Pete Townshend wrote a song that became a worldwide hit for his group The Who. It was called *My Generation* and it contained the immortal line, 'I hope die before I get old.' He did not write the song because he felt that pensioners were getting a raw deal from the government, he wrote it because he felt young people were getting a raw deal from the whole world. He was saying that young people were getting real fed up of being told what to do, told how they should dress and how they should behave and that they should be thinking about providing for their old age.

He was urging young people to rebel against all of that and live whilst they were young, to live every day like it was the last day of their lives and forget about getting old, because living fast

probably resulted in your dying young anyway. That is extremely relevant to this debate because the scheme in front of us has a similar timeline attached to it as the time from now back to 1965.

3005 Nineteen sixty five is 55 years ago and the scheme itself in front of us has a timeline of 52 years projected into the future, before it becomes successful. For the benefit of those listening on the radio, who may not have read the policy letter, we are told that in paragraph 20.7 on page 49. We are told that the expense to Income Support should become net neutral by 2055 and that, by the end of 2072, Income Support expenditure is expected to be £500,000 lower than it would otherwise have been.

3010 Now, in 1965 I was 13 years old and I was a great fan of The Who. I loved their music and I loved their rebellious attitude. Those 55 years have absolutely flown by and here am I, already three years a pensioner. So my message to any of my colleagues in the Assembly and also anyone out in our community who do not consider private pensions to be a serious issue is that it is time you did, because poverty in old age is a serious issue.

3015 I say that because, in my capacity as the chairman of the Age Concern fuel fund for six years, I worked with dozens of pensioners here in the Island who do live in poverty – many of them through no fault of their own. They were not able to set up private pensions in their younger day. They did not have spare cash, on a weekly basis, to do that. They needed every penny to simply survive.

3020 Of course many of them thought they were already contributing to a state system that would provide enough for them when they reached their pension age. By the time they realised the state system was not going to provide enough for them when they reached their pension age, it was too late.

3025 I do have some questions for Deputy Le Clerc, sir, but before I ask them, I think it is important to emphasise that some of those dozens of pensioners I referred to a moment ago did not realise they qualified for Income Support. One of the primary reasons for adopting this pension scheme is to reduce expenditure for Income Support. But I go the opposite way in this instance. I encourage all Islanders to call Income Support on 732511 and ask whether they qualify for Income Support. Sir, I have cost Income Support tens of thousands of pounds since it was introduced and
3030 I am proud of it because that money has gone to help people, the most needy people in our Island.

Getting back to the Propositions in front of us, I have several concerns about this whole package, so I am hoping Deputy Le Clerc can allay my concerns when she responds. I also have a couple of questions. I will deal with my concerns first. I am concerned that the cost of any
3035 additional work to the employer, as a result of implementing this scheme, will simply be passed onto the customer. That is referred to in the BWCI report. Of course that will increase the cost of living for our community. So I would like to hear Deputy Le Clerc's views on that point when she responds, please.

I am also concerned that the employee can opt out but the employer cannot. I think I have got
3040 that right. If I have got that right, that does seem rather unfair and I am wondering if that might cause a few problems in the future from employers who resent that. So I would like to hear Deputy Le Clerc's comments on that as well. And I would like to know, please, if that issue was actually discussed around the Committee table and, if it was, then what conclusion was drawn?

I also have a concern about the foregone income and the costs associated with the scheme
3045 and those are laid out from page 46 through to page 51 in this policy letter. We are told in paragraph 20.6 on page 48 that the 'overall expected decline in States revenue' is expected to peak at £9.4 million, once the minimum contribution is achieved. Page 8, paragraph 21, of the BWCI Economic Impact Assessment tells us that the decline is expected to peak at £9.8 million in 2027. Whether it is £9.4 million or £9.8 million is irrelevant. That is an extraordinary amount of
3050 money.

Paragraph 3 on page 2 of the P&R letter of comment tells us that the lost revenue:

will need to be replaced and (also) additional expenditure (will need to be) funded ...

So we are talking about tens of millions of pounds needing to come from somewhere else, to fund this scheme for at least 10 years, maybe even 20, while it is established.

3055 It is where that money is going to come from that concerns me. Presumably it will come from more fees, charges, taxes, possibly even GST, or services will need to be cut to save money. Or both, of course. I would like to hear Deputy Le Clerc's comments on that, sir, when she responds, please.

3060 I am also concerned about the cost associated with the trustee and Smart Pension Ltd. Dealing with Smart Pension first, we are told in this policy letter that the company will need a loan of £800,000 from the States to cover the costs of setting up the scheme. We are told that in paragraph 20.12 of this policy letter. We are also told the loan will be repaid, or it will be expected the loan will be repaid in two years. However, in paragraph 20.14, we are told that the loan would be unsecured and therefore there is a risk of non-repayment and that really concerns me. Could we not get a better deal than this is the question that springs to my mind?

3065 To move on now to the cost of the trustee, the last sentence of paragraph 20.15 on page 51 tells us that the annual:

operating cost of the trustee will be approximately £400,000.

And the trustee will need that annual loan until approximately year 10. In paragraph 20.16 we are told that:

The cost of Trustee administration services is ... an unknown as this specific service has not been tendered for previously by the Committee.

3070 So my concern, because it is an unknown, is that £400,000 may end up being well below the figure that is actually needed.

3075 To misquote Barbara Streisand, I do not want to rain on anyone's parade. What I am doing here is I am expressing genuine concerns and I really do need those concerns allayed if I am to vote in favour of these Propositions. Having said that, perhaps the best thing I could do when it comes to the vote is abstain, but I would rather not do that because I believe in this scheme. It is just that I keep asking myself the question, could not we get a much better deal than this?

Having said that, I know if my colleagues on ESS and the staff members in the Department could have done then they would have done. But Deputy Le Clerc really does need to sell this whole scheme to me when she responds, or else I will have to seriously consider abstaining from the vote, or vote against the Propositions.

3080 Of course, by agreeing to these proposals, we are then agreeing to adding even more employees to our Civil Service, at a cost of £100,000 per annum to start with. Naturally that figure will increase year on year, due to the usual annual pay rises. But will £100,000 cover the cost of the additional staff? We do not know. It is all unknown. It is all unknown. But that information is relayed to us all in the last sentence of paragraph 17.9 on page 43.

3085 The fact that the BWCI economic impact assessment is 106 pages long just goes to show how much needs to be said about this scheme. I have said very little and I will be saying very little in comparison when I could have said so much more. As I have said earlier, I do believe this is the right way to go, it is just that I have major concerns about the package that we have been presented with.

3090 In fact I am reminded of the time when, I think it was Deputy Dorey ... (**A Member:** Behind you.) He is behind me, but it is not pantomime season sir, is it? Oh, he is behind me. I am reminded of the time when, I think it was Deputy Dorey, presented a package of Propositions to the States on behalf of Social Security in the previous Assembly, with an estimated cost of anything between £8 million and £20 million, and the States rejected those Propositions on the grounds that they were far too vague and there was far too much disparity regarding the actual figures. In other words, the Assembly did not feel fully informed and so, then, rejected the Propositions, even though they were well-intended and years of hard work had gone into them.

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That is the thing that I get from this package in front of us. It is well-intended; a lot of hard work has gone into it. That does not mean to say it is the right package for our community. If my colleagues look at the letter of comment from P&R, they will see that P&R say in the middle of paragraph 3, on the second page of their letter:

the lost revenue will need to be replaced and additional expenditure will need to be funded ...

– which backs up what I was saying before about new fees, charges, taxes, possibly GST being introduced and services being cut in the worst-case scenario.

In the fourth paragraph of the P&R letter of comment, we are told that the structure will require a significant level of financial support in the first 10 years, until it reaches a self-funding position. But if we look at the comment from the Law Officers, in paragraph 21.2, in their professional opinion:

the timeline is very optimistic for a project of this size ... and [that] there is a risk it will not be met.

That concerns me, sir. Again, it is all unknown.

P&R express their own concerns in the second-to-last paragraph at the bottom of the second page of their letter, where they say that:

consideration should be given as to whether a statutory corporate trustee is the most appropriate model.

They go on to say that:

setting up a non-statutory corporate body would provide greater flexibility to amend the governance structure as the scheme evolves should the need arise.

In its current form this proposed scheme seems to me to be awash with pitfalls and unknowns. One thing we do know is that this will be a massive culture change for us all, in many ways, and it is going to cost a lot of money in a lot of ways over several years to actually establish this scheme if, of course, it can be established. Even when it is established I have concerns. These things go horribly wrong from time to time. I only have to cite Robert Maxwell, surely, to colleagues, to back up that statement.

I can assure Deputy Le Clerc I am not a lost cause. If she can allay my concerns and answer my questions to my satisfaction then I will vote in favour of these Propositions and I will ask these last few questions in closing. I appreciate I might be missing the fundamental point in asking this first one, I apologise if I am. How will this scheme affect overseas workers working here under licence? Do we naturally assume they will simply choose to opt out if they are here but on a short-term licence? I would like some clarification on that, sir, please.

What happens to the money if a person pays into the scheme for the majority of their working lives and dies before they reach their pension age? What happens to all the money they have paid in?

In closing, sir, I ask for a recorded vote when we go to the vote, please. Thank you.

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Thank you, sir.

I rise not because I have got any questions or concerns about the proposals or the policy letter. I had plenty of time as a Member of P&R to discuss this with the Committee for Employment & Social Security and I support the proposals. But since the publication of the policy letter, I have just had a few people contact me, including a former Deputy, regarding nomenclature. There is some confusion out there and I just want to make it clear that when it refers to States' pensions that it is not referring to the Public Service Pension Scheme.

There are a few people out there who were a little bit concerned that we were conflating things here and I understand it is difficult, because we should probably refer to the States' Pension

3140 as 'state pension', because that is what you say in terms of the UK state pension, but that is not what it is talking about here. I quite like the terminology 'YIP' for the new secondary pension scheme and hopefully we can make this nomenclature very clear, the terminology that we use, so that people do not get confused or worried about whatever scheme they are in.

3145 This is being talked about for the whole of Guernsey, we are not talking public service pensions, we are talking about the whole of our community. That is the only thing I wanted to make clear, sir, and I support the proposals, as I said before.

The Bailiff: Deputy Paint.

3150 **Deputy Paint:** Sir, I have actually four and a bit questions for Deputy Le Clerc, but I have taken the opportunity to send her the questions I had last week, so she would have time to look over them, because they are a little bit complicated.

3155 A little bit of background, if I can just say first. In the early 1970's, or perhaps mid-1970's, Government told everyone that they should start saving for their old age. Well, I started paying the Merchant Navy Officers Pension Fund at that time and it was said to be very good – it proved to be not quite so good when it matured. It was due to mature, for Merchant Navy officers, at 61. I left the sea at 1984. I offered to continue paying it and they said, because I had become self-employed, I could not do it. It was only for employed officers.

3160 So I asked then how much I would get when I became 61. They told me it was a minimum of £9,600 a year. Well, in 1984, that was quite a bit of money. So I said okay. I left it in there, did not bother with it. Then in 1987 or 1988, I became a pilot and it was Law that I had to pay the Pilots Pension Fund. That turned out to be an absolute disaster and then I took out another pension fund, to try and cover the losses that happened. That also proved to be not so good. It was a disaster.

3165 I am telling you these things because I lost complete faith in all occupational and private pension funds. So I moved everything into the RATS scheme, where the Income Tax is paid before I get the annual sum. Well, I will get paid biannually, which I asked for. So I have moved everything out. My real worries are ... well, I will say to you now. I just gave you that history because that is my experience and it is not a good one.

3170 My first question to Deputy Le Clerc. By the way, would she like me to go question for question and then a question and have a reply, or can I do the lot?

The Bailiff: You are making a speech, so you would have to give them all. You cannot run a question and answer session in your speech.

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Deputy Paint: Okay, well I had already given her the answers you see (*Laughter*) ... the questions! Sir, as a matter of courtesy I sent the questions to her last week so she could have the proper answers. It is four and a bit questions. The bit depends on what the first one is.

3180 Will any person paying the secondary pension funds be able to claim a tax-free sum of 30% as all other pension funds can do on the maturity of the pension? This is where I have to say something. If that were the case, then would they be entitled to extra benefit if they, let us say, took the 30% they are entitled to out and bought a brand-new diesel car or went on an expensive holiday, then that would leave them without enough, perhaps to live?

3185 My second question is, would a person or a couple be able to transfer their secondary pensions to another type of pension investment where the benefits may be considered to be better by them? I gave an example, because that is what I have done: retirement equity trust schemes. So that is the second question.

3190 The third question: will it be possible for a secondary pension, if approved, that a man and wife could combine the two pension schemes – I forgot to say partner there – and then unite their funds so that they would have a greater fund in the end? The reason, just to explain about this,

the retirement equity trust ... it still becomes your property and becomes part of your estate, so nothing is lost.

The last one is actually the same as what Deputy Lester Queripel asked: do the funds die with you? That is what I am really worried about. Because if you pay into something and it dies with you, somebody keeps that money. Who?

Thank you, sir.

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

Listening to Deputy Lester Queripel I was really worried he was going to end up saying this is such a big step for our community we should pause and reconsider and re-evaluate.

A Member: Pour!

A Member: Find a better scheme.

Deputy Roffey: You will not find, I think, a better scheme. You can never say you never will but this has been through a really rigorous process. But what Deputy Lester Queripel did was to lay out, clearly, all of the negatives over the short- to medium-term and nobody in this Assembly should vote for this without being utterly aware of what those negatives are.

To be fair to ESS, the reason he was able to quote from them and say, 'this is in paragraph whatever', is because Employment & Social Security have not tried in any way to disguise the short-term pain that will be necessary for the long-term gain. It very much is a question of jam tomorrow. Not illusionary jam tomorrow, the jam will be very real, but tomorrow is a long way off.

In the mean time we should only do this ... I think we should do it; I think it is the mature decision and I think it is the long-sighted decision, but for, not just years, but actually for a couple of decades, what we are going to be seeing is the deleterious effects. We are going to be seeing that employers are going to have an extra cost to them; that employees – I know they can opt out but I hope they will not – will have slightly less take-home pay; we know that the tax-take will go down.

What is even more, I mean we have tried to assess it here, but even more difficult – it is not science, it is almost of an art – to tell how much that dampening effect on the economy of less spending power ... what that effect will be. Economists have made their best effort and we have put it here but it is hard to tell.

But in the long-term, we know we have a demographic problem. We know that, if there are lots of pensioners in poverty, not so much the States have to support, but the workforce of the future have to support, we are going to be in very great difficulty indeed.

By and large I find there are two types of pensioners. Those with occupational pensions and those that rely purely on what was, Deputy Le Tocq, the old age pension. It is a bit confusing that it is now called the States' pension, when the States' employees also get a pension. So, sorry Deputy Le Clerc, I am going to call it the old age pension for clarity this afternoon and I will get my knuckles rapped later for that.

While I have to say I disagreed with the characterisations of the generations that Deputy St Pier did in the last States' Meeting, when he said, basically, 'baby boomers, they have all got final salary defined benefit pension schemes', and then went down through the generations to say how worse off they are going to be. I think that is nonsense. Actually, most baby boomers are not in that position at all, unless they were public sector workers, or the very few white collar workers that existed just after the War, most of them have very poor pension provision at all.

Where I do agree with him is that, by and large, if somebody has an occupational pension, they are not likely to be in real poverty. Now there is a whole range of occupational pensions. There are those that are in well-paid jobs who may be able to go on the cruise and second holidays, and

there are those who we were, say, what do you call them ... the manual worker that we used to call them back in those days, that will have a secondary pension, occupational pension, and it will be relatively modest. But at least if they have got that and an old age pension they are usually not going to struggle; not likely to be struggling to put food on the table or keep warm in winter. Those people without an occupational pension do tend to be.

So it is hugely in everybody's advantage to move from a society where it is a minority that have occupational pensions or secondary pensions to where it is a majority that have them. Of course, the main driver is to help those individuals themselves. Of course we ought to make sure that those people retiring in the decades ahead are better off and they are independently able to support themselves. But the secondary considerations are certainly – and I make no excuse for saying this – I think the States will, with maybe a smaller workforce there, then be really struggling to actually provide the assistance that they may want to.

Therefore the fact that it may actually drive down the cost of Income Support is perfectly valid. But more importantly than that is that the people in our schools now who, in 20 or 30 years' time are going to be absolutely at the peak of their earning career, we need to make sure that we treat that generation fairly and just to leave the ageing population of today and say, 'We could not afford it, it was going to take £9 million, £9.4 million or £9.8 million out of costs, so we could not do it, we needed that money then, we did not want to have to find alternative sources ...' which is what P&R are saying, would be utterly unfair on our children now and those that are about to be born.

We have to be forward-looking, we have to be long-sighted and it is not a popular message to sell to those people that are voting today because they are by and large going to be people who are employed today.

Could we not get a better deal? I do not believe that we could. I joined this half-way through but I know that the procurement process was absolutely thorough. I have heard one or two people say, 'Well, why an off-Island provider, why not find one locally?' Of course, that is absolutely an option for every employer. This is a default scheme. A default scheme only for those employees to be enrolled in if their employer does not have a qualifying scheme of their own. So it is absolutely up to local companies in the finance industry to actually step up and provide the schemes that the local employers may prefer if that is what they want to do.

Sir, as I have said, I think if we do not vote for this, we will be myopic. We may be popular in the short term but our successors will not thank us at all. But in closing I want to say one thing. It is absolutely valid that one of our motivations for this might be to cut down on Income Support payments in future. What will not be valid is the hope that we can cut down on the generosity of the old age pension in the future, saying people will have secondary pensions.

Because the difference is this scheme will pay out according to people's earnings and therefore the wealthier will get bigger pensions than those without. The old age pension is redistributed. People pay in according to how much they are earning and what they get out depends on how many contributions they have made and if they have made the same number of contributions they get the same pension. That provides a bedrock, that provides a starting point. It is not enough for people to live on. It has never been pretended to be enough for people to live on. But it is a very good starting point and it is redistributive.

So please do not vote for this thinking, 'That is great we can then afford to really cut down the uprating policy for the old age pension in future.' Because if you do, you are condemning the less well-off to pensioner poverty. This should be seen as another string to the bow that complements it. Yes, it absolutely complements it and, taken together as a package, it will mean, in the decades ahead, that we have a far more civilised society where most elderly people, and we are talking about elderly – they will not get their old age pension until they are 70, in due course; this is slightly different – will be able to maintain a reasonable standard of living for themselves.

That is not true today. Just as we look back now on some of the appalling things that we have seen from Victorian ages and say, 'How did they get away with that? That was a really unfair society', I am really hoping that, in 50 years' time, when I actually suspect that by 50 years' time

3295 the secondary pension will be compulsory. It will be a generation before we reach that view but I think eventually that will actually happen. I think we will look back then and say, 'How did they, back in the 2020's ...' Yes, there was an Income Support scheme, and I have defended it, but basically people retired and did not have enough to live on.

3300 This is, I do not want to use the word visionary, because we have had enough of visions in this Assembly, but this really is forward-looking. This is a long-term horizon and we need to do it.

The Bailiff: Deputy Inder has stood a few times.

3305 **Deputy Inder:** Thank you very much and I thank Deputy Lester Queripel for one of his most incisive speeches I have heard since he has have been in the Assembly. It was clear, to the point and it showed some concerns that I certainly want to touch upon as well: 20.19, the bit I picked up on, page 52. It says:

The implementation of the Secondary Pensions Scheme will have an impact on the economy. The increased expenditure from businesses and increased public saving will limit growth ...

– *It will limit growth in this Island.* It does not repeat it, that is my repetition –

... remove funds from the economy. Once contribution levels reach their maximum levels, consumption is expected to reduce by £30m, equivalent to less than 1% of GDP.

3310 That is not an insignificant amount. I do actually wonder, and I understand that ESS had a directive to come back in from 2016, I think it was the previous Assembly was directed to come back, but I do wonder, after last month's debate, whether this should have been part of the Fiscal Framework, because this has been done in absolute isolation.

3315 Like everything, everything is fine in isolation – two pence on fuel, does not matter, it is isolation ... Would you like me to give way Deputy Roffey? Okay. Alright.

Deputy Roffey: Only to say, sir, that it was part of the Fiscal Framework. The reduction in revenues of about £9 million was part of the aggregate sum of £120-million-worth of potential additional expenditure.

3320 **Deputy Inder:** Yes, as I say, I accept that, but I think what I meant was the impact and what we are going to have to do to make up, become part of our Fiscal Framework strategy, which is to come back in 2021, I believe. Was it June 2021? Anyway, in short, we are likely to, with full take-up, it is likely to take £30 million out of the economy.

If you look at page 18 under 4.3:

Once the phasing-in has been completed, the final combined contribution from employer and employee will be an amount equivalent to 10% of the employee's salary, of which not less than 3.5% must be contributed by the employer.

3325 So let us say that is, what is that, 6.5%? Now, if you look at what the employee pays now, we are now looking at 20% tax; 6.5% Social Security. You add another 6.5% on top of that, we are now in the 32% range of tax. Before anyone jumps and tells me that 'Social Security is not tax', well to the working man, at the end of the month when it comes out of your package, whether it is pension, Social Security or tax, it is tax. It is a tax.

3330 I am quite concerned about the impact on the economy. The visionary stuff is great. Everything looks great –

Deputy Le Clerc: Sir, point of correction.

3335 **The Bailiff:** Point of correction, Deputy Le Clerc.

Deputy Le Clerc: I think Deputy Inder is misleading the Assembly in aggregating all of that to saying that is tax. Actually 6.5% of that is in the individual's own name. When you talk about tax rate, that tax goes into a central pot and you do not receive out what you have put in; 6.5% will be what you put in and you receive out with growth.

Deputy Inder: Okay, I am not going to accept that because I think I came down to that and say when it comes out at the end of the salary it feels like a tax. It is not in their back pockets. You combine all of those, you have got 20% tax, 6.5% on your contribution, another 6.5% minimum, we are now in the 32-33% tax range. Because that is what it feels like to the working person.

Now, Deputy Roffey talks about in the future it will be the most visionary thing that Guernsey has ever done, we are way ahead of our time. But we might not get to that point. The impact on businesses just cannot be ignored and we do this time and time again. It is the whole death by a thousand cuts, nothing ever matters, and I will cast my ... Hopefully I have not done the story that we have heard today from Deputy Paint about his pension. I am fairly sure I have heard that before, if not in the ... oh he is not here. Great, I can talk about him! If not in the coffee shop I have certainly heard this in this Assembly and hopefully you will bear with me, if you give me two minutes, and again I apologise as I have heard this before.

As that 22-year-old who started his first successful business, who was happy to employ people, if I was that 22-year-old again, starting a new business – it was not financial based, it was in the creative sphere of what I call the real economy, accepting we are all grateful for the work we got that was mainly out of the financial sector anyway; without that we probably would not have had these businesses as ancillary businesses – if we start adding in GDPR, compliance, employee rules and regulations; what else have we got? Possibly disability. I am not entirely sure I would employ like I used to employ.

Right now, if I was that 22-year-old again, I would be outsourcing. I would be bringing people on contracts to try and avoid most of the work. I would not have the same faith. But it was just a natural thing. We just employed people. If I was that 22-year-old again, given the multiple things that are squeezing small, entrepreneurial businesses ... And it might not affect the big financial houses that we are all either in or married to, but it does affect the real businesses and the real economy, and I have got genuine concerns about this.

The long view is fantastic, but the long view is always fantastic, isn't it? But when you get down to the operational stuff, when you put things in place, nothing ever turns out like it is supposed to be and I have got genuine concerns about that.

Right now, unlike Deputy Lester Queripel, I am probably less open-minded than him, I am inclined to vote against it, because I have just got real concerns about this. I do not think this is the place for it. The cost to business, the costs to the employer are going to be huge and it should be wrapped up with the Fiscal Framework, or whatever is coming out of Policy & Resources in 2021. I do not think this is the place for it.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, I share the same concerns as Deputy Lester Queripel and Deputy Inder, but I will come to a different conclusion to Deputy Inder and I may or may not come to a different conclusion to Deputy Lester Queripel, because he said he is going to wait for the debate to conclude before he makes his mind up.

What they both said is absolutely right. We are heaping more and more burdens on employers. This does not cover self-employed people. It does not cover non-employed people. Because there are difficulties. So that means we are going to help them. Most people are employed, of a working age. We know the statistics, they are set out in the body of the documents. But it does not cover all our society.

Deputy Trott was absolutely right when he interjected when Deputy Inder was speaking, about the Fiscal Framework and this is £9 million, etc. Completely correct. But what we were told by P&R

and what I signed up to when I supported it, was that the £70 million to £120-odd million which could be taken out of the economy by way of taxes may not happen. This is the worst-case scenario; we have got to build that into it. This could happen if we did all these things.

We have already done one, I voted for it last time, which was the NICE drugs. N-I-C-E drugs, rather than 'nice' drugs. There is no such thing as a nice drug. I voted for that because it was the right thing to do. I am going to vote for this because it is the right thing to do, because we have got the demographic problem that most western civilisations have got. The old age pension, though it is good, comparative with most other jurisdictions, £222-odd a week is not enough for people to live on.

I do just take some objection to some of the comments about rental people, that say if you live in rented accommodation you are a poorer person and might have saved up all your life and bought your own house and paid off your mortgage when you are 63 years of age. I do get some objection to that. I do get some objection to the fact that we are heaping the cost, in later years, as Deputy Inder has said, and as the column shows, on the employer, as though it is a bad thing to be an employer, it is a bad thing to make money, it is a bad thing to be successful, because we must all be equalised down.

I take considerable objection to that because we should be in a society that equalises up, that encourages people. It was a long time ago that I was a baby, but I am part of the baby boomers' generation that profited from living in this society, having the benefits of living in a capitalist, free society; having the benefits of a society that encouraged people from all social classes and encouraged social mobility.

We are stifling that in this States, because we are against people going forward, really, by and large, with the decisions that we have made. But anyway, that is for another debate, that is for another day. I have said it before and I will no doubt say it again. But we have got to face the fact is, people cannot live on £222 a week. So if you have got something here that is going to give people a pension pot that they are going to be able to get additional income from when they retire, that has got to be a good thing. That has got to help society.

Because otherwise we are going to have people who are not going to have the wonderful pension that civil servants used to have and other people used to have, whereby they retire on a salary of £60,000-£70,000 a year, half of that they get index-linked for the rest of their lives and they get a capital sum. Aren't they very lucky? But those pension schemes have gone, by and large, for those that work, certainly, in the private sector. They have gone. They do not exist anymore; they were unaffordable because people were living much longer.

Therefore, again, a socialist prime minister was the first one that made that change to that, because he wanted to raid the pension pot, Gordon Brown: a real man of the people from Kirkcaldy in Scotland, wherever he was. But in relation to that particular position, we can do something here.

So, although I do not think this is perfect ... I do not agree with Deputy Roffey that it is the best scheme that could be created at the present time, but I do not know a better one. Therefore I think we have to vote in favour. But we have got to realise that, eventually, we cannot keep just adding and adding to the cost of businesses. Otherwise, as Deputy Inder has said, we will not have any new businesses.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Sir, I think Deputy Ferbrache has to be fair and recognise that, in fact, people are not being denied. They can set up their own pension scheme at the moment. They can put money aside for their own pension, if they wish. They do not have to rely on the Government, necessarily, to be putting this forward. So the opportunity is there for everybody. Many people will not take that opportunity. That is a decision that they particularly make.

My concern is that this is another drag on the economy at a time of uncertainty and, I think last month, I was talking about the problem with disposable income at the current time, as

Government takes more and more from society. The fact is that the individual has less and less to spend and, as a result, of course, we affect the marketplace. We affect consumer spending and we affect business, basically, and industry in this Island; the generation of income within our economy.

3445 So I think these are very important matters to consider, particularly with the continual uncertainty in the marketplace and the weak economic growth that we find ourselves under, locally, at the current time. Implementing a secondary pension scheme is another social programme. Only last month, we commented on the fact that continual increase in Government commitments to more and more expenditure called for increases in taxes and charges on the
3450 individual, eroding the individual's disposable income and consumer spending in this economy generally.

Now, it was also unfair of Deputy Le Clerc, not bringing out these points that have been brought out in the consulting report, which I give credit for, but the fact is could have been brought out and were brought out by Deputy Roffey, one of the Members of the Committee. If
3455 you are sharing responsibility, fair enough.

But the fact is it is important to put both sides of the argument forward in something of this nature and the States, of course, will see an annual reduction in Government revenue. As has already been said, with income receipts down, revenue receipts down, then something has to be done about it, particularly if it is in the region of £10 million a year.

3460 Deputy Trott and Deputy St Pier are responsible for, if you like, the generation and the consideration with regard to the economy and growth; and we hear so much about it. I would think, if £10 million is going to be taken out, that they should actually want to review this further and analyse exactly how this is going to be retrieved within the economy in terms of the losses of £10 million a year. It is not just one £10 million, it is £10 million every year.

3465 The impact on the labour market, of course, firms will be hit with payroll increases to meet secondary pension costs and the administration costs of £500, let us say to begin with, and £200 a year, as cited in the document. So I think in reality one of the problems here is the long fuse time, really, in terms of getting benefit from something like this. You just wonder whether this should be placed when the economy is particularly buoyant, rather than at a time when the economy
3470 really is going to be dragged down and drained at a time of this nature.

Thank you, sir.

Deputy Trott: Sir?

3475 **The Bailiff:** Are you rising?

Deputy Trott: I am rising because, unintentionally, Deputy de Lisle misled the States. If I quote directly from the Policy & Resources Committee's letter of comment, sir, you will see what I mean.

The introduction of secondary pensions will present significant fiscal challenges, which will accumulate over time and peak at a negative impact on General Revenue of in excess of £9 million *per annum*.

3480 It will aggregate gradually. That is the high point. The way Deputy de Lisle spoke suggested that it was immediate and it would be regular. It is neither.

The Bailiff: So that was a point of correction, I take it?

3485 **Deputy Trott:** A point of correction, yes.

The Bailiff: So Deputy de Lisle can reply to that, if he wishes to. No? I think he was standing, really, why you were still on your feet, that is the point.

Deputy de Lisle: Fair enough. But in that those gentlemen are in charge of the Exchequer, if you wish, at the current time, I think they should really consider very carefully taking another £10 million out of the economy at the current time.

The Bailiff: I was going to call Deputy Brouard, because I know you have stood a few times. Deputy Brouard.

Deputy Brouard: Thank you, sir.

I am not going to add any deep thought or seismic debate, just a little bit of froth. My first correspondence on pensions goes back to about 2005 and then Policy Council was able to sow some more seeds, with regard to this, in the Deputy Dorey era at Social Security, where we started to talk about and think about a second pillar pension.

I think the present team have done an excellent job under Deputy Le Clerc, especially the two main policy leads on it. I think they have done a sterling job. There has been a lot of thought about it and how it can be done, because they literally started from a blank sheet of paper. There has been a lot of thought, a lot of effort, and yes, it may not be absolutely perfect but I think it is, as Deputy Ferbrache said, the right thing to do and I would encourage everybody to support it.

Thank you, sir.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

It is a shame, actually. I was going to speak after Deputy de Lisle, because I think it is the second time in two consecutive meetings, where I think there is a disconnect with the inter-generational patterns. So I will speak from potentially a different generation where a lot of my generation, for example, have not got access to pensions.

Deputy de Lisle says, 'You make the decision.' You cannot make the decision if you are earning a low wage and you are trying to bring up a young family. It is very difficult to have that forward side of planning to say, 'Look, I know we need to do this but, you know what, I need some nappies, I need this, I need that.' It just does not happen. That is the reality of people bringing up children or people, younger generations, of today. It is an unfortunate reality and maybe it is generational, I do not know, but it is an unfortunate reality. I will give way to Deputy Laurie Queripel in one minute.

I think the point that Deputy Inder was making about your back pocket, and actually he said, I actually think this is something in your back pocket, that is the very point of doing this, that some people have something in their back pocket to pull out as and when they need it. Also a Deputy said about we did not have to take consideration from this when he was 22, blah, blah, blah, and he said GDPR and disabled. I am not quite sure what he meant by that, but unfortunately he is not in the Chamber to answer. Oh, he is in the Chamber to answer, so I may give way to him, maybe, if he asks me to.

I think this is generational and I think the other thing that Deputy de Lisle maybe ... he was saying about disposable income and the economy, which I do agree with, again this is generational, as in, when you are bringing up a young family or when you are in a lower income, at the start of your career, disposable income ... you do not have any really. It might go on baked beans and cheese to go on top, rather than just baked beans.

The point is that actually, when you are retired, you potentially – not always – a lot of our retired people do go into a lot of voluntary work, which is very beneficial to our community, but also arguably they may have more free time to go and spend their disposable income. But they do not have any disposable income. Well, I would argue they would not have very much disposable income if they were relying purely on a States' pension.

So I think we have to look at in the round with the inter-generational concept and considering that, actually, people are earning lower salaries and people that have got different family

dynamics, different stages throughout their life – it is not simply a decision you make. Then, lastly, Deputy de Lisle said, ‘Well you can go and provide a private provider.’ Well, you can sir, and unfortunately people do that and the private provider goes bust or loses the funds, etc. It does happen and I would actually prefer for this to be filled as if it should in theory be safe because it has more controls, as in, it has been looked through. I just think that I would have preferred –

Deputy Dudley-Owen: Point of correction, sir.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: All pensions providers are strictly regulated. So this pension provider should not be any more or less risky than any other private pension provider and I think it is an incorrect message that Deputy Merrett may be giving out that people are at risk going into another private pension provider other than one the States has endorsed.

Thank you.

Deputy Merrett: I have experience of putting money in towards a pension and then the provider was no longer available to provide and actually fell by the side. It is personal, so I will not discuss it in a public forum, but I am just letting you know I have personal experience of that.

I think this is a really good thing. It is being done pragmatically, it is being done proportionately.

I will give way to Deputy Laurie Queripel.

Deputy Laurie Queripel: I am very grateful for Deputy Merrett for giving way. I just want to take her back to an earlier point, because she spoke about more recent generations have very little extra money in their pockets, so they cannot pay into a private pension scheme. Surely to some extent that applies to this scheme as well, because the money is still going to come out of the same pockets of the same people. I just wonder how this scheme differs in that regard, because they have got to find the money from somewhere to pay into it?

Deputy Merrett: I think scheme, just in that regard ... the employer also has to pay into the scheme. It is not just the person paying into the scheme, which obviously is the difference with a private pension: you are paying in and the employer does not.

Basically, I agree with everything Deputy Ferbrache said. I think it was a very realistic speech. I absolutely agree on free trade and encouraging people to earn money, to be part of our community and to have a responsible economic outlook. At the same time, as a Government, we need to ensure that we are enabling people to have access to retirements in a way that is proportionate.

I think the secondary pension scheme is what achieves that because it is helpful and I certainly think it will benefit more of our community than disbenefit it. And I think, as Deputy Ferbrache said, it is the right to do. But more than that, the policy paper, clearly, has been well-thought through, it is well-written, it is easy to read, and Members can decide today whether they agree with it or not.

I will certainly be voting for this. Thank you, sir.

The Bailiff: Deputy Langlois.

Deputy Langlois: Thank you, sir.

I would like to speak to Deputy Lester Queripel speaking. Some of the things he was saying when he was quoting from the policy letter, the facts and figures; he was right. It was just his perspective was slightly wrong. He seemed to be implying that this proposal would result in a loss of General Revenues and money coming out of the economy.

Of course, he is right, but it is not the proposal in itself, it is the fact that people will be saving for their retirement that will have those effects. This is just the vehicle for people to save for their retirement. It is the process of saving for your retirement that will cause a loss of tax revenues, because of the tax relief on the contributions, and that money will not be spent in the shops; it will be going into your retirement pot.

If people were saving into personal pensions, there would be no need for this scheme. But as the policy letter states, the estimate is about 25,000 people of working age in the Island who are not putting money into a personal pension pot. Therefore, we are attempting to encourage them to do so and there are three main planks/incentives: (1) being the auto-enrolment, that is critical; (2) is the employers' contribution – that is really why the employers are included in this, to give an incentive to remain auto-enrolled and not to opt out; it is the role the employers' contribution plays. And the third thing is a very efficient, low-charging structure for the YIP pension.

Obviously people can choose their own approved pension scheme. The idea was to have something available, which was highly competitive. The figures that Deputy Lester Queripel was quoting, large sums of money, they do sound large sums of money, but in the context of running the YIP pension scheme, they do result in very low, comparatively low, charges, if you have a look at the charges of a more standard, commercially available pension scheme.

It is very simple, really. It is true, the General Revenues and the economy will suffer, to an extent, in the short and medium term. But that is simply a process. What happens if people save for their retirement, which so far everybody is agreed, is generally a good thing, both for their own sakes and to relieve any pressure on our Income Support?

I just wanted to touch on a couple of other points, which is that Deputy Paint and Deputy Lester Queripel have raised questions about what happens to overseas workers and what would happen; can people transfer their funds? Those are all part of the ... we will be coming back in six months' time with another policy letter to the States and also we will be working on the scheme rules with the shadow board. Any scheme like this needs rules: how big a lump sum can you take out; when can you start taking your pension? Obviously a lot of those rules are controlled by Income Tax and there are current rules in Guernsey now for existing pension schemes.

As ours is, in effect, a pension scheme of similar type, we will be aligning with existing rules to an extent, but also having a look at what would be a sensible age, for instance, to say when you can start drawing from your pension fund. That is not up in the air. We have discussed it, we have got a general idea of what the rules are going to look like, very much aligned with the current rules, but we will be firming up on those.

So as I said, some of the questions that have been asked will be answered when those rules are published.

Thank you.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

I can sympathise, to some extent, with some of the points that Deputy de Lisle is making. I do not want to see the size and the cost of Government increasing unnecessarily and I do not want to see an extra burden for business. Having said that, I am a bit more at ease with the size of Government and the cost of Government increasing if I know there will be a direct benefit for the people in our community, even if it is a longer term benefit – especially those who are most in need. But I do get his point.

Now, in reference to things that have been said by Deputy Lester Queripel and Deputy Inder, I too, in principle, support the idea of an extra pillar in regard to a secondary pension scheme. But, as is the way with all of these things – and we have seen this quite recently, of course – it is one thing to agree with something in principle, but when the further details come out, that is when you see it is a much more complex matter. That is when you see there are potential issues to consider and potential problems to consider.

3645 For me, it is quite a perverse thing, really, because most people on low or moderate incomes, as has been drawn out by Deputy Merrett, will find it hard to pay into an extra pension scheme. That will be the same for this scheme, as I pointed out. My concern is there could be a double whammy effect for those people, because if they are going to opt into this scheme they will have to find extra from somewhere – from their pockets – to pay out.

3650 But at the same time, we are told in the policy letter, and by P&R, that there will be an effect in regard to General Revenue. There will be a decrease. Extra expenditure and there will be a decrease of income to General Revenue. That will, at its peak, amount to about £10 million, I think Deputy Trott said. Around about £9 million or £10 million.

3655 **Deputy Trott:** About or just under nine.

Deputy Laurie Queripel: So that money has got to be found from somewhere. We either take the hit of that money and we reduce services in some way or other, or that money has got to be found. The double whammy effect will be, if that money has got to be found from our community, 3660 it is most likely to come from the pockets of the people who are already squeezed – the squeezed lower to middle income earners. (**A Member:** Hear, hear.) So they will be paying out double. They will be paying into the scheme and they will be trying to make up for the revenue that Government is lacking because of the scheme.

Now the people who are on such low incomes that they qualify for Income Support, we are 3665 told in the policy letter, that the scheme will not affect them in a detrimental sense, because they will be taken into account in regards to the Income Support. But the people who are just above qualifying for Income Support, they will be the ones that will be hit once and perhaps hit twice if things go according to what we are reading in the policy letter and in the letter of comment from P&R.

3670 To me, I have got to say now, if this money that is going to be missing from General Revenue, if there is going to be this decrease in income to the States' coffers, to the Exchequer, I really do not want to see it coming from the pockets of the people who are already struggling.

I give way to Deputy Smithies.

3675 **Deputy Smithies:** Perhaps Deputy Laurie Queripel would agree with me that there is another cumulative effect, in that the employers, who are paying another 3.5%, will have to recover that money from somewhere and that will mean increased prices – a further whammy.

Deputy Laurie Queripel: Thank you, sir, and I was going to get into that in just a second.

3680 I think the other thing that the Report talks about ... Actually, I am not saying I will not be voting for these proposals, but I just want to raise a number of issues that I think need further consideration or that need watching, need monitoring, as time goes on.

Now, I think the other thing to think about is employment practices. Are we going to get to the point where employers are saying, 'We are not going to employ people directly any more', 3685 they will bring in zero-hours contracts or they will say to people, 'You have to go self-employed and we will sub-contract you'? So I think that is a potential trend that needs to be watched and monitored.

In my professional life, sir, as a self-employed trader within the construction industry for nearly 30 years, that was a very regular practice. I would contract my labour out to a main contractor. But 3690 that relieved them, then, of a number of liabilities – of a number of obligations. That is a potential practice that needs to be watched out for because it could be an unintended consequence of this scheme. So I think employment practices need to be watched as this scheme develops and unfolds.

There is another thing that has not been mentioned yet and Members may not think it is 3695 relevant at first, but I will explain why I think it is. That is the fate of Family Allowance. We do not know what is going to happen to Family Allowance, yet. I think it was Deputy Dorey that laid an

amendment some time ago, that said the Family Allowance should be looked at and perhaps it could be paid out in a different way or applied to a different service so that households will not receive it as a direct benefit any more.

3700 This goes back to my earlier point, really. If you have got a couple who are low to moderate earners, that are just above the qualification for Income Support, but they prepare to opt in to this scheme anyway, what about if, in the meantime, the approach in regard to Family Allowance changes and say they have got a couple of children that are above pre-school age, so they will not benefit from their children going to pre-school provision, nursery school or whatever it is? They
3705 could find actually that they are £10 or £15 a week worse off because the Family Allowance arrangements have changed and yet they are also at the same time paying into this scheme.

I actually think this coming to the States before we even know the fate of Family Allowance, bearing in mind the amount of families that might be affected by those changes, that has not been considered properly. So I wonder if Deputy Le Clerc could give me some comment or give
3710 the Assembly some comment or reassurance on that. Because I think Family Allowance ... is it £28 per child, or is it £14 per child? £15? Okay. So if you are a couple on modest earnings and you have got two children, that is roughly £30 a week coming into that household.

Now if that reduces to £10 or to nothing at all because Family Allowance has been taken and given towards something else, that family will be considerably worse off and they will be paying
3715 extra money also into a secondary pension scheme. So I do not think that the timing of this is particularly good, because you do not know the fate of Family Allowance. I think that is something I really want the Committee to watch as well, sir.

I was just looking at something else. I could add some other things but that is probably it. Also, I am concerned that this is a scheme that is very much, probably more than once removed, from
3720 States' oversight. I know, Deputy Dudley-Owen, that it is a scheme that comes under regulation and there will be oversight of it. But my concern is, I am sure that Smart Pension Ltd are a very able and a going concern, but what about if for some reason they go belly-up?

What happens to all the funds that have been accumulated in regard to ... I do not think there will be any liability for them to somehow repay those funds. So what happens to all the funds that
3725 have been accumulated and people think they are going to get their pension in the future and they might not get it?

So I am a bit concerned about that because there is this trend about the States setting something up but then removing it directly from their control and handing it over to somebody else and then something goes wrong. Then it becomes a political issue. We keep saying
3730 operational matters are not political issues but when they go wrong they become political issues. So I just want some assurance about the oversight of this scheme. So I will be looking for those responses, as well, from Deputy Le Clerc.

Thank you, sir.

3735 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I think the most important question is what is the alternative? Because I think what nobody has done, who has spoken against the proposals or expressed reservations, is that the basic problem,
3740 which these proposals is trying to address, exists. The basic problem is there are a very large number of people, and actually they will disproportionately be people who are less affluent, who do not have adequate pension provision. Tens of thousands, if you look at the figures.

So the problem is we know there are that number of people in our society who, if they do not have some opportunity or encouragement to make additional provision, will get to their post-employment years and will not enough money to live on.
3745

I am not giving way. Sorry, I am happy to give way to Deputy Laurie Queripel. The way he stood up then implied that I was speaking because he had given way to me. Sorry, I am confused!

Deputy Laurie Queripel: No. I am sure Deputy Fallaize does accept this point – thank you sir, I am grateful to Deputy Fallaize giving way – but does he accept the point that it is because many people are squeezed, they do fit into the JAMs category, the ‘just about managing’, they are struggling; that is the reason why they cannot put extra money aside for a pension scheme. Now why would that be any different for this scheme? Where is that money going to come from? It is the same pocket. It is the same lack of money in the pocket.

Also, I do not think the States and the Government help, either, because we have these continual hikes in other charges, TRP, *etc.* So we are asking them to put more money aside into a secondary pension scheme, but we are looking to take more money out of their pockets at the same time, as time goes on.

Deputy Fallaize: I think there is something in that but I do not think that is the only reason why this number of people are not making adequate pension provision and, actually, for many people, if they are offered, let us say, a slight wage increase or a contribution to a pension scheme, for very many of the people Deputy Queripel is describing, they would choose a wage increase because the cash is more valuable to them at that moment.

But that does create a problem for people when they are in their post-employment years. The problem is that they will be the ones who suffer and then their needs will have to be met to a greater extent by the States. So I do not think that there is any dispute that the problem exists, there are just very large numbers of people without adequate pension provision. So the question is, what is the States going to do about it?

One option is to do nothing and just to say we will accept that there will be a greater number of people in their post-employment years who will be poorer and the States will assist them to a greater or lesser extent, and that is just the way it is. Or another option is to try and come up with a different way of assisting those people, which probably means through General Revenue, so you have to raise taxes in order to provide greater levels of Income Support. But ultimately you would be raising the taxes from the same people who are going to be involved in the secondary pension contributions.

I think the challenge for those Members of the States who are threatening to vote against these proposals is what is the alternative? It is easy to vote against them. That can be presented as a kind of pain-free, consequence-free thing to do today. But the question is, at a policy level, what is the alternative that they are proposing and, at the moment, I cannot see one. I do not see any credible alternative that is before the States, other than this scheme, which has been worked up by the Committee for Employment & Social Security for a number of years.

If the scheme is not put in place, the people who will suffer most will be those who are less affluent. Actually, if there is somebody now who has a very high level of income or who is fortunate to have familial wealth and is not making any private pension provision, it is probably not going to make a dime of difference to that person because they are likely to have security in other ways in their older years.

But for people who now are unable to make additional pension, or some pension provision, they are the people most likely to be in hardship in older age. It is not easy to introduce this kind of scheme. Australia did this in the 1980’s and early 1990’s, with what was called superannuation. It was enormously controversial and unpopular in Australia at the time and now Australia has probably the best, certainly among the best, private pension provision in the world. And, as a consequence of that, inequality in people in their older years and levels of hardship are much reduced in Australia and it was one of the most progressive and advanced things done. But it was enormously unpopular at the time.

Deputy Ferbrache: Point of correction, sir.

The Bailiff: Point of correction, Deputy Ferbrache.

Deputy Fallaize: I will give way to Deputy Ferbrache.

Deputy Ferbrache: In Australia, if your income is above a certain source, certain level, you lose the equivalent of the old age pension. So therefore, unless you are a person of real poverty in Australia, you do not get an old age pension.

Deputy Fallaize: Yes, that is true. But the reason that Australia has been able to make that kind of policy decision is because of their superannuation scheme. It is not that people are being left in hardship. In a sense my response to Deputy Ferbrache is yes, this could be done through the old age pension scheme. It would be possible to raise contribution rates and ensure that the pension remains universal. That is another option.

But I think the Committee for Employment & Social Security came to the view that it was better to have an element of this scheme being voluntary and allowing people to see that their contributions were being ring-fenced for their own benefit, rather than doing it through the conventional old age pension scheme.

I think the point still stands that the introduction of the superannuation scheme in Australia has significantly reduced hardship among pensioners, and it was difficult to introduce at the time but it was the right thing to do, and I think Guernsey will look back and see that it was the right thing to do as well.

One further point. This argument about money being taken out of the economy is, to some extent, a temporary issue. Because, actually, if those people in their post-employment years are in a slightly more comfortable position, their consumption is likely to be greater. They will be spending more money and that money will be going back into the economy. So actually, over the long term, this money is not being taken out of the economy. There is a short- or medium-term effect, but in the longer term, at worst, the effect is neutral.

So I do not think it is an easy scheme to introduce. In a way I am surprised that there has not been more community opposition to these proposals. Perhaps Deputy Le Clerc got the timing of the publication of her policy letter right! In the absence of any credible alternative, I think these proposals are the right proposals and should be endorsed by the States.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I very wisely hesitated when I saw Deputy Fallaize get to his feet, because I suspected he might make many of the points that I was about to make and so it has proved. On the issue of the Australian superannuation fund, that is a really interesting one and contributions certainly 20-odd years ago were in the region of 9% in terms of the employer contribution and I believe they are set to rise to 12% by 2025. That might give people a better idea of the quantum and, as I say, there is a compulsory element to that scheme.

Undoubtedly, the transition to any new system is always painful and poses challenges. But I think, with this in particular, because it is a long-term issue, we do need to keep our eye on what we are trying to achieve in the long run.

One quick point. There was a reference earlier on in the debate, and my apologies, I cannot remember who made it, maybe several people, talking about the cost to all businesses. Now that is not actually accurate and of course we should recognise that many employers already have qualifying pension schemes and, for those people who are adequately set up already, there will be no further cost, as far as I understand it. I stand to be corrected if I am not right.

But really I was getting to my feet, following on from what Deputy Merrett was saying about inter-generational equity. Back in 2017, I think it was, this Assembly, I am very pleased to say, endorsed the Resolution, agreed the Resolution, that we should consider the impacts of our decisions on future generations and, at its core, this is what a lot of this boils down to.

Deputy Fallaize is quite right. We could make a seemingly pain-free decision to reject this today. But we do have to bear in mind the long-term consequences and I do not think allowing what we know and we have known for really quite some time to be an increasing problem to carry on, which will hurt the people in our community who are rightly raising concerns about now. I do not think it is a responsible thing to do to knowingly allow that problem to persist, without putting in place constructive ways of addressing it and I really thank ESS, actually, for being so honest in their policy letter.

It really was a warts and all policy letter. I think there were no surprises. We will find out! It is not an easy thing to do but I think it is absolutely, as other people have said, the right thing to do and I am very glad that they have brought this today and I support it wholeheartedly.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, I will be very brief.

I was surprised by Deputy de Sausmarez's speech. I was expecting it to talk about nudge theory and how this is a classic example of how good nudge theory is. But I have concerns at the policy letter. More to do with more red tape and more workload on businesses. I know this starts off with larger businesses now, but I would appeal to Deputy Le Clerc and her Committee to make sure that when this is brought in ultimately for smaller businesses, that a lot of time is put in to supporting and helping them make it as easy and simple as possible, because more bureaucracy just adds extra cost and, as has already been mentioned, it will just be extra costs on consumers, if nothing else.

I think that those concerns are more than offset by the need for long-term planning, because if we do not do this, the pressure on the taxpayer in the future will be considerably greater and I think long-term economic growth will be impacted when people do not have enough to live on, let alone shop in Le Pollet.

Sir, politicians have historically been poor at thinking long-term, which often means needing money now for services for some unknown benefit in the future. Such policies are often described as 'brave' in the *Yes Minister* meaning of the word, but I think this is a really important policy letter for the long-term benefit of the Island and I will support it.

The Bailiff: Deputy Gollop.

Deputy Gollop: Deputy Fallaize, interestingly in his speech, which actually I agreed with, but it was a speech really along the lines of, be brave, grasp the nettle and do not stop to pause or think it through, which made me think! I also thought Deputy Le Clerc knows, and other Members, that sometimes in the past I used to support more wait and see, kick the can down the road approach, which is I suppose the spirit of a lot of sursis and things like that.

But at times our Committee meetings, of which Deputy Fallaize was a valued Member and now Deputy Roffey and Deputy Langlois, would resemble, if Deputy Le Clerc will forgive me, the Vicar of Dibley's tea parties, because Deputy Le Clerc is perhaps almost in the Dawn French role, I am kind of there saying, 'No, no, no, yes', because I have had lots and lots of reservations about the secondary pension scheme, many of which have been flagged up.

To give a little bit of context, it actually, as has been alluded to by Deputy Le Clerc and others, was a legacy of the previous Assembly, the Committee that Deputy Chief Minister Langlois chaired and he was, and is, a keen fan of secondary pensions. And, by my recollection, former Chief Minister, Advocate Harwood, was. His senior partner from a well-known law firm, the late and great advocate and Deputy, Roger Perrot, was a fan of secondary pensions, with perhaps some tweaks, and we had support from some senior figures in the finance sector.

Now some of these supporters were perhaps more centre-right than left of centre, it would be fair to say, and what has been interesting, with the relatively limited feedback we have had from these proposals, with support, I think, from the pensions industry in Guernsey, has been that the

criticism has sort of come a bit from the left of the spectrum and a bit from the right. So we are a bit like planning used to be, you cannot win because you have got opponents on every front.

What I mean by that is there is a danger that Deputy Roffey has flagged up and other people have said, that if you overly embrace this model, which the UK government did, just around about the Credit Crunch happened. Australia did and Australia have a very divided political society now, but also more frequently than England elect Labour governments, it is fair to say. Weirdly enough, the initial idea of privatising Social Security, which we are not doing, but moving away from the Beveridge-type model, the Lloyd George model, came from Chile during a well-known dictator's period of office. So it has got an interesting kind of antecedence.

The point of this is that if you come from the libertarian side of pro-business attitude, it is superficially, well, it is, a cost on business. It is a cost on employers, if employees opt in, and it is a rising cost. Against that, as Deputy Merrett and Deputy Fallaize have reminded us, it is a replacement income for people and the 'Generation Xs' and above, who are baby boomers, people in their 50's like me, in theory if we are still around spending money like water in 20 years' time, we have got to build up nest eggs now.

Actually, the only nuance I think I disagreed with Deputy Roffey about is that it will not be a panacea to pensioner relative poverty instantly. It is the kind of thing that will make a bigger difference with the generation who are now teens, 20's, 30's, than above that, because they will have more time to put in money.

So it is a prudent philosophy. It is a long-term philosophy. What I do not want to see, as much if not more than Deputy Roffey, is any possible suggestion that, because we are introducing this, and there is an element of compulsion for the employer, where the employer opts in, that we will go soft on the traditional model of the old age pension and not increase it appropriately with regards to increases in earnings, retail prices and so on.

Because I think already over the last decade, we saw a policy less generous than in the golden era of maybe Deputy Dorey and Deputy Lowe and Deputy Le Tissier, when they were Presidents of Social Security. In fact there was a change of approach because of the demographic puzzle and all the rest of it.

That is a concern that I have. I can understand where Deputy de Lisle, Deputy Inder and Deputy Laurie Queripel are coming from, in that there could be a take-out from the economy and there is, I have to warn everybody about this, because I have had my arguments and so on, an opportunity cost to this, maybe. The opportunity cost is, if there is massive take-up, and we hope that there will be and the operator that we have chosen is extremely good at relating technologically and for the digital generation and I think it is the best possible deal we could have got. There may have been one or two other competitors out there but they could have been more expensive.

We will hopefully get buy-in, but the downside of the buy-in is that it will be perhaps politically bolder, or braver, for this Assembly or the next Assembly, or the Assembly after that, to increase Social Security or equivalent contributions in other areas, because of course the cost to employers and, to a degree, a pound in your pocket, or some people's pocket, will be rising. Deputy Inder and Deputy Laurie Queripel will have constituents coming to them saying, 'My pocket is getting more shallow because I have not got so many quids in it.'

So those are some of the policy constraints because people ... Deputy Fallaize always wants people who complain to have an alternative sensible strategy. I suppose my strategy has been to be a bit more, at times, hard-line with businesses and also encourage a rising of revenue on the insurance rates, so that there was not a perception of us falling behind.

Other snags with the scheme that may be nuanced out when Deputy Langlois and others continue – and there might be one or two – I think like Deputy Roffey the voluntary side of it is to sell it and to ensure that employees who do not want it or people in an unusual employment situation might not go for it, and it was to minimise opposition. Also, I think there is confusion about whether self-employed people are included. I do not think they are, but as Deputy Laurie Queripel reminded us, it is complicated in the building sector.

3955 I think that Deputy Inder has hit the nail on the head, when he sees a change in the dynamics
of the recruitment and enterprise market and I think that, even in the States, the golden place of
public service contracts, you are seeing short-term contracts here and there and bank staff going.
I just hope that we do not move to such a flexible economy in the short-term that we have all
these zero-hour contracts, which I think has been a problem in Jersey, and that would negate the
3960 whole point of this scheme.

So we really do have to sell it to business, with a softly-softly approach, and retain the
confidence and, like Deputy Ferbrache always wants, economic development to occur. But I would
say, even if not every Member supports the jargon, I would say, yip-yip-yippee for YIP!

3965 **The Bailiff:** Deputy Lowe.

Deputy Lowe: Thank you, sir.

This is one debate where I came with a completely open mind, because I listen to one speech
and think, 'Yes, that is fair enough', and then I listen to the other one, and I think, 'No, I was right
3970 in the first place'. There is something about this one I am a little bit uncomfortable about. Because
I think the very people that we are trying to help, here, will be the people that will not be able to
afford it. They will be the lower paid that will not be able to do it because it is voluntary and they
are not going to be able to do that.

We stand here, so often we hear about poverty in our community. So where is that extra cash
3975 coming from? Because they have not got that money. We are hearing how we are having to help
people out more, including Age Concern with Deputy Lester Queripel supplying coal to help
people, and that is Age Concern. There are many other areas where charities now are helping out
those in our community. So there is that element to it.

Then I just think it is a timing issue as well. Because we have all been warned about Brexit,
3980 about food being more expensive. That is not just Guernsey, that is UK. It has been said quite
clearly the costs could be increasing on our food and our services as well. So we do not know
what is going to happen yet about the costs for those types of things, and for freight and
everything else that comes in.

So again, it is hitting those businesses who are going to have increasing costs, which picks up
3985 the point which Deputy Smithies stood and raised as well. It is not a case of, we are just running at
the moment as business as usual, because we have got a lot coming over the hill, which are the
unknowns and this is where it can be dangerous; where the States will actually go and support
something without knowing what is actually coming over that hill and that is where the timing
issue comes for me.

When you look at the data that we have got, we have all got the document of those that are in
employment and whether it is in manufacturing, construction, wholesale. When you look at these
and you work it out from looking at all the data, there are a lot there that are on lower pay. There
is no doubt about it, those who are middle earners or high earners, it is a doddle for this,
absolutely. 'Let us sign into it, no problem whatsoever.' But those are not the ones that we need
3990 to be targeting. The ones that we need to be assisting are those further down.

If it had been Social Security coming to say, 'Actually we are going to put up contributions to
be able to help those on the States' pension', I would be a bit more comfortable with that,
because I think that this scheme is not going to achieve what exactly they are trying to get to. We
have got, as well, for costs for the employer again. We have put up minimum wage, there is still
4000 talk about, we should not be doing a minimum wage, we should be doing more of median
earnings and making sure that people actually get a better pay scale in the lower paid jobs to be
able to keep people here. There is the added costs, which were mentioned earlier by Deputy
Inder.

It is a competitive market. In one breath we are saying we must do whatever we can to keep
4005 business local, because the internet is being used so much. Well, the more we keep putting on

businesses, the more we are pushing people to the internet, as well, to be able to buy certain goods and that cannot be ignored either.

These are just all the small elements that I think, you put it all in a pot and you have got a different ball game completely and it goes back to me saying it goes back to the very people who I think we are trying to help to say, 'Yes you should be saving for your pension', and we have been saying that for years. We used to say it when I was Minister of Social Security back in 2004. In fact, Deputy Brouard showed me a letter, which I signed, inviting him to join the working group, this was when the Norwich Union were looking like they were going to collapse, and how we were going to see whether we could help those people with their pensions.

So this has been on the radar for quite some time. At this moment in time I am probably 51% against and 49% for the Report and it really is going to be right down to the wire of which way I go, because I just think this Report is a little bit too early for what is coming over the hill.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you sir. I am going to be brief.

I would just like to thank Deputy Laurie Queripel for his speech. It was absolutely amazing. He always speaks very well and I agree with every point he made. I agree with the points just made by Deputy Lowe. But, unlike Deputy Laurie Queripel, I will not be supporting this.

Thank you.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

I will be supporting the proposals. My name has been mentioned a couple of times in this debate and Deputy Lester Queripel mentioned it early on in his speech, about the Income Support report that we brought and the uncertainty about the amount of money that it would cost General Revenue.

It is interesting that, because it was something for the future, so we were uncertain, but most of those proposals, in terms of Income Support, have gradually been brought in over time and the States have supported them in smaller steps, so that has happened. As Deputy Brouard mentioned, this is something which, I think, we looked at in 2008, 2012, but because we were trying to do Income Support changes, we just did not have the manpower to do this as well. So I was pleased when the next Committee brought proposals in 2016 and the current Committee has developed it because it is the right way forward to ensure that people have enough money in later life.

Deputy de Lisle brought me to my feet, actually, because he mentioned about, is this the right time for the economy? I am always concerned when people talk the economy down, particularly Members of Economic Development. I quote from the Budget Report on the economic context. It says:

First estimates of GDP from 2018, which is the latest year that we had available, show a real growth of 1.7% ... supported by continuing growth in the workforce, low unemployment, real growth in median earnings, a return to a modest rate growth in our population and an increase in the level of transactions of the housing market.

It goes on to say ETI in the last revenue stream:

is currently forecast to return real growth at just over 1%, approximately £2million above budget. The recovery of the housing market has significantly boosted receipts of document duty and overall revenues for 2019 are forecast to be £11million ahead of budget.

So we have a strong economy at this point in time, so I think those arguments saying it is not the right time to introduce it are completely wrong. I would argue it is the right time to introduce it. There are always uncertainties in terms of the economy and if you say because something

4050 might happen or if something is happening we cannot do anything, you would never make those steps forward.

I think we have to make these steps forward, just as we should have done Income Support, but we did it over a period of time. People can always argue it is not the right time, but it is the right time. The proposals are ready and in fact it should have been done a long time ago. So please support them.

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The Bailiff: Deputy McSwiggan.

Deputy McSwiggan: Thank you, sir.

4060 I think the arguments against this policy letter need to be handled with some care and I think I address my remarks, probably, to people like Deputy Lester Queripel, who has demonstrated that he cares about people in the community who are not financially secure, they are not financially well off, in weighing up the way that they want to vote, ultimately.

Deputy Le Clerc will be worried about what I am about to say because she knows that, for the whole of our time on the Committee, I have been a running sceptic of the merit of secondary pensions and the reason why I have been a running sceptic is because, if you said to me, going into Employment & Social Security, 'Okay, you are going to take a bit of headroom out of the economy, you are going to invest Government time and effort in doing something about improving the adequacy of people's pension provision', I would have said, 'Okay, the thing that we need to invest our time and effort in, the thing we need to take headroom out of the economy for is putting more money into' – what Deputy Roffey called the old age pension – 'the state pension – the first pillar.'

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Because, as Deputy Roffey pointed out, that is effectively a pension that rewards effort and long service. So the longer you have been in work, the more contributions you have made, the greater your entitlement and it gives you an equal amount, regardless of how much you have earned.

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I think that is a fair argument, but if we are going to have it now, we need to place it in the context of the financial and fiscal decisions that we, as a States, have been making all term. Collectively, we have not demonstrated willingness to put a lot of money into redistributive benefits and services. We have not made it clear to the Island that our priority is going to be shoring up the first pillar pension, making sure that we have got decent Income Support, making sure that there are enough affordable, basic services that the cost of living is more affordable to everyone.

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So our approach as a Government, as a whole, has not been to focus on those things. We have got an opportunity here to improve pension provision through another route, through what a lot of other States' Members would characterise as making people take personal responsibility for the adequacy of their provision in their retirement.

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That is something that I think pretty much everybody in this Assembly has put their support behind at some point or other during this term. It is something that should be easy enough for us to adopt collectively, easy enough for us to explain to the electorate collectively, what this scheme is, why it has benefits, and how it can help individuals to put money aside for their retirement so that when they retire they can rely on their own resources rather than relying on the resources of the States. We have not been willing to do the other things I would rather a Government does in order to help people prepare well for retirement. So, sir, I think we must do those.

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The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I will rise very briefly. The challenge of trying to get Deputy Lowe over the line from being 51-49, to get her perhaps to be 49-51 in the other way, and perhaps others who are sitting on the fence, because I think it is a very real challenge: when is the right time for this? I think Deputy Dorey sought to address that in his speech.

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This feels like pregnancy to me. There is never an ideal, there is never a perfect time, there is always the challenge of a reason for not doing this. Bearing in mind that this journey began in 2015, during the Personal Tax, Pensions and Benefits Review, it has already been five years. I think we know that the UK has gone this route and, again, with all the same concerns and obviously with a considerably less robust economy than our own. They have managed to achieve it with some success.

I think there are some short-term economic challenges, whether it is Brexit, as Deputy Lowe quite rightly raised. But this should be seen as a multi-generational, multi-decade project, and I think it is right to fire the starting gun. The approach which the Committee for Employment & Social Security have proposed is a reasonable and proportionate one and suggests that the scheme builds up over a period of time, in order to help manage those issues.

So I think Deputy Ferbrache was right when he effectively said the same thing, that there are some challenges around this. But it is the right thing to do and, at some point, we do have to bite the bullet, as a community and a Government, and now is the right time, recognising that the approach that has been proposed, after a considerable amount of work, is a reasonable and proportionate one and I hope that I might just have managed to get Deputy Lowe over the line.

The Bailiff: Deputy Le Clerc will reply.

Deputy Le Clerc: Thank you, sir.

I may be a while because there were quite a few questions to respond to. I will start with Deputy Lester Queripel, and he talked about Income Support projections in 2055 and 2072. Of course we can only make projections. We do not know what is going to happen. But we have tried to be open and honest with this policy paper, I think perhaps to our detriment at times, listening to some of the responses today.

I know that Deputy Queripel spoke about the cost of the additional work to the employer and we have tried to reduce the amount of additional cost to employers as much as possible. I think if you look at our report – actually, it is not in the technical report, it is in paragraph 4.10 – we talk there, and that was about working with employers, using digital platforms to enable those employers to send off the returns to Smart Pension, and that is where we will reap the benefit.

It is a bit like the States is reaping the benefits of working with Agilisys, we will reap the benefits of working with a company that is really digital smart and really at the forefront of transforming the way pensions will be rolled out in the future to younger people. In there it says that they have got payroll systems that link with Sage, with myPay, with QuickBooks. These are all systems that many employers, including small employers – which I think is really important – will be using on the Island.

So we have tried to reduce those costs as much as possible and I think, also, talking about employer costs, you have also got to talk about the costs of the savings for the investors themselves. Again, by using Smart Pension and using their digital platforms, we will be able to reduce the annual management charges to very reasonable fees and, again, I think that makes it affordable for the employee to invest in these schemes, which is a really important part.

Deputy Queripel talked about, can the employer opt out, and it is not fair. Well the whole point is that the employer has already opted out. We have got 25,000 people in Guernsey without a pension scheme because they have chosen to opt out. So what we want to do is ... If we just say they can opt out, we will still have in 10 years' time, probably 24,000 people without a pension scheme. So the whole point of this is to say, for employees to say, 'Come on, look after us, help us, we want to opt into this scheme.'

If they do not opt in, fair enough, the employers do not have to make that contribution. But I think it is to encourage pension savings and I would also say, and it is in this Report, that we know that we have got a reducing number of people that will be in employment in years to come, unless we considerably grow our population.

I think if you are a good employer, you will be wanting to offer a good package of benefits to attract and retain the best employees that you can. I think part of the reason why employers have perhaps not provided this sort of scheme to their employees at the moment is because of the cost. There is inertia. If you have got a business to run, actually, the last thing you want to do is sort out a pension scheme. You have got to provide trustees and all the technical jargon that goes with that. If we make it as easy as possible, I am sure that people will want to offer this sort of package to their employees.

I think about the cost of revenue and replacement revenue, we have always been honest about this. Even back in 2016, when we presented our policy paper to the States, we knew that there would be an impact and, actually, part of the Resolutions of that 2016 paper were to do that impact and that is why that is appended to this policy report. Again, we have been open and honest about the financial impact, but I will come onto that later on.

Deputy Queripel asked about the cost of the trustee and the loan. Deputy Gollop touched on this. Actually, this was one of the most cost-effective ways of setting up this scheme and it is a loan, so Smart will be repaying the loan. Smart have gone through an extensive procurement process. They have got substantial financial backing and, actually, as part of that procurement process they have had to guarantee that they will be able to provide at least six months' of administration. If for some reason they ever were unable to provide that service, that would revert back to the States of Guernsey, so we would take on that service and find an alternative provider.

But I think, coming onto the governance, the reason why we have got the trustee in place is because we need to have arm's length from the Government, from the perception that it is a States' scheme. So, with that cost of the trustees, there will be that strong, robust governance.

At the end of the day, the underlying funds will be invested in the individual person's name, so they will not be invested in the Smart Trustees Ltd. They will be under a custodian arrangement, similar to the custodian arrangement that we have with our insurance funds, the Guernsey insurance funds, at the moment. So they will not be invested in Smart's. I hope that reassures Deputy Queripel about the governance.

He cited about Robert Maxwell and, again, I think we have to remember that governance and regulation has moved on since Robert Maxwell's day. When we first started this journey, with the secondary pensions work, actually there was no regulation by the GFSC. Now there is actual regulation. So pensions will be regulated, we will come under that regulation and Smart Pension will have to register with the GFSC. So people should take comfort that there will be that extra oversight through the Guernsey regulator.

One thing that I want to point out, and it touches on what Deputy Ferbrache was talking about, we currently pay, if you have got a full contribution record, a States' pension of £222.58 a week. Through Social Security, we give a rent allowance of £227 a week and that rent allowance for a single person is based on the weekly rent of a GHA property.

So I know we are talking in today's terms, but if you had to pay your weekly rent out of your weekly old age pension or States' pension, actually you would be in deficit by about £4.50. So I hope that puts into perspective that if we do not encourage people to save, they will not have enough money to be able to pay their rent in years to come. Now, I know not everyone will be in rented accommodation, there will be people that will own their own property.

But, again, we know, with TRP, and we know with electricity, water, etc. and maintenance, the cost of those. So I think that is the stark reality that I want to get through to people today, that people without an additional pension pot will not be able to meet their weekly outgoings in years to come.

Deputy Queripel asked a couple of specific questions. Let me just find mine. What happens to the money that has been approved when someone dies before they reach pensionable age? That pension, in Your Island Pension, is in their own name, so that will just form part of their estate. So when that estate is wound-up the money will go in accordance with their will. I think that was the question that Deputy Paint asked as well.

4205 How will workers be affected if they are under licence? I think Deputy Langlois touched on this, but actually, again, if they are above the threshold to pay into this scheme, they will either be able to retain the pension pot, particularly for those guest workers that may come and go, they will be able to leave that pension pot here and add to that pension pot if they so wish, or, in accordance with Income Tax rules on pensions, it may be that they would be able to withdraw that pension and move it into another approved scheme or, if the contributions are so low they may be able to withdraw the whole lot if it is below the threshold.

4210 But they will still be able to retain that money, those savings will be their own, unlike many of our guest workers at the moment, that pay into the General Insurance Fund, they do not necessarily benefit from that when they leave the island, if they have only been here a short time.

4215 So I think that is probably the answers to Deputy Lester Queripel. Deputy Le Tocq I thank for support and for clarification. Deputy Paint has asked quite a few questions so I will answer those and I do thank Deputy Paint and Deputy Queripel, because they did give me a heads up, sir, on some of the questions they were going to ask, and that does really assist.

4220 Deputy Paint asked if the person would be able to claim a tax-free lump sum. At the moment it will be in line with the current Income Tax on lump sum withdrawal. But it is something that we can look at, because his concern was that if somebody takes out the lump sum, spends it, has a reduced pension, then Income Support then has to perhaps provide assistance to that person when they have had that lump sum. So that is something that is on the Committee's radar. I think it will be for the next Committee to come back but that is a concern, I think, that some of the people in the working group had.

4225 On the other hand, we do not want to dissuade people from not having the enjoyment that other people have if they have got private pension arrangements, so it is finding that balance between what is right and what we feel comfortable with.

4230 The other question was would they be able to transfer the secondary pension to another type of pension investment? Yes, you would be able to transfer Your Island Pension, as long as it was an approved scheme with the Income Tax or with the GFSC and was offering a similar type of benefit. So yes, you are able to move it about, if that is what you want. If you move it and you go into another scheme, you may find that you lose out of the employer contributions, so that is something that someone would need to be aware of.

4235 Question three, would it be possible that a man and wife, or partner, who have paid in, can unite their funds? They probably could not unite their funds while they are saving, because it is in an individual name, but if they wanted to take those funds out and move them to an approved scheme such as a RATS-type scheme, in their joint names, again, they would be able to do that, but again subject to normal pension arrangements.

4240 We have answered the question on what happens when somebody dies, so I hope Deputy Paint is satisfied with those answers, sir. Deputy Roffey always stands up and he is a fantastic asset to the Committee and I thank him for his support and clarification on many of the points. Deputy Inder, I am not sure that I will be able to convince Deputy Inder and perhaps some of the other people in this Assembly, but I think, if he listened to Deputy Dorey's speech, it is important for us to remember that, at the moment, we are receiving very positive signals from P&R and from the growth in the economy and, as many people have said, when is the right time?

4245 If our economy is in growth, albeit small growth, this is the right time. We are not in decline. He is on the Committee for Economic Development, I would hope that he would be bigging-up the economy and –

4250 **Deputy Inder:** Point of correction, sir.

The Bailiff: Deputy Inder.

4255 **Deputy Inder:** With the greatest respect, I said nothing about the economy. I was talking about new businesses. I was talking about new entrepreneurial businesses. I said nothing about the economy whatsoever and I would ask Deputy Le Clerc to withdraw that.

4260 **Deputy Le Clerc:** Sir, I apologise, but I have got here, consumption and growth, that was the note I wrote down when Deputy Inder spoke. I am sorry if I misinterpreted what he was saying.

He did say, however, that he felt it should be part of the Fiscal Framework and debate. I think we will end up adding everything this term to the Fiscal Framework review. We have got to start the journey. That is kicking the can down the road and, as I say, he talked about a 22-year-old, if he was recruiting now and he would employ contract staff. Under our proposals, contract staff would also be included within this.

4265 So, if you employed them through an employment agency, the employment agency would have to pay the benefits and they would be passed onto you as the employer. Again, that is something that we would look at. If people were avoiding paying contributions for those staff that wanted to opt in, were finding loopholes, then we would have to deal with that, or the trustees would have to deal with that at that time.

4270 Sir, Deputy Ferbrache talked about the self-employed. At the moment we have not included the self-employed, but we would be encouraging the self-employed, because they are big part of Guernsey's economy and we have got more, probably, self-employed than there are in the UK. They will be able to be part of this scheme and they will be able to contribute and I hope for many that it will be a cost-effective way of them setting up a pension.

4275 Again, when you are self-employed, I have got brothers that are self-employed, their day job is going out and getting in the business and they find it difficult, probably, to spend time looking at this type of thing. Again, we want to make the scheme as easy as possible, so those people who are self-employed will just be able to complete an application form and send off their voluntary contributions as and when, but to be part of the scheme.

4280 We must remember, and as I said in my opening speech, that the UK have been very successful. The opt out for all sizes of business has been actually very low and that is including small businesses. Deputy de Lisle: he talked about the right time. He talked about it being a social programme. It is not a social programme, it is not part of our usual ESS welfare and benefits package, it will be an individual person's saving. It is not social.

4285 In fact, if Deputy de Lisle is standing here in 30 years' time, or a mini-me Deputy de Lisle, and the then President of Employment & Social Security is coming to this Assembly to say that she or he needs an increase in Income Support and General Revenue is going up, because 30 years ago we were not part of an Assembly that agreed this secondary pension, I am sure his future Deputy de Lisle will be saying, 'No, no, we cannot afford to pay these extra benefits.'

4290 So please take that into account, this is something that we need to do to ensure that people take their own responsibility for their own future. I think Deputy de Lisle also talked about economic growth and this is part of the Economic Development mandate and, again, Deputy Dorey and Deputy St Pier have spoken about economic growth. This is the right time. Please do not kick this down the road.

4295 Deputy Merrett was giving support. She talked about the governance. I know the governance, as outlined in the policy paper, is expensive. We have had experts on our working group, with a lot more knowledge of the UK NEST scheme and we have also had local pension experts on the working group and it took us a long time to come up with these governance arrangements. And I know, in the letter from Policy & Resources, they were critical of the governance arrangements and the cost of the corporate trustee. But, again, that is something that we can look at.

4300 What we were trying to do is to ring-fence and assure the people of Guernsey, that the money was safe and secure and there was good oversight. I think that is what people need to be, reassured that there is going to be that good oversight.

4305 Deputy Laurie Queripel talked about people on low incomes. Again, there have been people on lower incomes in the UK and, actually, they have taken this up. In fact, I was watching the

television yesterday and some of you may not realise what it is about, because I find these days, televisions adverts, you really half the time do not know what they are about, but there is one at the moment with a chef talking to a little chef and that is all about encouraging people to save. There are people from all sorts of financial backgrounds.

4310 For those people on Income Support, there is every incentive to save because they will get the disregard, but he is right, he is correct, that those just above ... but the beauty of this scheme is it is not compulsory. It is a scheme where you can opt out. So if your financial circumstances are that you are starting a family or you have got a mortgage, or there is something unexpected, you can, at that time, opt out.

4315 We um-ed and ah-ed, the working group, about whether it should be compulsory or not and, actually, we have faced criticism from many people saying it should be. But we are saying no, at the moment, we need a scheme where it can be tailor-made to people's financial circumstances. And we have got to remember, as well, we are phasing this in over an eight-year period. So that contributions over those first few years will be very low contributions, but it is making a step in the right direction.

4320 Deputy Queripel also talked about Family Allowance. We have actually got a paper that will be coming, hopefully, back to the Assembly this term. The Resolution was, actually, that Family Allowance should be redirected and targeted at other services for children or children's services. I am not sure if Deputy Queripel can recall, but it was, I think, part of Personal Tax and Benefit Review, and it was to save the fact that the Family Allowance would have been done away with altogether, so the Resolution is that it is still targeted at children's services.

4325 So those people, if they do receive a reduction in their Family Allowance, there should be, hopefully, some benefit in other children's services that are being provided. But the Committee will be bringing back a policy paper in due course and we have been working closely with Health & Social Care and Education on that policy paper.

4330 Deputy Fallaize, again, I thank him for his support. What is the alternative? Exactly, what is the alternative? We will just be here in another 30 years' time and actually we will be saying there is not enough money in the state pension and we need to pay, either increase the States' pension and the burden on those people working at that time will be immense.

4335 Deputy de Sausmarez, again, I thank for her support. I just think that it is a reminder to employers. There will be many employers out there that do want to offer their staff a scheme. There are many that already do. But for those that are not able to have the time or there is inertia in setting something up, this will enable them to do that and become a good employer.

4340 I think Deputy Soulsby was concerned about the cost for businesses and, hopefully, I have allayed some of her fears in saying that some of the digital platform that we will be able to offer will help reduce some of the cost and the administrative burden. As I said in my opening speech, Smart will also be on Island, so that if people ever got any concerns or need to speak to somebody, there will be some on-Island presence here as well.

4345 Deputy Lowe, I think I have covered her point. Timing issue. Well, there is no good time. But we have got to start and we have got to start this sooner rather than later. I think that we will be doing a disservice to the people of Guernsey, if we do not offer this secondary pension, this second pillar pension.

4350 We will be building up substantial problems in the future and there will be people living in income poverty and it will be the Government at the time that will be picking that up. My understanding, and we have seen the response from P&R, is that they are supportive of this scheme; that they know there are some costs, but actually the long-term benefits outweigh these costs.

4355 You know, Deputy Dorey has said and I am repeating again, we have got growth in the economy, we have got growth in the population – some real growth. When will be the right time? The right time is now, sir, and I ask people to vote in favour of this policy paper. Thank you.

The Bailiff: I have not had anybody request separate votes on any Propositions.

A Member: Just a recorded vote, please sir.

4360 **The Bailiff:** I was proposing that all 12 Propositions be put together, unless someone requests otherwise? No. So all 12 propositions being put to you together, with a recorded vote.

There was a recorded vote.

Carried – Pour 32, Contre 7, Ne vote pas 0, Absent 0

POUR	CONTRE	NE VOTE PAS	NE VOTE PAS	ABSENT
Deputy Graham	Deputy de Lisle	None	None	None
Deputy Green	Deputy Lester			
Deputy Paint	Queripel			
Deputy Dorey	Deputy Leadbeater			
Deputy Le Tocq	Deputy Mooney			
Deputy Brouard	Deputy Meerveld			
Deputy Dudley-Owen	Deputy Lowe			
Deputy McSwiggan	Deputy Smithies			
Deputy Langlois				
Deputy Soulsby				
Deputy de Sausmarez				
Deputy Roffey				
Deputy Prow				
Deputy Oliver				
Alderney Rep. Roberts				
Alderney Rep. Snowdon				
Deputy Ferbrache				
Deputy Tindall				
Deputy Brehaut				
Deputy Tooley				
Deputy Gollop				
Deputy Parkinson				
Deputy Le Clerc				
Deputy Trott				
Deputy Le Pelley				
Deputy Merrett				
Deputy St Pier				
Deputy Stephens				
Deputy Fallaize				
Deputy Inder				
Deputy Laurie Queripel				
Deputy Hansmann Rouxel				

The Bailiff: The 12 Propositions have been carried by 32 votes to 7.
We will resume tomorrow at 9.30 a.m.

The Assembly adjourned at 5.31 p.m.