



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Wednesday, 16th June 2021**

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C. P. A. Blin	J. P. Le Tocq
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S. J. Falla	L. C. Queripel
P. T. R. Ferbrache	P. J. Roffey
A. Gabriel	H. J. R. Soulsby
J. A. B. Gollop	L. S. Trott
S. P. Haskins	S. P. J. Vermeulen
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**Representatives of the Island of Alderney**

Alderney Representatives S. Roberts and  
E. A. J. Snowdon

**The Clerk to the States of Deliberation**

S. Ross, Esq. (States' Greffier)

**Absent at the Evocation**

R. M. Titterington, Q.C. (H.M. Comptroller);  
Deputies R. C. Murray and G. A. St Pier (*Indisposé*);  
A. W. Taylor (*Relevé à 10h 43*)

## Business transacted

Evocation .....	595
Convocation .....	595
Procedural – Removal of jackets .....	595
<b>Statements .....</b>	<b>595</b>
Update on provision of COVID-19 Vaccination certificates .....	595
Committee <i>for</i> Employment & Social Security – General Update .....	598
Committee <i>for</i> Health & Social Care – General Update .....	607
Procedural – Congratulations to Deputy Taylor .....	615
<b>Questions for Oral Answer .....</b>	<b>616</b>
COVID-19 vaccine: side effects and alternatives .....	616
Educational outcomes .....	619
Time frames for a review of the Code of Conduct .....	623
G7 Agreeing to a Global Minimum Taxation Rate .....	624
<i>The Assembly adjourned at 11.22 a.m. and resumed at 11.46 a.m.</i> .....	627
Seafront enhancement .....	627
<b>Urgent Question Pursuant to Rule 12 .....</b>	<b>631</b>
Duties and Powers of the States' Assembly & Constitution Committee .....	631
<b>Billet d'État XIII .....</b>	<b>636</b>
Appointments to be Laid Before the States .....	636
Guernsey Competition and Regulatory Authority – Appointment of Mr John Curran as an Ordinary Member .....	636
Legislation Laid Before the States .....	636
The European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (Privileges and Immunities) (Bailiwick of Guernsey) Ordinance, 2021; The Marriage (Bailiwick of Guernsey) Regulations, 2020; The Marriage (Bailiwick of Guernsey) Law, 2020 (Commencement and Transitional Provisions) Regulations, 2020; The Motor Vehicles, Licensing and Traffic (Fees) (Guernsey) Regulations, 2021; The Control of Poisonous Substances (Fees) (Guernsey) Regulations, 2021; The Health and Safety (Fees) Order, 2021; The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) (Amendment) Regulations, 2021; The Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) (Amendment) Regulations, 2021 .....	636
Legislation for Approval .....	637
1. The Public Functions (Transfer and Performance) (Bailiwick of Guernsey) (Amendment) Law, 2021 – Proposition carried .....	637

2. The Long-term Care Insurance (Guernsey) (Rates) (Amendment) Ordinance, 2021 – Proposition carried .....	637
3. The Charities <i>etc.</i> (Guernsey and Alderney) Ordinance, 2021 – Proposition carried .....	638
4. The States of Guernsey Accounts 2020 – Debate commenced .....	638
<i>The Assembly adjourned at 12.32 p.m. and resumed at 2.30 p.m.</i> .....	642
4. The States of Guernsey Accounts 2020 – Debate continued – Proposition carried .....	642
Procedural – Request to change the Order of Business – Proposition carried .....	645
5. Ports Accounts 2020 – Proposition carried .....	646
6. Guernsey Water Accounts 2020 – Proposition carried .....	650
7. Guernsey Dairy Accounts 2020 – Proposition carried .....	653
8. States' Works Accounts – Proposition carried .....	660
9. Guernsey Waste Accounts 2020 – Proposition carried .....	662
10. Social Security Contributory Fund Accounts – Proposition carried .....	663
11. Change to the Composition of the Guernsey Pilotage Board – Propositions carried .....	665
14. Freedom of Information Review: Evaluation of the States of Guernsey's Code of Practice on access to public information – Debate commenced .....	666
<i>The Assembly adjourned at 5.32 p.m.</i> .....	683

# States of Deliberation

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

[THE DEPUTY BAILIFF *in the Chair*]

## PRAYERS

*The States' Greffier*

## EVOCATION

## CONVOCATION

**The States' Greffier:** Billet d'État XIII of 2021. To the Members of the States of the Island of Guernsey, I hereby give notice that a Meeting of the States of Deliberation will be held at the Royal Courthouse on Wednesday, 16th June 2021, at 9.30 a.m. to consider the items listed in this Billet d'État, which have been submitted for debate.

## Procedural – Removal of jackets

**The Deputy Bailiff:** Good morning everyone. I recognise it is very warm in here and will no doubt get warmer during the day so please take this as official notice that you may remove your jackets as and when you feel the need.

# Statements

## CIVIL CONTINGENCIES AUTHORITY

### Update on provision of COVID-19 Vaccination certificates

**The Deputy Bailiff:** Thank you, Greffier. Can I invite Deputy Peter Ferbrache to give his Statement in accordance with Rule 10(3)?

**Deputy Ferbrache:** Thank you very much, madam. I am grateful to you for permitting me to make this Statement, which is on the subject of COVID vaccination certificates. During April 2021, in the Meeting of this Assembly, I undertook that the Civil Contingencies Authority would share the

template for the letter with Members before it is rolled out. A copy of the template has recently been provided to Members ahead of today's Meeting.

The letter has been developed to closely align in format, content and security features to those being issued in the UK and the other Crown Dependencies, but with our own clear branding. This approach has been taken to ensure that the certificates issued in Guernsey are easily recognised and accepted when used beyond our borders.

We have also used the more recognisable term of 'Government' instead of 'States' in our logo so that it is clear to those reviewing the letter outside of the Common Travel Area, who may not have heard of Guernsey – there may be one or two – that it is an official document issued by a government authority.

The certificates will have a range of security features embedded in them, including holograms, the use of a pantograph to prevent copying, microtext, a unique reference visible using the ISO Alpha-3 country code, which is also coded into the barcode and visible and hidden watermarking. The approach will be similar to that used for banknotes to mitigate the risk of a forgery.

This letter is being made available to allow people to provide proof of their vaccination status where required. I understand at this time that there are no countries that require a person to be vaccinated as the only condition of entry. Instead some countries are choosing to introduce policies that offer reduced testing or self-isolation to those who have been vaccinated.

With the introduction of the Blue Channel on 1st July 2021, anybody arriving in the Bailiwick from within the Common Travel Area will need to have their copy of this vaccination certificate as verification of their vaccine status in order to ensure entry requirements without the need for testing or self-isolation.

Similarly, as yet there are no current requirements to have proof of vaccination to gain entry into establishments such as pubs, restaurants, theatres, cinemas, etc. in the UK. As set out in the UK's roadmap, there is an ongoing research programme looking at events. Therefore, this remains an area of further policy discussions in the UK. We continue to engage with the UK Government, the Devolved Administrations and the other Crown Dependencies as these jurisdictions, like ours, develop policies to continue the exit from lockdown.

The Authority is conscious that some people, for example because of an underlying health condition or other personal reasons, are unable to be vaccinated. This is an area for further policy development and we continue to engage with the UK and the other Crown Dependencies to better understand how these groups can be accommodated and so not disadvantaged in terms of their ability to travel because they have not been vaccinated.

We are mindful that the vaccine programme is currently for people aged 18 years and over. This potentially creates a difficulty for a family where the parents have been vaccinated but their children have not. People looking to travel should check the policies in relation to vaccination status in the countries they intend to travel to and through. The Authority notes that the World Health Organisation's advice is that a child's vaccination status should be deemed as being the same as their parents.

Turning to the more practical details, the certificates will be available both as a printed document and in a digital format. The printed copies will be posted to all Bailiwick residents who have received both doses of the COVID-19 vaccination using the address held on the vaccination database. The certificates will be available from early July. However, if anybody requires proof of their vaccination status earlier, it will be possible for them to apply for their certificate sooner.

The digital version will be accessed via the Travel Tracker and be linked to the individual's registration. It is anticipated that the digital version will be available two to three weeks later. It is not proposed to charge Islanders for the letter. The certificates will be available from early July. However, again, I emphasise, if anybody requires proof of their vaccination status ahead of 1st July 2021, it will be possible to apply for them sooner. Thank you very much, madam.

**The Deputy Bailiff:** Thank you, Deputy Ferbrache. Are there any questions in relation to that Statement? Deputy Queripel.

70 **Deputy Queripel:** Thank you, madam. I am in need of clarification from Deputy Ferbrache, please. Bearing in mind the fact that even two doses of the vaccine does not make anyone immune to COVID, can Deputy Ferbrache please tell me the rationale behind putting a measure in place that allows anyone who has received two doses of vaccine to step onto Guernsey soil and be free to go wherever they want to, without being tested on arrival?

75 **The Deputy Bailiff:** Deputy Ferbrache, if you would?

**Deputy Ferbrache:** Only if they apply to come from the Common Travel Area. If they come from the Common Travel Area, which is Ireland, Northern Ireland, Wales, Scotland, England, Jersey and the Isle of Man, and they have had 14 days after the second vaccination, yes they will.

80 **The Deputy Bailiff:** Deputy Matthews.

**Deputy Matthews:** Thank you, madam. I would like to ask about the CCA's view on the merits of a containing strategy versus an elimination strategy for COVID and –

85 **The Deputy Bailiff:** Deputy Matthews, in relation to this question it really should be on the basis of the Statement itself. I think you are going beyond what the Statement is actually on.

**Deputy Matthews:** Sorry, well I think it does relate. It is which strategy this –

90 **The Deputy Bailiff:** No, Deputy Matthews, this goes beyond the Statement, which is in relation to vaccination. Deputy Gollop.

**Deputy Gollop:** In relation to the issuing of the vaccination passports that the President has pledged, some of us were vaccinated in a different venue from Guernsey, presumably that will apply as well. But I would like assurances that: firstly if a person who has reason to believe they were vaccinated does not receive one, they can inquire; and, secondly, that these vaccination passports are fully acknowledged as correct in Jersey and the United Kingdom and maybe France. Are they valid in all of the places people might travel to?

100 **The Deputy Bailiff::** Deputy Ferbrache.

**Deputy Ferbrache:** Thank you, madam. We do not call them vaccination passports, we call them vaccination certificates, for obvious reasons. But certainly, if people have a doubt, they can make inquiries. Of course they can, because if they have had their vaccinations there should be proof of it. That can be achieved.

105 As I said in the Statement, we have worked closely with the Crown Dependencies, the UK authorities, etc. and we believe that the document, which I appreciate Members have only recently seen a copy of, accords with international standards. We can only move from that in a very limited form.

**The Deputy Bailiff:** Deputy Burford.

115 **Deputy Burford:** Thank you, madam. Can Deputy Ferbrache confirm that Guernsey will not arrive at a point where vaccine certificates are needed to participate in everyday life?

**Deputy Ferbrache:** I do not think I can give that absolute assurance. It will depend on what happens. Certainly, the new vaccination certificates are being issued so that people can travel.

120 **The Deputy Bailiff:** Deputy Gabriel.

**Deputy Gabriel:** Thank you, madam. I would just like some clarification. Did I hear correctly that there is going to be an exemption certificate supplied as well for people that have not been able to take the vaccine for medical or whatever reasons? And also another question, will the citizens of Alderney be covered by this scheme as well?

**The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** The citizens of Alderney, the citizens of the Bailiwick will be covered by it, to answer Deputy Gabriel's second question. As I said in the Statement, that is still being looked at, the exemption certificate or the phrase aptly used by Deputy Gabriel. There needs to be something because people have not had the vaccination for a variety of purposes and reasons, some of which may be medical or psychological related. So his point is a good one. We are looking at it.

**The Deputy Bailiff:** Deputy Leadbeater.

**Deputy Leadbeater:** Thank you, Madam Deputy Bailiff. Can Deputy Ferbrache provide some reassurance to Islanders that say, for example, somebody has not had two vaccines, but they fall ill for some reason and they need to go to, say, Southampton General, that that would not be a barrier to them?

**Deputy Ferbrache:** Of course, common sense, it would have to be. Of course you cannot say you cannot travel if you have not had the two vaccines. You are a 19-year-old, for example, and you fall ill. That situation will be covered.

**The Deputy Bailiff:** Deputy Trott.

**Deputy Trott:** Madam, thank you. A slight matter of detail really, while it may be expedient to describe us as a country in terms of country vaccination, is it in fact accurate so to do?

**Deputy Ferbrache:** We have explained why. We have explained, the Government of Guernsey, why, because I am sure Deputy Trott may have travelled beyond these shores, I know not. I certainly have, to various jurisdictions, and most people have never heard of Guernsey, sadly. They should and I hope Guernsey Finance is going to promote that in due course so that people invest large funds here because they are going to get more money for the state shortly. So the answer to the question is we have used the description we have to be as helpful to people as we can.

**The Deputy Bailiff:** Are there any further questions? Thank you, Deputy Ferbrache.

## COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

### Committee for Employment & Social Security – General Update

**The Deputy Bailiff:** We then move onto the General Update, Deputy Roffey.

**Deputy Roffey:** Thank you, Madam Deputy Bailiff. I am going to start and end with good news, with some slightly less good news sandwiched in the middle. The first bit of good news is that unemployment is continuing to fall quickly, following a sharp increase during the second lockdown.

The number of claimants during the week ending 29th May was 494, a reduction of 75 on the previous month's figure of 569. At the end of February 2021, this figure stood at exactly 1,000, so

we have seen a tremendous reduction in unemployment in the space of just one quarter – a really positive indicator that our economy is getting back on track after extremely difficult times.

170 Moving on to the slightly less good news. My Committee has not been immune to the impact of the pandemic and some projects have inevitably been delayed, as resources have been stretched to the limit and focus has been diverted elsewhere.

I announced last week that, regrettably, the Committee has had to adjust its implementation plan for the secondary pensions scheme. Under this legislation, employers will be required to contribute at least minimum levels either into a qualifying pension scheme or the new secondary pension scheme following automatic enrolment of their employees.

175 The aim is to support more people to save for their retirement. I am passionate about this policy area which, in the long-term, will significantly reduce pensioner poverty amongst a whole swathe of people who are not currently saving enough for their retirement, and also help to control welfare expenditure. And it will also help us to control welfare expenditure.

180 Originally the legislation, which is currently being drafted, was to come into effect from January next year. The Committee, though, is very conscious of the need to provide employers and pension providers with adequate lead-in time to prepare. So we are now targeting January 2023. Although I am disappointed that the launch date has slipped by a year, we think this is the right thing to do and initial feedback from industry is supportive of this move. Significant engagement will take place both with employers and pension providers in the lead up to the launch of secondary pensions to make sure that particularly employers are fully aware of their new obligations.

185 I am looking forward to visiting Alderney later this month to consult with States' Members, the business community and the public over the possibility of this scheme applying there too. Exactly the same issues exist in Alderney as in Guernsey and so I do hope the policy will be given serious consideration.

190 Moving on to the implementation of phase one of the new Discrimination Ordinance. I am pleased to report that this is progressing well, if just a little behind schedule. Detailed policy proposals for the new Ordinance were approved by the States in July last year. An amendment from Deputy Parkinson was also approved directing that two additional grounds of protection – sexual orientation and religion – be included in phase one.

195 The Committee was tasked with returning to the States with proposals for exceptions relating to those two grounds of protection. For those less familiar with discrimination legislation lingo, exceptions describe situations where it would still be lawful to treat people differently on the basis of a protected ground. We are currently finalising a policy letter regarding this matter which I hope will be debated in September.

200 Good progress is also being made on drafting the new Ordinance and the Committee is currently seeking bids for the provision of the training required in the lead up to the Ordinance coming into force. And a selection process is currently underway to expand the Employment & Discrimination Panel to handle any increase in the number of discrimination complaints when the new Ordinance comes into force.

205 Turning now to an important cross-Committee project which will provide tangible benefits to families. Late in the last term, the States agreed proposals to make changes to the eligibility criteria for Family Allowance, moving it from a universal benefit to one with an income cap of £120,000 per annum.

210 The idea was to free up a chunk of General Revenue to fund the provision of new children's services. These will include subsidised primary care for-under 18s, including at the Emergency Department, a free dental check-up and fluoride varnish annually, dental health education for pre-school and school age children, and cultural enrichment activities in primary schools. The President of the Committee for Health & Social Care will provide a brief update on the work streams under his Committee's mandate in his Statement shortly.

215 Now, it was intended that all of these changes would come into force in September 2021. However, the Bailiwick's second lockdown caused a delay, as resources were focussed on the immediate response to the pandemic. So, a joint decision was taken to postpone the

implementation date by a few months to January 2022. In the coming months we will be contacting people about the changes and, where appropriate, asking them to complete an income declaration ahead of the January changes.

I would also like to touch briefly on the topic of housing. Members will know that there is an acute shortage of housing in Guernsey both to purchase and rent and escalating house prices and housing cost prices as well for the rental sector. I would like to make clear that my Committee's specific area of responsibility here relates to the provision of affordable housing.

For the avoidance of doubt, 'affordable housing' in Law means property that is reserved for certain groups of people who are deemed unable to afford to rent or buy property on the private market. It comprises social housing, such as social rental, key worker, extra care housing and specialised housing, as well as intermediate housing such as partial ownership.

The waiting lists for both social rental and partial ownership properties are increasing. The States' HR team is reporting that some key workers who have been recruited have subsequently declined to take up the offers of employment simply because they have been unable to identify any suitable accommodation to either rent or buy. Similar reports are being received from the private sector.

Clearly there is an urgent and immediate need to take action on housing issues. With this in mind, a Housing Action Group has just been established, including the Presidents of P&R, E&I, ESS and the DPA. The Chief Executive of the Guernsey Housing Association, and senior officers, are also involved.

Cross-Committee ownership and engagement with the problem are absolutely vital in identifying and implementing the right solutions. The first meeting of the HAG took place last week and it was a very positive meeting. We need to do a bit more work to agree what is in scope but everyone is committed to this approach and I am sure that they are going to play their parts fully. I know they will.

Moving on to the important issue of the sustainability of the Guernsey Insurance Fund, which funds Guernsey's pensions and other contributory benefits, and the Long-term Care Insurance Fund that pays for residential and nursing care in private sector care homes. The Tax Review is now well underway and this provides a real opportunity to address the thorny problem of how to fund Government services, including essential benefits, through the demographic bulge that is happening now and into the future.

There are no easy answers. I am sure the solution will be a bitter pill to swallow. But swallow it we must for the sake of our young people in our community who expect, quite rightly, to receive a pension when they turn 70 and funded residential and nursing care if they need it, because they have diligently paid their Social Security contributions throughout their working lives. We cannot bury our heads in the sand and hope that just shedding some civil servants will be the answer to all our prayers.

Given the importance of this matter for all Islanders, the Committee is working up a Plan B in case the debate on the Tax Review does not resolve the sustainability issues. Given timing constraints, this plan will be included in our Uprating Report for 2022, which needs to be submitted before the Tax Review has been debated.

Let me make it clear, we are not doing this to undermine the Tax Review. Far from it. We absolutely support the holistic approach that P&R is taking and hope it will provide the solution that my predecessors have tried in vain to secure.

I promised to finish on some good news and that is that a Reciprocal Agreement on Social Security with the Republic of Latvia came into force on 1st of this month. This was a historic moment for Guernsey because it is the first Reciprocal Agreement on Social Security that Guernsey has negotiated itself with another country under entrustment from the UK. I think that is particularly significant in the context of Brexit.

The Latvian workforce is incredibly important to Guernsey's economy and Latvian workers are rightly highly regarded by local employers. So, it is great news that Guernsey's Latvian workers can now receive proper value for the Social Security contributions they pay while they are in our Island.

270 **The Deputy Bailiff:** Thank you, Deputy Roffey. Questions – Deputy Queripel.

**Deputy Queripel:** Madam, I believe I am right in saying that ESS were given £22 million to spend on affordable housing by the previous Assembly and that money still has not been spent. If that is the case, can the President please tell me what has happened to that money?

275

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** Some of it has been spent, some of it is still waiting to be spent and it was subsumed into a broader fund by P&R at the last Budget debate and we did flag up that we wanted to make sure that it would still be available for housing and I think we were given that assurance by P&R at the time.

280

I think one of the reasons, I cannot speak for the previous Committee particularly, but one of the reasons that more was not spent was actually targets were set by this Assembly after the KPMG report was discussed and they have been exceeded. Actually, more social housing has been created than this States deemed to be the correct amount.

285

Secondly, it has been the dearth of sites. Sites are absolutely key here. The money is sitting there. I think P&R are willing to deploy that money. I look across to Deputy Ferbrache, I hope that is true, he is nodding so *Hansard* can note that he is nodding! But we do need the sites and that is absolutely urgent.

290

**The Deputy Bailiff:** Are there any other questions? Deputy Queripel.

**Deputy Queripel:** Madam, in response to what Deputy Roffey just said, there are sites available. There is a lot of land out there, a lot of States-owned land. So what is ESS doing to push to actually acquire those sites for housing?

295

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** We are, both in our own right and through our involvement in HAG, pushing for States-owned land, both currently developed, which can be redeveloped, and undeveloped land to be used. The Castel Hospital, for example, is an example of the former. The Fontaine Vinery is an example of the latter. We are working closely with the DPA. There has been, though, over the last few years, a dearth of available sites. But we have made clear that we are keen to press on, through our delivery partner, which is really the GHA, in providing more social housing as rapidly as we possibly can.

305

**The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Thank you, madam. I am delighted to hear the progress being made in bringing in free primary care for children; everything that came out in the policy letter that we did on Family Allowance last term. Can I just ask Deputy Roffey whether the modelling that was done at that time has been revisited, given it was quite a while since that policy letter came to the States?

310

**The Deputy Bailiff:** Thank you. Deputy Roffey.

315

**Deputy Roffey:** I just have to add one correction. It was not free primary care for young people, I think it was a reduced price of £25 per consultation. Yes, we can model at ESS how much of our budget can be passed across as a result of not doing this. Obviously, it is down to the two Committees, Education and primarily HSC, to model on how much it is going to cost them to actually provide the services that are supposed to be funded out of that money.

320

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

325 **Deputy Dudley-Owen:** Thank you, Madam Bailiff. I just wanted to ask the President, Deputy  
Roffey – thank you for his Statement – just stepping back to the question that Deputy Queripel  
asked and then Deputy Roffey's response, where he said there had been a lack of available sites  
over the years and then gave two examples of sites that actually have been available for many years,  
I just wondered if he could pick into that a little bit more in terms of the word a 'dearth' of available  
sites and then obviously the Fontaine Vinery has been available and also the Castel Hospital has  
330 been vacant for many years now? Thank you.

**The Deputy Bailiff:** Deputy Roffey.

335 **Deputy Roffey:** Vacant and available are two different things. With the Fontaine Vinery it is only  
now that the DPA are signing off the development brief, which will allow the Guernsey Housing  
Association to put in detailed plans and I know that they are champing at the bit to do that as soon  
as they are able to.

As far as the Castel Hospital, there were a number of years where it seemed to be not available,  
it was earmarked for other purposes. I know that HSC are still occupying parts of it. The GHA, I think  
340 back in 2014, drew up a scheme to allow 90 new homes actually on that site. Although that would  
need the demolition completely of the old building. If you wanted to retain the façade it was less  
than that. But yes, the plans are there and it is certainly not us that is delaying going forward.

**The Deputy Bailiff:** Deputy Inder.

345 **Deputy Inder:** Sir, I am glad the HAG group – I will call it HAG for now – has sat, but I note from  
Deputy Roffey's update that it looks like he is focussed on GHA as the delivery vehicle for future  
housing. Do I glean from that then that aspiration element of full ownership is not something that  
he or his team will be considering?

350

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** Depends which team, Madam Deputy Bailiff. As I tried to explain in my  
Statement, the team at ESS only have a mandate for a very specific sector of housing, which is, as I  
355 explained, social venture, partial ownership and special tenures. However, we may well put in ... I  
completely agree the whole housing market is interconnected. The reason our waiting lists are  
going is because people's aspirations to find their own home in the private sector are becoming  
more and more difficult to realise. So yes, as a States' Member, as a Member of the Housing Action  
Group, totally focussed on the aspirational side, but in the context of this Statement, I have to deal  
360 with our mandate.

**The Deputy Bailiff:** Deputy Leadbeater.

365 **Deputy Leadbeater:** Thank you, Madam Deputy Bailiff. Can Deputy Roffey tell me how many  
years it will take for us to build a decent amount of affordable housing and in the meantime is his  
Committee seriously considering modular units for key workers, etc.?

**The Deputy Bailiff:** Deputy Roffey.

370 **Deputy Roffey:** I think we are looking at some factory built homes not only for key workers,  
although that is incredibly important, but also for other developments, because otherwise the  
length of time from acquiring the site, through planning permission, through construction, is

massive and because we know that currently the construction industry is, amazingly after COVID, extremely busy over here.

375 So we are doing a lot of research into modular homes and how they can be best used but the Deputy is quite right, Deputy Leadbeater is quite right that it probably has a particular relevance for key workers. In fact, there are some interesting models of modular homes that can be built in car parks, on stilts, without taking away the car parking. Now, I do not know what HSC's view on that is but there might be the potential at the PEH site to actually do just that.

380

**The Deputy Bailiff:** Deputy Gabriel.

**Deputy Gabriel:** Thank you, Madam Deputy Bailiff. I have got a few questions around the Housing Action Group. Have you decided on any deliverables yet and if so do you have any timeline on those deliverables? And what is the funding around those deliverables and the reporting strategy back to the Assembly please?

385

**Deputy Roffey:** I would love to go into that in depth but I am restricted, as I understand it, to the mandate of the Employment & Social Security Committee. That is why we have got the President of P&R on board so there is no hiding place from the top Committee when we are tackling housing. It was great to see that housing was really near the top of the agenda in this morning's presentation on the Government Work Plan. So, I am sorry, with this particular hat on, I cannot answer that particular question.

390

395 **The Deputy Bailiff:** Deputy Inder.

**Deputy Inder:** I just wonder if Deputy Roffey may be able to answer this question. His Committee looks after a fair amount of housing stock and there is this word that they use called 'voids' and they are those houses that are effectively fallow and kept within the stock to be rolled and changed over. We are in an emergency situation, there are no two ways about it, there are people not being able to move house and live in them. Now what percentage of those voids, within this housing stock, could be used to house people in an emergency manner and now many of the key workers are now starting to be housed in what would normally be States' housing stock?

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405 **The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** In normal circumstances, we do not use the States' housing stock for key workers because they are designed for a particular tranche of Islanders. However, there are some occasions, for instance, the maisonettes down Le Jehannet estate where three-bedroom properties that were designed for families were totally inappropriate for families because they are on top of single bedded units, where we have exactly used that flexibility to use three single key workers to occupy what was a family unit.

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So yes, we are looking at all of these options and I have to say I am delighted that having relentlessly banged the drum about a housing crisis, people now believe there is one. I am just thinking that I am likely to have built a rod for my own back because people who know ask me what I am doing about it and all I can say is we are going to move as quickly as we possibly can.

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**The Deputy Bailiff:** Deputy Queripel.

**Deputy Queripel:** Madam, does Deputy Roffey agree with me that policy GP11 needs to be either amended or even dispensed with, seeing that it has not provided a single unit of affordable housing since it was introduced in 2016?

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**The Deputy Bailiff:** Deputy Roffey.

425 **Deputy Roffey:** Yes, well there is every sign that in two significant sites in the very near future it will do just that. This is certainly not the time to be turning our back on it.

**The Deputy Bailiff:** Deputy Inder.

430 **Deputy Inder:** I do not think, through you, Deputy Roffey answered my question entirely. He alluded to it. What percentage of the housing stock is currently fallow? Have there been any efforts in this current emergency, and the emergency is today, to make efforts to get people to be using those voids and is it now acceptable, give or take the odd house that may have major problems, 435 could they relax some of their rules regarding what is and what is not acceptable housing because the emergency is today, it is not in two years' time?

**The Deputy Bailiff:** Deputy Roffey.

440 **Deputy Roffey:** We have revisited our voids policy and we are doing our best to make sure that voids are kept to a minimum but unfortunately there are some times when properties are left in a condition that that is the time to do it, when they are empty, to prepare the condition that it is left in rather than when you have got a new tenant in place. But, of course, our tenancy team are under the most extreme pressure and they work very closely with our team that are responsible for voids 445 and upgrading and they are all well aware of the emergency and the need to be flexible.

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

450 **Deputy de Lisle:** Thank you, madam. Many would consider the Government is being insensitive to the difficulties companies are having with COVID by subjecting industry with increased costs through a secondary pension scheme. Are there not many means available to people to take out a pension scheme without subjecting employers and employees to a mandatory scheme?

455 **Deputy Roffey:** Never a good time to bring in the secondary pension scheme, is there? There was not when we brought in Zero-10, it was not when there was a world economic downturn and now it is COVID. The best time to bring in a secondary pension scheme is always 25 years ago. But if we do not step up to the plate and actually do this then the costs for this Assembly, when I am long gone, are going to be a lot higher than they are today, as far as welfare payments and actually, particularly, if we do not maintain levels of home ownership, because welfare payments having to 460 go into people renting in their old age, are very significant.

So we really have to encourage secondary pensions and occupational pensions. When you find pensioner poverty it is nearly always amongst pensioner households where there is no secondary provision.

465 **The Deputy Bailiff:** Deputy Vermeulen.

**Deputy Vermeulen:** Thank you, madam. Through you, madam, I would just like to ask the President, in his opinion, what would he say has caused this housing crisis?

470 **The Deputy Bailiff:** I think there is a combination of reasons. It is obviously supply and demand. The supply has actually increased so clearly the demand has gone up significantly. There does seem to have been a particular, out of leftfield, COVID shutdown. I think there are probably a lot more people in the Island than there would have been previously.

475 My own view is that the seeds were set a little bit by the changes to the population control regime, which moved a lot of people out of shared Open Market property into the Local Market. But it is interesting, as I said, this States set a target for the amount of additional housing and

additional social housing, and actually put a limit on it, saying it was between this bottom level and this top level, and we have been right at the top level, providing the amount that the States wanted and yet we still have a housing crisis. So clearly the targets were wrong, so we are going to have to get that right in future.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Notwithstanding I sit on ESS but not on the Housing Action Group *per se*, I am interested in Deputy Queripel's questions about GP11. What, in Deputy Roffey's opinion or maybe Housing Action Group, can ESS and the group do to encourage or stimulate private sector developers to create more affordable and social housing on mixed sites?

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** I am not sure how much of that sort of initiative would fall completely inside the mandate of ESS and if so it is interesting to be grilled by one of my own Members over that! What I would say is that particular policy, as I have said before, there is every indication that it is going to deliver up a significant amount of affordable housing in the relatively near future, so I would urge Members of this Assembly, hold your nerve over it.

**The Deputy Bailiff:** Deputy Kazantseva-Miller.

**Deputy Kazantseva-Miller:** Thank you, madam. We have talked now, we have mentioned the word emergency a number of times, the housing emergency. But in order for us to declare an emergency we need to follow the same process as during COVID, for example. So let us declare a state of emergency, perhaps CCA and other powers will assume powers over this situation. Would the President find that helpful?

**Deputy Roffey:** One dictator in the Island is probably enough without having another one! I actually have not used the word emergency. I use the word crisis. Semantics between the two. What I mean by crisis is a really difficult situation where action needs to be taken quickly and I do believe that, between Deputy Oliver, Deputy Ferbrache, Deputy de Sausmarez and myself and just as importantly the senior officers that we got involved, who know which doors to knock on and which keys to turn, that we will get things moving, it will be a crisis reaction. But the nature of housing is that it does not happen in weeks, unfortunately. Even with system builds, with everything else, there is a lead-in period, so we are in for a bumpy period ahead.

**The Deputy Bailiff:** Deputy Leadbeater.

**Deputy Leadbeater:** Thanks, Madam Deputy Bailiff: Would Deputy Roffey agree with me that if GP11 had not been inserted into the IDP in 2016, we would have a significant amount more of social housing, affordable housing, however you want to call it, been built to date, since then?

**Deputy Roffey:** I do not know. I think trying to judge what would have happened, if something had happened, I do not know. But I do know that when the States changed the limits on it, the expectation was that in smaller sites there was going to be a financial contribution in lieu of the units, which would have been really helpful. But for some reason, never happened.

**The Deputy Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Thank you. Following on from Deputy Lester Queripel and Deputy Marc Leadbeater's questions about GP11, I can comment that developers are telling me that a considerable number of sites have not gone ahead because GP11 requires a contribution of up to 30% of the land to the Housing Authority.

Does Deputy Roffey agree that if GP11 was not there, it changes the commercial viability of those sites and it also means that the actual end product, the houses being sold to first-time buyers will be cheaper, because obviously if 30% of the site has to be given away to the States, that cost has to be passed directly onto the consumer? Therefore, is GP11 an impediment, reducing the amount of supply that could be addressing this crisis?

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** All policies have pros and cons. I would have to say that as far as people who have land banks and are looking at whether it is commercial to develop it, the current house crisis, if they do not believe that in the present circumstances there is a viable scheme to bring forward then there probably never will be.

I do take the point that in one or two more marginal sites, there may be an argument – I do not think stacks up because I am going to have to give a percentage to social housing. On the other side of the equation, there is every prospect of us getting a significant number of additional houses as a direct result of that policy. So, it is a balancing act but really this is not the policy of ESS, it is the policy of the DPA. I do seem to be fielding everybody else's mandate but my own this morning.

**The Deputy Bailiff:** Deputy Vermeulen. This may be the last question, depending on the length of the question and the answer.

**Deputy Vermeulen:** What a way to finish, madam! Deputy Roffey, you alluded to your targets for housing had been met. Now that rather surprised me. Could you, for the sake of clarification, just say whether that is properties with planning permission or properties and homes that have actually been built?

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** It is the latter. Actually have been built. We are absolutely at the top end of the range that this Assembly instructed us to create in relation to social housing. Again, I emphasise, I cannot talk about, I am not responsible for the general housing market, but the KPMG report suggested a target and a tolerance either side of it. We are at the top end of that tolerance.

**The Deputy Bailiff:** Thank you. We do have time for one more quick question. Deputy Queripel.

**Deputy Queripel:** Madam, Deputy Queripel has asked us not to mess with policy GP11 because there are two major sites coming on stream soon. But the figure set by GP11 is 20 units, which means that if that were reduced to, say, 10 units, twice as many units of affordable housing would be provided on those two major sites alone. Surely it makes perfect sense to mess with GP11, does Deputy Roffey not agree with me?

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** I do agree that if it was set at 10 units that would not put in jeopardy the sites that I was talking about. I had picked up that there was a mood in some parts of this Assembly,

575 maybe not with Deputy Queripel, to simply scrap the policy and I was saying that that would be supremely bad timing.

**The Deputy Bailiff:** Thank you.

## **COMMITTEE FOR HEALTH & SOCIAL CARE**

### **Committee for Health & Social Care – General Update**

**The Deputy Bailiff:** Can I now invite Deputy Brouard, as President of the Committee for Health & Social Care, to make his Statement?  
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**Deputy Brouard:** Thank you, Madam.

Since my last statement in December, a lot has happened. We have had a second lockdown bringing with it a requirement for Health & Social Care services to, once again, work differently; to  
585 ensure the continuation of their vital work. We continue to deliver the largest-ever vaccination programme on-Island with over 75,000 doses administered and since the testing programme began last spring, our pathology teams have now processed over 112,000 tests.

In an HSC context, exiting lockdown is as challenging as lockdown itself and teams across HSC have been working hard to both manage increased demand and maximise activity to support as  
590 many Islanders as possible in getting the health and care services that they need. This does mean that HSC is exceptionally busy and this level of demand is likely to be the 'new normal' for some time.

It is challenging, and while on a small number of occasions, difficult decisions may need to be made to postpone elective surgery, capacity continues to be there for those who really need our  
595 care. However we have a finite number of beds, and we need to use these to best effect which is why HSC staff continue to work with patients' families and the care home sector to facilitate appropriate discharge planning.

Realising the ambitions of SLAWS agreed by the Assembly last August will also be key to ensuring that as a community we have a sustainable plan for providing individuals with the right  
600 care, at the right time, in the right place, be that in hospital, in a care home or in someone's own home.

Within the Hospital, bed occupancy is reviewed constantly and we have been working with our Medical Director and other senior colleagues to understand how we can support our teams by concentrating resources to help address the backlogs which have arisen during the pandemic in  
605 some specialisms. We know that Islanders waiting for orthopaedic surgery make up the large percentage of those waiting for operations and we are working to understand how we can maximise our existing infrastructure to increase on-island capacity.

But there is no overnight fix and our hospital modernisation is key to ensure that we have the capacity needed to meet demand as it continues to rise. Subject to continued support, we remain  
610 on track to start the building work for phase one – which includes an upgraded, more flexible Critical Care Unit and refurbished post-surgery care unit – by the end of this year.

Providing this increased capacity will not only improve the care that we are able to provide on-Island, it will save money by avoiding expensive off-Island care. And while we are grateful for the continued support provided by our UK partners in providing tertiary care, we know that  
615 commissioning routine work off-Island will undoubtedly be difficult for a long time to come.

I was pleased that so many States' Members took opportunity last week to have a tour of our Hospital to understand how all three phases, if supported, will provide us with the flexibility needed into the future so to improve care, efficiency and ultimately reduce length of stay in hospital.

620 Positive progress has been made with our e-Health record project and we have appointed a preferred partner to progress the replacement of our electronic patient record. It is anticipated the implementation will start in the late summer and will involve all of our staff and services.

625 We are looking forward to debate on the Government Work Plan next month and the opportunity to create an environment for health, supporting all Islanders to live healthier lives. Evidence from around the world shows that health is a good measure of social and economic progress.

630 And this is not just a question of how well health services are funded and how they well function, important as that is and will continue to be, but the wider circumstances of how people live, work, and age; the social determinants of health which through the Government Work Plan we are all able to address. This will mean grappling with some challenging issues, including how to ensure that all children have the best possible start in life, how to make primary care more affordable and how to best support health and wellbeing in schools and workplaces.

635 This is all reliant on cross-Committee working and we have met with the Committee for Home Affairs to discuss closer working and have a further meeting scheduled for next month where we hope, subject to prioritisation in the Government Work Plan, to progress the review of alternative and non-punitive approaches to the possession and use of small quantities of illegal drugs and other matters of mutual interest.

640 We have recently met with the Committee for Employment & Social Security and agreed to set up a working group, in conjunction with our partners in primary care, to review the model and funding of primary care in the Island. The first step towards this is the introduction of low cost appointments for children funded through the reallocation of Family Allowance which Deputy Roffey spoke about in his update. Positive discussions are underway with GPs and dental practices ahead of implementation in January 2022.

645 We are also taking opportunity to consider mental health and wellbeing, recognising that it is an area that understandably attracts considerable public interest. We want to ensure that the gaps identified in the last term in the community space are addressed as a priority through a crisis centre pilot and that steps are taken to understand the experiences of service users and providers so that we can ensure that resources are directed where they will have the greatest effect.

650 The core focus for our specialist teams in secondary mental health is mental illness. Figures over the first five months of 2021 show on average 150 referrals per month across our six main mental health service areas. On average, the Duty and Intervention team receives the greatest number of referrals and these are triaged based on the information provided by the GPs. Primary care, in their referral, may be seeking advice/guidance on treatment options and therefore an individual will in this case, remain under the care of their GP.

655 Psychological Therapies are the only area within HSC with a waiting list for specialist interventions which is now seeing a downward trend since staffing levels have improved within the department.

660 We have met with the Health Improvement Commission and are looking forward to the formal launch, in conjunction with the Guernsey Community Foundation, of Bailiwick Social Prescribing in the next few weeks. We will shortly be publishing the Combined Substance Use Strategy which informs much of the Health Improvement Commission's work.

We have met with Health Connections to discuss their valued work in the Bailiwick. We are pleased to be able to accommodate Les Bourgs Hospice while building work is undertaken at the Hospice and are committed to working with all our private and third sector partners.

665 We are looking forward to visiting Alderney shortly. We did try but unfortunately the weather got the better of us. We know there are considerable challenges delivering and funding services on such a small Island, and with ageing demographics the challenges are not going to get easier and it is fundamental we work with Alderney to mitigate this and work to solutions to ensure the services are sustainable and as safe as possible.

670 Madam, it is difficult in just 10 minutes to do justice to a mandate as broad and as complex as HSC. I am happy to answer, or take away, questions. Thank you.

**The Deputy Bailiff:** Thank you, Deputy Brouard. Deputy Vermeulen.

**Deputy Vermeulen:** Thank you, madam. I wonder if you could update us on the Reciprocal Healthcare Agreement progress that you are making?

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**The Deputy Bailiff:** Deputy Brouard. If it is not within your mandate, just decline to answer the question.

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**Deputy Brouard:** I can add something because it was something that we talked about yesterday. It is ongoing and the Policy & Resources team are in live discussions with the UK with regard to it and there is a press release, I think, being released shortly.

**The Deputy Bailiff:** Thank you, Deputy Brouard. Deputy Roffey.

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**Deputy Roffey:** Can the President of HSC confirm that the second year of rollout of funding NICE TA treatments is on track and is proceeding according to the previous timetable?

**The Deputy Bailiff:** Deputy Brouard.

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**Deputy Brouard:** Thank you, Deputy Roffey, for that question. I do not want to pre-empt the Government Work Plan, which is not due to be published until tomorrow. We are continuing to work up to the £30,000 QALY. We have made good progress over the years and over the last six months since we introduced the new NICE TAs and we now have the benefit of a new Chief Pharmacist, which was key to our delivery, and we also have, even yesterday, signed off another collection of important drugs. But these are quite difficult items to administer. We have to make sure that we have safe practices as we introduce each of the new levels.

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As we heard this morning from those States' Members who went to the Government Work Plan meeting, funds are extremely tight and it is no more acute than in Health. We will have difficult decisions to make. We have asked, as a Committee, for an update on the progress of the NICE TAs and the Chief Pharmacist will be reporting to our Committee next week but I have seen a brief that says we are basically on track for this year's and we are on track to deliver the £30,000 QALY in year one.

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**The Deputy Bailiff:** Thank you, Deputy Brouard. Deputy Soulsby,

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**Deputy Soulsby:** I would like to know from the President of HSC whether he has got any idea about the increased number of drugs that have been approved since the policy letter was approved by the States back in the very beginning of last year and the cost behind that?

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**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Yes, after Wednesday next week. Literally, that is the question that we have asked and the Chief Pharmacist has confirmed that we are half way through, which is exactly where we are in the timescale from October, when we started to deliver the first year's set of drugs. So it is on schedule but I have not got the exact figure.

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**The Deputy Bailiff:** Deputy Falla.

**Deputy Falla:** Could the President please advise to what extent the development of medical tourism is on his Committee's agenda?

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**The Deputy Bailiff:** Deputy Brouard.

725 **Deputy Brouard:** From our point of view, we are facilitators but it is not our prime goal, so we will assist where we can and obviously there are many opportunities coming forward at the moment, which we are facilitating. But I think first and foremost our main aim is for the health and wellbeing of all Islanders. It is a secondary position for ourselves for medical tourism but we will encourage it and especially where that helps the economy because we need the funds to help to pay for our services.

730 **The Deputy Bailiff:** Deputy Inder.

735 **Deputy Inder:** Thank you. Would Deputy Brouard agree with me the significant work he has been doing being conducted between Economic Development, Health, Home and, to a degree, Planning, on matters related to health tourism, pharmaceutical business along with medicinal cannabis?

**The Deputy Bailiff:** Deputy Brouard.

740 **Deputy Brouard:** Absolutely, I can confirm that. We have been working very well together and we will, as I said, in our position we are facilitators. We have the laboratories, we have the regulations so we are acting as a facilitator for these particular nuances and new industries coming forward, which we are very pleased to support.

745 **The Deputy Bailiff:** Deputy Kazantseva-Miller.

750 **Deputy Kazantseva-Miller:** Thank you, madam. The President of Health mentions that the social determinants of health are quite important indicators of health itself. Could he provide the Assembly with a bit more information about what determinants are being tracked and whether we are tracking them and whether we are going to have targets of where we want to be at the end of the Assembly.

**The Deputy Bailiff:** Deputy Brouard.

755 **Deputy Brouard:** Thank you. I think this one, I will curve. It is part of the P&R Plan. There are, I cannot remember them but we saw them this morning, there are three or four international bodies of wellbeing that we are tracking and that is something that has been put into the P&R Plan as we record how we live our lifestyle. There are three major streams in that which will give us those determinants.

760 **The Deputy Bailiff:** Deputy Gollop.

765 **Deputy Gollop:** Madam Deputy Bailiff, I am aware from past ministers and presidents of Health and also as an Island Deputy and indeed service-user that one challenge successive Health and Social Committees have faced has been the recruitment and retention of nursing and care staff and social workers and assistants and the reliance on short-term contracts for agencies. How far are Health & Social Care able to explore more sustainable options, which provide greater continuity, less transition and probably cheaper costs?

770 **The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Thank you. We have actually, just even a few weeks ago, been discussing this in our Health Committee. Key worker accommodation is absolutely critical. That falls very neatly into what we were just discussing a few minutes ago with the HAG project. We are very much

775 looking forward to linking into that. We do have space on our site at the PEH and nearby to do some development. It would be great if we could use that for some of the key worker housing.

**The Deputy Bailiff:** Deputy Oliver.

780 **Deputy Oliver:** Thank you, madam. I was just wondering if Deputy Brouard could say what the current waiting lists are because I was speaking to somebody at the weekend and this lady has been waiting 24 months now for a knee and has been told it is another further 18 months waiting. Do you know what the current times are?

**The Deputy Bailiff:** Deputy Brouard.

785 **Deputy Brouard:** I have not got the current times with me but they are substantial and the two lockdowns have not helped and the facility for us to use the UK for some treatment has also been challenging. But I can certainly find out what our up-to-date waiting times are but it is not good and that is why we are trying to look at other ways to do it, perhaps bring in a second anaesthetist and look to see if we can use the fourth theatre more actively.

790 Even simple things like we have people who miss their appointment for surgery, perhaps if we phone them up the day before to make sure that they are coming in and if they are not coming in we can use that slot for someone else. There are all these little things that we are putting into place to try and sweat up our asset as best we can.

795 **The Deputy Bailiff:** Deputy Trott.

**Deputy Trott:** Madam, thank you. Consumer price inflation is accelerating around the globe. Can Deputy Brouard advise the Assembly at what level medical inflation is currently running at from his perspective?

800 **The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** I am sorry, I just do not have that figure. But thank you, I can certainly find out what we are using in our finance department to give you some indication.

805 **The Deputy Bailiff:** Deputy Burford.

**Deputy Burford:** Thank you. Given the likely circulation, once again, of COVID in our community does Deputy Brouard consider that if we have to hospitalise people on the basis of COVID that that could have a knock-on effect on other routine work done at the Hospital, including the operations that Deputy Oliver was referring to and increase the backlog?

**The Deputy Bailiff:** Deputy Brouard.

815 **Deputy Brouard:** Very interesting question. I think obviously yes, because if we as a society have decided that we are going to open the borders and we are going to allow COVID partly into Guernsey there may be some people that will need hospitalisation who, if they did not get COVID, would not need it.

820 So, inevitably, if you have two places in hospital taken up by somebody who is suffering from COVID, that obviously means, usually, that there is someone else that cannot be there for another routine operation. So there obviously is a knock-on effect. We are looking to make sure that we manage it as best as we can to ensure that other parts of the services can continue and that those who need that extra care or the oxygen, etc. will get what they need to have.

825 **The Deputy Bailiff:** Deputy Dyke.

**Deputy Dyke:** Thank you, madam. Could I ask Deputy Brouard about the situation regarding retention of nursing staff and whether he has considered whether it would help by building on site perhaps a high-rise nursing accommodation with excellent studio facilities as I know they do in other hospitals in the UK, which would actually help kill another bird with that stone, in terms of taking some people off the general market and into the Hospital and slightly reducing our other housing crisis? Has that been considered?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** That is certainly in the mix and in answer to an earlier question about key worker housing, we very much would like to work with HAG to see if there is an opportunity for us to put some more accommodation onto the PEH site, exactly for the reasons that Deputy Dyke mentions.

**The Deputy Bailiff:** Deputy Le Tissier.

**Deputy Le Tissier:** Thank you, madam. I would like to ask Deputy Brouard about the bowel cancer screening programme and how successful it has been. Can he tell me how many of the kits, which are sent out, are actually returned? Thank you.

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Thank you for the question. I am not going to guess. The FIT programme has worked extremely well. I think it has been very well used by the people who have taken it up. I certainly did. I have not got that particular figure and it is not something that has come to the board recently, but I can certainly find out the information for him. Thank you.

**The Deputy Bailiff:** Deputy Matthews ... McKenna. Sorry!

**Deputy McKenna:** Thank you, Madam Deputy Bailiff. Thank you, Deputy Brouard, for answering Deputy Oliver's question on the waiting times for the elective surgeries, orthopaedic surgeries. As you know, you have lost a leading orthopaedic surgeon and the waiting list is already at 1,600 and climbing. What figure does it have to go to before you realise we are in a crisis?

There are members of our community that are facing death. There are people with crumbling spines who now cannot be operated on because it is over two years and now are wheelchair bound. What is the figure before you realise there is a crisis and we actually need more surgeons in Guernsey? Because they cannot operate left and right-handed. It is one thing getting another anaesthetist, but we need more surgeons. So what is the figure? We are 1,600 and climbing, what is your figure, Deputy Brouard, before we realise we are in a crisis?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** I thank Deputy McKenna for reminding us for where we are but the world is in a crisis. If you look at the figures in the UK, I think they are about three times higher than our waiting list. We have to work and manage what we have. It is not ideal. We did not bring COVID on ourselves, it is something that we need to manage and work our way through. So we are triaging and making sure that we do the best we can with what we have.

But more resources will need to be put in and it is part of the Government Work Plan, which will be in your gift in a few weeks' time, to ensure that we have the support we need to tackle the backlog. I know from even my small time when I have had my arm injury how annoying that is. I can well imagine how really annoying it is to have a poor hip or a bad knee that goes on and on.

**The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Thank you, madam. Just further to Deputy McKenna's question, does Deputy Brouard agree with me that people who are in a state of high mortality likelihood – Deputy McKenna was talking about people who were dying over this – would be dealt with as a matter of urgency, so waiting times vary depending on the urgency of the operation that is required?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Yes, thank you, Deputy Soulsby. Absolutely so. If it is an RTA road emergency you will be seen at the Hospital immediately. If it is a cancer issue, there are set protocols for each section. So if anyone is needing emergency care, we will provide it. That will happen. But, unfortunately, some of the elective care will then be pushed down and that is one of the problems we, the UK and most of Europe are facing.

**The Deputy Bailiff:** Deputy Oliver.

**Deputy Oliver:** Thank you, madam. With the problem with the length of time it takes to get a scheduled surgery, do you think by adding medical tourism in that we are just putting more strain on a currently strained Hospital already?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Thank you. I think you were picking up on my nuances. Our first and primary goal is the health and welfare of Islanders. That is why we are happy to facilitate medical tourism, but also we are very conscious that we are chief takers. The amount of money that you give as a States, the vast majority will be going to health. Our budget is now getting onto £200 million. We are taking a third of the States' money.

So we have to be conscious that we have to earn the money before I can spend it and I very much want to have a thriving finance industry or a medical cannabis growing industry, or whatever it happens to be, to provide the cash so Mrs Le Page can have her hip done.

**The Deputy Bailiff:** Deputy Blin.

**Deputy Blin:** Thank you, Madam Deputy Bailiff. Would the President consider the conversations that I had about MSK, now hearing all the gravity of urgency waiting lists of people there was an opportunity to work with a specialist with MSK to try and compare and help certain individuals who maybe needed operations immediately to go through. Would the President be able to expand on that a little bit?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Thank you for that. It is a live, commercial issue at the moment so I am not going to say too much in the States but it is with our Medical Director at the moment and we have had approaches from a commercial organisation to see how they could help us and also how they can access some of the Hospital facilities. So it is live at the moment. Thank you.

**The Deputy Bailiff:** Deputy Trott.

**Deputy Trott:** Madam, thank you. I do not expect Deputy Brouard to know the answer to this question either but I would appreciate him getting an answer to the Assembly when he is able. How

930 much faster do private surgical procedures occur over States' funded activity and is that gap widening or remaining consistent at present?

**The Deputy Bailiff:** Deputy Brouard.

935 **Deputy Brouard:** I do not know. I do not know if it is widening or not and I would think it would vary with regard to the particular procedure, whether it might be ophthalmic or orthopaedics, it would depend on the surgeon and the ability that they have re time to do it. What we do is we monitor the contract that we have. We pay a substantial sum of money to the MSG. They do us a great service, we work in partnership with them. It is getting close onto £20 million, so we expect a  
940 level of service from them.

But they are also free to do private work and how they arrange that, whether it is in their lunch time or their day off or whatever is up to them. But we ensure that they fulfil their side of the bargain with ourselves. And also from a surgeons' point of view we attract some very good people over here because they can do private work and that private work is also good for the Hospital. Overall  
945 it is a net income-earner for us when Victoria Wing is used, so there are benefits. But I have not got those figures. I can certainly ask for them.

**The Deputy Bailiff:** Deputy Ferbrache. This will be the last question.

950 **Deputy Ferbrache:** Thank you, madam. Following on, really, from questions asked by Deputies McKenna and Trott, would the President favour, in due course, when the contract is renegotiated with the Medical Specialist Group, I think that may be some time hence, that because of what will be a continuing backlog and need for people to have operations and surgery, that it will be a requirement that they can only operate and use the Board of Health's facilities to do public work  
955 rather than private work?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** There are two things that are very difficult. I have spent a long time in politics  
960 arguing that I want to make sure that Mrs Le Page gets her money's worth from the £20 million contract with the MSG. But we have to remember we are recruiting doctors in an international market. These doctors are specialists. We are very grateful to have them here. They enjoy doing private work. Some of them do private work in the UK as well.

We need to make sure that they keep up their competences and we will be restricting the pool  
965 that we can recruit from if we say you cannot use the PEH facilities. We will also be cutting our own nose of from ourselves because we will not have the income then through Victoria Wing. The other issue with it is it is ... No, I will stop there. Thank you.

**The Deputy Bailiff:** Thank you, Deputy Brouard. Deputy Taylor, do you wish to be relevéd?  
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**Deputy Taylor:** Yes please, madam.

**Procedural –  
Congratulations to Deputy Taylor**

**The Deputy Bailiff:** Please may I pass on my congratulations on the birth of your son?

975 **Deputy Taylor:** Thank you very much.  
[Applause]

## Questions for Oral Answer

### COMMITTEE FOR THE HEALTH & SOCIAL CARE

#### COVID-19 vaccine: side effects and alternatives

**The Deputy Bailiff:** We now turn to the questions and first it is Deputy Queripel, who has three questions to the President of the Committee for Health & Social Care.

980 **Deputy Queripel:** Madam, I recently discovered there is an anti-viral nasal spray available called Viraleze TM, that inactivates the virus that causes COVID-19 by 99.9%. With that in mind, can the President please tell me if he and his Committee are aware of the existence of this spray and, if they are, will HSC be offering it to Islanders as an alternative to the vaccines that are currently being used?

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**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Thank you, madam. Viraleze is being marketed as an easy to use anti-viral nasal spray that contains astrodimer sodium. It is not a licensed medicine. There is no intent from the marketing review that this would be an alternative to vaccination. Early studies suggest that reformulation of astrodimer sodium for delivery to the respiratory tract may be an effective preventive strategy to block SARS-COV-2 transmission and augment other protective and therapeutic strategies.

990 The data shows only laboratory studies, where it has been shown to inactivate a broad spectrum of respiratory viruses, including 99.9% of coronavirus SARS-COV-2. The company announced at the end of last year that it planned to conduct clinical studies of this product early in 2021. We have not seen the published results at this time.

1000 **The Deputy Bailiff:** Deputy Queripel.

**Deputy Queripel:** Supplementary madam, please. (**The Deputy Bailiff:** Yes.) Deputy Brouard said in his response that the spray is only proven to be effective in laboratory studies and that the company plan to conduct a clinical study this year. Bearing in mind that even a double dose of the vaccine does not make a person immune to COVID, if the clinical trials for Viraleze TM result in the spray being licensed, will HSC then offer it to Islanders as an alternative to the vaccine?

**The Deputy Bailiff:** Deputy Brouard.

1010 **Deputy Brouard:** Any licensed product that claims to or does prevent the spread of COVID will be looked at by the Health Committee and before we see it, it will be looked at by our Medicines Committee, who will go through all the data and the references from WHO, MHRA and NIH in the US. So we will look at it when it becomes a product that is available for use.

1015 **The Deputy Bailiff:** There are no other supplementary questions. Please turn to Question 2, Deputy Queripel.

1020 **Deputy Queripel:** I recently submitted a set of Rule 14 questions to the President, asking if HSC are exclusively committed to the use of vaccines to combat COVID-19 and within those questions I highlighted the fact that researchers in several parts of the world have discovered that the hormone melatonin, the asthma drug budesonide and also the drug ivermectin are extremely effective in

combating COVID and the answer I received to that question was that Public Health services here in the Island are monitoring the effectiveness of other possible treatments for COVID. So can the President please tell me how extensive that monitoring is and what it entails?

1025       **The Deputy Bailiff:** Deputy Brouard.

1030       **Deputy Brouard:** Thank you. HSC is not exclusively committed to the use of vaccines to combat COVID-19. A range of steps are needed, including public health measures such as non-pharmaceutical interventions and, where appropriate, test and trace, along with treatment for those who become ill, in line with best evidence, which is monitored locally by the medical cell and the use of vaccinations. In addition the Committee continues to encourage longer term initiatives to address physical, social and cultural and economic factors, which can contribute towards ill health.

1035       Regarding the use of the three named drugs in the question, the medical cell has been aware of interest surrounding numerous other drugs and products in the treatment of COVID-19 throughout the pandemic and has kept the evidence and guidance under constant review. This will include considering whether national bodies such as NICE or the FDA or international bodies such as the World Health Organisation consider that there is sufficient quality data to support any treatments use.

1040       Where there is the evidence available, this would be followed locally. Budesonide is included in the medical cell guidance for use in appropriate patients in primary care. Melatonin is not included in the guidelines as there is insufficient evidence to recommend its use as a treatment and is not approved by NICE, NIH or WHO.

1045       Ivermectin is not included in the guidelines. The evidence base for it is still inconclusive and the WHO recommend that it is only used for COVID as part of clinical trials. It is not approved for use in COVID by either NICE or NIH.

**The Deputy Bailiff:** Deputy Queripel.

1050       **Deputy Queripel:** Two supplementaries, madam. Deputy Brouard said in his response his Committee continues to encourage longer term initiatives to address factors which can contribute toward ill health. So can he tell me what those longer term initiatives are, please?

**The Deputy Bailiff:** Deputy Brouard.

1055       **Deputy Brouard:** Thank you. The information is already in the public domain but you can look. It is all the initiatives that we do to stop smoking, to improve your lifestyle, obesity and we of course have our Health Improvement Commission, which is basically being set up to be our body to promote wellness, whether that is sport, walking football, all those different initiatives are all part of our plan for us to live healthy and happy lives.

1060       **The Deputy Bailiff:** Your second supplementary question, Deputy Queripel.

1065       **Deputy Queripel:** Thank you, madam. Deputy Brouard said in his response that the medical cell monitor and review decisions made by such bodies as NICE and the World Health Organisation. Who decides whether or not there is sufficient evidence to support the use of the treatment? So, if one or more of those bodies decided there was sufficient evidence to support the use of any of the three drugs I mentioned, would HSC then offer that drug to Islanders as an alternative to the vaccine?

1070       **Deputy Queripel:** Deputy Brouard.

**Deputy Brouard:** Thank you. The medical cell would consider those drugs as and when they are approved by the different international bodies, who have far more resources than we have on the Island and then they will make a recommendation to the Committee *for* Health & Social Care, who will then agree or disagree. It will just depend on merit.

**The Deputy Bailiff:** Your third question, Deputy Queripel.

**Deputy Queripel:** Thank you, madam. During Question Time of the May States' debate, I asked the President if anyone had been hospitalised here in the Island with side effects caused by the COVID-19 vaccine and in response to my question he told me that no-one had been hospitalised. So can he tell me please if that is still the case?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Thank you. As I advised in May, in any vaccination programme of this size, there will be individuals who by chance and unrelated to the vaccine become unwell in the days and weeks after the vaccination. But no individuals have been admitted to Hospital as a result of side effects which have been attributed to COVID-19 vaccinations.

Like very many drugs or vaccines, which are new to the market, or being used in a different way, the COVID vaccines are what are called black triangle medicines, which effectively require healthcare professionals to report any suspected adverse reactions to these products through the MHRA's yellow card scheme, so they can gather evidence and investigate on a national level if appropriate. This continues to be appropriately used by local clinicians.

To reiterate my answer last month, all vaccines and medicines have some side effects. But for the vast majority of people these are minor. The safety of the vaccines continues to be monitored and their expected benefit in preventing COVID-19 and serious complications associated with COVID-19 far outweigh any currently known side effects. Thank you.

**The Deputy Bailiff:** Deputy Queripel.

**Deputy Queripel:** Two supplementaries, madam. Deputy Brouard said in response that no individuals have been admitted to Hospital as a result of side effects from the vaccine. Bearing that in mind, if someone in our community were to say that they were hospitalised with side effects, should that claim be ignored?

**The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** I am not really understanding what you are looking for, should that claim be ignored? If someone is saying that they have been hospitalised and it has been attributed to COVID-19 then I and the Health Committee are not aware of it. But if someone is in that position they are very welcome to contact me and we can correct our information. But as of today, we have no information that anyone who has been taken to Hospital can prove that it has been attributed to the COVID-19 vaccination.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, in relation to these questions that Deputy Queripel has posed to Deputy Brouard, would Deputy Brouard, as an individual Deputy or President of Health & Social Care, think that maybe the Assembly could benefit from a debate soon on COVID coronavirus and our strategy to living with it, post CCA, maybe?

**The Deputy Bailiff:** Deputy Brouard.

1125 **Deputy Brouard:** Thank you, and as if by magic in your diaries, there is a meeting for Deputies to meet with the CCA and discuss these very issues. Thank you.

**The Deputy Bailiff:** Deputy Queripel, your second supplementary.

1130 **Deputy Queripel:** Thank you, madam. Deputy Brouard said in his response that healthcare professionals are required to report adverse reactions to the vaccine through the MHRA's yellow card scheme. So can he tell me how many, if any, have been reported by healthcare professionals here on the Island?

1135 **The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** As I understand it there is no requirement for medical professionals to advise Health & Social Care when they do a yellow card. This is something that they have to do from their own clinical governance. They will send that directly to the MHRA. I would not have a figure in mind on what has been sent from Guernsey. I can certainly ask Dr Brink if she has anecdotally heard of any professionals who have advised her that they have sent a yellow card in if that would be helpful.

**The Deputy Bailiff:** Deputy Soulsby.

1145 **Deputy Soulsby:** Thank you, madam. Does Deputy Brouard agree with me that at the moment, because we have got a yellow card scheme that is reported through nationally, that anybody can see what cases have arisen and that is probably more valuable than just having the number of cases at an Island-wide level, where our numbers are relatively small compared with the rest of the world?

1150 **The Deputy Bailiff:** Deputy Brouard.

**Deputy Brouard:** Absolutely and, of course, the MHRA have the facilities and the JVC have the facilities to investigate these particular instances when they do occur. So thank you.

1155 **The Deputy Bailiff:** If there are no further questions we will then turn to Deputy Bury's questions to Education, Sport & Culture.

## COMMITTEE FOR EDUCATION, SPORT & CULTURE

### Educational outcomes

1160 **Deputy Bury:** Thank you, madam. The Committee recently published a media release outlining their definition of educational outcomes. Can the President advise what methodology and specific metrics the Committee intends to use to assess the knowledge, skills, competences and attributes in order to monitor how their model is improving these key outcomes?

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

1165 **Deputy Dudley-Owen:** Thank you, madam. I am grateful to Deputy Bury for her question. During presentations to the States' Members, the public and education staff on the Committee's preferred model for the reorganisation of secondary and post-16 education, I have been very clear that how we organise secondary and post-16 education is in many ways a separate conversation to the real work that goes on inside our schools.

But I am happy to repeat again because it is such an important point to convey, that the Education Strategy we are developing in tandem with our new model is what will ensure the delivery of high quality learning that will help to achieve our aspiration of excellent outcomes for all learners. Once more, madam, it is the strategy not the model that the key outcomes of knowledge, skills, competences and attributes will be delivered.

Madam, all States' Members and the non-voting members of Committees have recently received invites to the next two webinars in our series on the education eco-system. These sessions will focus on the standards within our system and the Education Strategy, respectively. Via these two, 90-minute sessions, experienced educationalists will provide information and answer questions in more detail than is possible in the 90 seconds I have to respond here.

But, madam, I would like to reassure Deputy Bury that we have recently approved a performance measures policy for all stages of education. This policy will develop over time but ensures the use of both quantitative and qualitative information to assess the performance of all States-funded settings against the Education Strategy.

**The Deputy Bailiff:** Thank you. Deputy Bury.

**Deputy Bury:** Thank you, madam. I thank the Committee for their response and I am pleased that the President's reply emphasises commitment to educational standards and outcomes. As mentioned by the President, she does have 90 seconds to answer each question. So, in the 90 seconds which follow, would she please outline at least some of the performance measures or metrics, which will sit underneath the Committee's recently approved performance measures policy.

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

**Deputy Dudley-Owen:** Indeed and I would be pleased to. Our Education Strategy sets out our strategic priorities, underpinned by our commitments and identifying what success looks like quantitatively and qualitatively. It will have clear action plans to get from where we are today to where we want to be in future. We will report progress against the action plans and this will span all phases of education.

At an operational level, for example, Attainment 8 evaluates a student's average grade across eight subjects and thus encourages schools to offer a broad, well-balanced curriculum. Attainment 8 also ensures schools are incentivised to enable all students to achieve the highest possible grades at every level, rather than creating a disproportionate focus on those who attain grades which are at C or D borderline.

In addition, qualitative information will be an intrinsic part of the Education Strategy, too. For example, that provided by the Children and Young People's Survey, which allows us to hear the voice of students at different stages of education in a tried and tested and robust format.

In terms of KPIs, many are already in existence and are to be augmented still further. However, caution should be used when interpreting the results of KPIs. For instance, there is often more variation within a school than there is between schools, and KPIs do not obviously reveal this level of complexity. When reported as numbers they can give an air of accuracy that may not be warranted by the evidence from which they are drawn.

**The Deputy Bailiff:** Thank you. Deputy de Sausmarez.

**Deputy de Sausmarez:** Thank you, Madam Deputy Bailiff. I was very pleased to hear about the performance measures policy that has been recently approved and in the answer that she has just given, Deputy Dudley-Owen has talked about Attainment 8, which when I heard of the performance measures policy I was hoping would be included.

This was something I think this States agreed to move to a couple of years ago, so can Deputy Dudley-Owen please advise how that transition is going and, probably more importantly, when we

are going to be able to see some of the reporting of Attainment 8; i.e. when it is going to be fully implemented? Thank you.

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

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**Deputy Dudley-Owen:** The Attainment 8 data, I think it is useful just to give a bit of background to this because it is new and we have a Guernsey attainment rate that measures and ensures that the attainment of all students across a broad range of subjects is prioritised and recently the Committee have had a presentation on this matter and what we are seeking to do is to bridge the gap between the A grades, the number grades they use in the UK and the letter grades that we use in Guernsey, and ensure that a broad curriculum is facilitated for all of our students. We are moving towards that and I hope that we can give more detail about that in the presentation that is forthcoming for States' Members.

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**The Deputy Bailiff:** Deputy Roffey.

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**Deputy Roffey:** Thank you. I too am delighted that the move towards Attainment 8 has been retained by the current ESC Committee. Can I ask whether they are also going to introduce Progress 8, to monitor the value added that secondary schools provide; in other words the difference between the standard that children are at when they come in from primary school and when they take their final exams?

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

**Deputy Dudley-Owen:** Thank you to Deputy Roffey for his question. At the moment we are looking at our performance policy measures and that has not actually been brought to Committee at the moment to introduce, but things are obviously evolving and moving forward in this area and I will keep States' Members updated in this area.

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**The Deputy Bailiff:** Deputy Kazantseva-Miller.

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**Deputy Kazantseva-Miller:** Thank you, madam. I am sorry, I am a little bit confused because in the media release that the Education Committee recently published and that was referenced in the original question, which was all about educational outcomes and the Committee sought to ensure the definition was well understood and so they adopted the human capital index, developed by the OECD, the OECD tracks two measures, the years of schooling and rate of return to schooling. So are these the measures that the Committee will be using because that is what human capital OECD index is, or actually now they are saying they are using the different measures that the President has just talked about?

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

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**Deputy Dudley-Owen:** Thank you. Just to provide further clarity around this, the Committee needed to adopt a well understood and credible definition for the term 'educational outcomes' in regard to what we feel is the definition and the OECD definition for human capital, being value that we attribute to our natural resource of human knowledge, is what we felt was most appropriate, which affected what we felt was appropriate for educational outcomes in this instance.

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**The Deputy Bailiff:** Deputy Bury.

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**Deputy Bury:** Thank you, madam. I am sure that the Committee understand that educational outcomes are of utmost interest to all stakeholders, not just Deputies and non-voting members, so

with this information not being included in the recently published policy letter, could the President advise when the Committee's Education Strategy and performance measures policy will be published, so that the community can see how the outcomes will be delivered and what qualitative and quantitative information will be used to assess the performance of the States-funded settings?

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

**Deputy Dudley-Owen:** The Education Strategy will be shared in greater detail towards the end of the year and the Committee is on an ongoing journey in regard to improving measures for performance and more information will be given to States' Members at the forthcoming webinar.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** I am sure we are all delighted to hear that a leading educationalist officer was honoured with the OBE only last week, who was involved with curriculum development and performance, but my question is that a previous Committee were thinking of extending the school day in order to maximise educational outcomes, is that thinking still part of the current philosophy?

**The Deputy Bailiff:** Deputy Gollop, it is a Rule 11 question so your supplementary questions really should go to the question that was asked rather than a wider educational question. Deputy Gabriel.

**Deputy Gabriel:** Would the President of Education, Sport & Culture agree with me that educational outcomes are a broad term and that should not necessarily be relying on grades. Can she outline how the new Strategy will take into account pastoral care and all-round education to build citizens rather than just grades and what measurements, if they are available, will be used to measure if they have been a success or not?

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

**Deputy Dudley-Owen:** I am not entirely sure how that factors to the previous answer, however I am pleased to respond as best I can and this is the type of information that we will be looking at in our webinar, because we know it is so important that we are producing rounded individuals coming out of our education system, not just automatons who are capable of high grades. This is something that I am really pleased that clearly Members of this Assembly are looking at a more holistic view of educational outcomes, merely than just academic success, which is very much where the Committee is pushing towards.

I think that I have responded to that in a previous answer when we look at things like the Children and Young People's Survey, we look at also what employers are saying and what they want from our students and what their feedback is in relation to students coming into the workforce. All of these indicators are really important for us to look at. It is not just about academic grades.

**The Deputy Bailiff:** Deputy Inder.

**Deputy Inder:** The skills strategy, I think madam, through you, is part of educational outcomes. Now, our Committee is committed to that. There is almost certainly a set of amendments likely to turn up at the education debate. Has the Committee given any consideration at all to potential amendments to 11-18 to whatever version certain groups are working on at the moment and what impact that would have –

**The Deputy Bailiff:** Deputy Inder, again, you are stretching the confines of the questions under Rule 11. Can you please focus on –?

1325 **Deputy Inder:** I will. What impact, loosely based around educational outcomes, would any further delay have on a future skills strategy?

**The Deputy Bailiff:** Deputy Dudley-Owen, answer it but within the confine of the Rule 11 rules please, if you can.

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**Deputy Dudley-Owen:** I am going to struggle to answer that question in the confines of the Rule 11 questions as it had not originally been asked. I am afraid I cannot.

**The Deputy Bailiff:** Deputy Aldwell.

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**Deputy Aldwell:** *[inaudible]*... curriculum, a wider set of quality information than just academic outcomes. For example, students should be able to make good progress and attain and show positive attitudes to learning, demonstrate high aspirations, make healthy life choices and participate in the community and have respect for self and others?

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**Deputy Dudley-Owen:** Thank you to Deputy Aldwell and I think that is a really important point to make and I think it speaks to the question previously that Deputy Gabriel asked around the value of our curriculum framework and the content that has been worked up within that and is something that States' Members really need to have as a focus in their minds, how important the Bailiwick curriculum is to the success of education in Guernsey for our young people.

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**The Deputy Bailiff:** If there are no further questions we will then move onto the questions again posed by Deputy Bury but this time to SACC.

## STATES' ASSEMBLY & CONSTITUTION COMMITTEE

### Time frames for a review of the Code of Conduct

1350 **Deputy Bury:** Thank you, madam. In light of a recent Code of Conduct complaint that has highlighted the omission of a time limit for appeals within the process, could the President advise, following his committee's statement to the media in April that they would consider reviewing this and bringing a policy paper to include a time limit, if this work is underway and when the Assembly could expect to see such a paper?

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**The Deputy Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Thank you. I thank Deputy Bury for the question. I am pleased to confirm that there is an ongoing workstream looking at the time limits for appeals within the Code of Conduct process and that the committee intends to report to the States later this year on the matter.

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**The Deputy Bailiff:** Deputy Bury.

**Deputy Bury:** Thank you, madam. In terms of reporting back to the States, can the President advise the Assembly and public when SACC will be reporting back on the case that initially highlighted this issue?

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**The Deputy Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** I am afraid I cannot report back on that. That is in the hands of the Code of Conduct Panel. It is an ongoing investigation, which I cannot comment on, and I do not know when they will respond.

**The Deputy Bailiff:** Deputy Trott.

**Deputy Trott:** Does the President of the States' Assembly & Constitution Committee agree with me that justice delayed is justice denied?

**The Deputy Bailiff:** Deputy Meerveld, I will remind you again the provisions of Rule 11 and the limitation on questions and answers in that regard.

**Deputy Meerveld:** Yes. I agree with Deputy Trott that there is definitely an issue with the Code, as it stands, and that is the reason why this Assembly has made a decision to move to a commissioner for standards and our report later in the year will be looking to address those issues.

**The Deputy Bailiff:** Thank you, Deputy Meerveld. If there are no further questions in relation to that, we then move onto the questions posed by Deputy de Lisle to the President of P&R.

## POLICY & RESOURCES COMMITTEE

### G7 Agreeing to a Global Minimum Taxation Rate

**Deputy de Lisle:** Thank you, madam. Given the G7 Group of Advanced Economies, in their latest meeting, resolved to introduce a global minimum corporate tax rate of at least 15% to avoid countries undercutting each other, an agreement that could form the basis of a worldwide deal, what preparations are being made to replace Guernsey's Zero-10 corporate tax?

**The Deputy Bailiff:** I believe it is Deputy Helyar who is going to respond on behalf of P&R.

**Deputy Helyar:** Thank you, Madam Deputy Bailiff, and thank you, Deputy de Lisle, for your question. As a member of the Inclusive Framework on Base Erosion and Profit-Shifting, Guernsey continues to play a full and active role in OECD discussions on developing proposals for international tax reform.

The OECD is working to establish a global consensus-based solution by two broad workstreams, to address the challenges from digitalisation of the economy. Pillar one, relating to the proposal for partial reallocation of taxing rights; and pillar two, which proposes to introduce an agreement that large multinational enterprises pay a minimum effective tax on their profits.

The recent announcement by the G7 finance ministers supports the OECD initiative, with a commitment to, one, reach an equitable solution on the reallocation of taxing rights in respect of the largest and most profitable multinational enterprises; and, two, a minimum effective rate of at least 15% in respect of large multinational enterprises in accordance with pillar two.

The G7 finance ministers having agreed some principles related to this initiative is an important stepping stone in encouraging international consensus on the OECD initiative next month. Guernsey supports the objective of reaching agreement on a worldwide approach and a level playing field, which will help avoid the complexities of unilateral action by individual countries. The OECD has committed to reach agreement by July of this year following years of negotiations, in which Guernsey has played an active part. Guernsey will continue to engage closely with OECD partners on the final detail of the framework, to be agreed on pillars one and two. Thank you.

**Deputy de Lisle:** Can I ask two supplementaries?

1415 **The Deputy Bailiff:** Yes, Deputy de Lisle.

**Deputy de Lisle:** Thank you. What preparations, in terms of corporate tax change options are being considered by P&R currently?

1420 **The Deputy Bailiff:** Deputy Helyar.

**Deputy Helyar:** Deputy de Lisle will be aware, from having attended one of the tax review workshops that there is a provision within the tax review for an additional £10 million, at the moment, as a baseline of additional corporate tax to be raised through measures associated with taxation of companies and that arises directly from these initiatives from the OECD. So we are making preparations for that.

**The Deputy Bailiff:** Your second supplementary question, Deputy de Lisle.

1430 **Deputy de Lisle:** Thank you, madam. Given that a minimum global rate of corporate tax would provide more revenue to Guernsey and reduce the deficit at a very critical time, would this initiative at the global level not introduce a needed transformation to Guernsey's corporate tax system at this time?

1435 **The Deputy Bailiff:** Deputy Helyar.

**Deputy Helyar:** Thank you, Madam Deputy Bailiff. As I said, preparations are in hand. The proposals from the G7 are yet to go before the G20, there are several countries which disagree with the proposals. There are a number of countries which are talking about carve-outs and there will be minimum levels at which thresholds before these taxes apply. So, unfortunately it is too early to say.

**The Deputy Bailiff:** Deputy Trott.

1445 **Deputy Trott:** Thank you, madam. Would Deputy Helyar agree with me that our Code of Conduct on Business Taxation fully compliant Zero-10 tax regime has served us well in the past and will continue to do so for the immediate future?

**The Deputy Bailiff:** Deputy Helyar.

1450 **Deputy Helyar:** I thank Deputy Trott for his question and I do agree with him that we have backfilled a substantial amount of tax in Zero-10, with other provisions, including particularly, I have mentioned on a number of occasions, TRP. Regulated financial businesses now pay 14 times the amount of TRP that they did before Zero-10 was implemented, so largely the losses which Guernsey faced as a result of having to implement that have been filled. Thank you.

1455 **The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Madam Deputy Bailiff, we have read in vague terms that there is regular dialogue and co-operation between Guernsey, Jersey and the Isle of Man and maybe other places, the Crown Dependencies like Gibraltar. How far will that useful conversation extend to the current issues we face coming out of the G7 meeting, relating to what might be a 'Zero-15' structure?

**The Deputy Bailiff:** Deputy Helyar.

1465 **Deputy Helyar:** Thank you, Deputy Gollop, for your question. There are active conversations ongoing between the Crown Dependencies and I am happy to say that we are all very much aligned at present and hope to move in step with one another. Thank you.

**The Deputy Bailiff:** Deputy Parkinson.

1470 **Deputy Parkinson:** Would Deputy Helyar agree with me that the measures taken to backfill the loss of revenue caused by Zero-10 have made Guernsey an extremely expensive place to operate?

**The Deputy Bailiff:** Deputy Helyar.

1475 **Deputy Helyar:** Thank you, Deputy Parkinson. All taxes add to costs. It is an inevitable issue for any country which has to impose taxation to pay for public services. All I would say in addition to that is that in a sense it has added to costs but we have some very difficult decisions to make going forwards in terms of how we fill our revenue gap and we will be presenting those in September.  
1480 Thank you.

**The Deputy Bailiff:** Your second question, Deputy de Lisle.

**Deputy de Lisle:** Thank you, madam. If a broad, global consensus is reached, it will be extremely  
1485 hard for any low-tax country to try and block an agreement. Would it not be best for Guernsey to simply reinstate the corporate tax system in place before the introduction of Zero-10?

**The Deputy Bailiff:** Deputy Helyar.

1490 **Deputy Helyar:** Madam Deputy Bailiff, thank you. And thank you for your question, Deputy de Lisle. The EU Code of Conduct Group on Business Taxation found Guernsey's corporate tax system in place before the introduction of Zero-10 harmful. Guernsey's existing corporate tax system has been carefully designed to align with international standards, whilst supporting the requirements of a geographically small economy that is open and attractive to global investment.

1495 Guernsey's tax policy is based on the principle of tax neutrality, combined with the application of strong rules on tax transparency and economic substance, which have been approved by the OECD and the EU. Guernsey has consistently proved, through external and independent assessments, that it meets all the requirements of international policy makers in respect of the implementation of global tax standards.

1500 International reforms such as those under discussion at the OECD must balance the interest of smaller as well as larger jurisdictions and developing as well as developed countries. Any changes to the fundamental elements of domestic tax systems must first be fully agreed at an international level, so that they can be implemented consistently. This provides certainty to taxpayers and it also protects the level playing field amongst tax jurisdictions.

1505 Guernsey's tax system is well-placed to continue to adapt to global standards and we will continue to engage in a proactive way with the OECD, EU and other global bodies to combat aggressive tax avoidance and profit-shifting as we do with combating tax evasion.

**Deputy de Lisle:** I have two supplementaries to provide.

1510 **The Deputy Bailiff:** Thank you, Deputy de Lisle.

**Deputy de Lisle:** If I can ask the first, given that in the early years of Zero-10, Guernsey lost £80 million-£100 million in corporate tax a year, wouldn't a return to the level pre-Zero-10 yield  
1515 significant tax revenues beyond what is needed to meet the current revenue targets?

**The Deputy Bailiff:** Deputy Helyar.

1520 **Deputy Helyar:** Thank you, Deputy de Lisle and Madam Deputy Bailiff. As has been presented in the tax review workshops, which we have been conducting, you will have seen roughly 10% of our tax take is currently covered by corporate taxation. There are no plans to increase that to the kind of levels which Deputy de Lisle talks about. It would make Guernsey's finance industry uncompetitive and, as such, we would be placing ourselves in significant risk of loss of that business.

1525 **The Deputy Bailiff:** Deputy de Lisle.

**Deputy de Lisle:** My second supplementary. Given that, can Deputy Helyar give an indication of the revenues to be derived from a 15% corporate tax or even the 25% minimum corporate tax also under consideration by the OECD and the USA, replacing the existing Zero-10 regime? If he cannot, perhaps the Department can provide information with respect to that for the States and the public?

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**The Deputy Bailiff:** Deputy Helyar.

1535 **Deputy Helyar:** I am happy to do that to the extent it is possible to do so because, as I explained earlier, the detail has not yet been agreed, the thresholds have not been agreed. I understand that an early perspective is that the multi-national limit of 15% would apply to operations generating more than £750 million *per annum*. We have a handful, if any, so in terms of the amount of tax which would be raised in those circumstances, it appears to be *de minimis*.

1540 *[An alarm sounds]*

**The Deputy Bailiff:** Right, we will just keep our ears out, whatever that noise is. That is slightly disturbing.

1545 *A fire alarm sounds in the Royal Courthouse and Members leave the Chamber.*

*The Assembly adjourned at 11.22 a.m.  
and resumed at 11.46 a.m.*

## **POLICY & RESOURCES COMMITTEE**

### **Seafront enhancement**

**The Deputy Bailiff:** Are there any more questions in relation to Deputy de Lisle's Rule 11 question? No. In that case we will move onto the questions posed by Deputy Gollop to the President of P&R.

1550 **Deputy Gollop:** Thank you very much, madam deputy presiding officer. Hopefully, the shenanigans will not stop me asking these questions. My first question to Deputy Ferbrache is when will the interesting and exciting plans to restructure the Seafront Enhancement Area Group be fully returning to the Chamber as a Seafront Redevelopment Project Development Agency framework?

1555 **The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** Thank you, madam. The answer is the delivery of the seafront enhancement area programme is referred to within the Government Work Plan as one of the prioritised actions to enable greater opportunities for regeneration in the Island. An amendment has been tabled in

1560 order to establish an arm's length body that will take forward this work and we will be bringing proposals to the Assembly to establish it as a legal entity by December this year.

At that stage, plans will go forward for the recruitment of members of the agency. The P&R Committee has established in the interim a subcommittee, the overall objective of which is to continue the momentum and development of the vision and strategy for the east coast. This is something that needs to be developed by the community not just by the States, as their work will include in late summer engagement with Committees of the States as well as public consultation.

The current membership of the subcommittee is Stuart Falla CBE, given his role as Chairman of the Ports Board, this ensures continuity with the Future Harbours project; Anna Guggenheim QC, a highly experienced Guernsey based commercial lawyer; Andrew Haining, who has a long track record in development and investment; John Hollis, an expert in infrastructure projects and investment; and Deputy Helyar, who represents the Committee. This interim subcommittee will be replaced by the arm's length regeneration and development board, subject to approval by the States for its creation later in today's debate.

1575 **Deputy Gollop:** If I can ask two supplementaries?

**The Deputy Bailiff:** Yes, Deputy Gollop.

1580 **Deputy Gollop:** Thank you very much. My first supplementary is public consultation has been referred to but how far will the consultation actually engage with stakeholders such as retailers, environmentalists, ecologists and people with perhaps different interests and skill sets than the likely membership of the subcommittee and its successor?

**The Deputy Bailiff:** Thank you. Deputy Ferbrache.

1585 **Deputy Ferbrache:** I can answer it very briefly. There will be wide scale consultation with all the interested parties that Deputy Gollop has referred to.

**The Deputy Bailiff:** Your second supplementary question, Deputy Gollop.

1590 **Deputy Gollop:** To a degree it has been answered by the question but clearly would it be fair to say now Policy & Resources Committee want to holistically integrate this project into a proposal that works very closely with the outcome of the ports and harbours debate?

1595 **The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** Yes, madam, but of course we do not know what the outcome of the ports and harbour debate will be. But obviously, as I have said, as the answer to Deputy Gollop's main question was, this is a key part of the Government Work Plan and is seen as giving great regeneration opportunities for Guernsey.

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

1605 **Deputy de Sausmarez:** Thank you, Madam Deputy Bailiff. I had not quite made up my mind whether I was going to ask a question but I will now! Deputy Ferbrache is aware of my frustration over the last quite a few months about what might be perceived as a bit of a governance hiatus, I suppose.

I am encouraged to hear that there is work going on but I think it is imperative that when we have got a group working on the vision and objectives of any group that that is brought to the States for the States to make an informed decision around. Typically, Guernsey has not been great, historically, at making strategic decisions that take into account social and environmental factors in

conjunction with economic factors and really I think, certainly, I am looking for a bit more reassurance that that will be the case.

1615       **The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** I can give that reassurance because of course, although this body will not be dependent on the States, it will have duties that it will have to discharge. But anything of any real substance has to come back before the States to be approved or otherwise by the States.

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**The Deputy Bailiff:** Deputy Taylor.

**Deputy Taylor:** Thank you, madam. I am just wondering if Deputy Ferbrache could confirm, I am not sure I heard the answer right, was Stuart Falla, John Hollis, Andrew Haining part of the outgoing or are they going to be part of the regeneration board that is being formed?

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**The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** That will be a decision to be made. It may be that some of those people would be put forward but it may be that that, (a) will not be put forward or (b) will not be accepted.

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**The Deputy Bailiff:** If there are no further questions, Deputy Gollop, would you pose your second question?

**Deputy Gollop:** Thank you and, if I may I would also like to pose two supplementaries at the close of the answer. My second question is how far is the current Seafront Enhancement Project working group able to action the six sites and other development initiatives proposed by the previous Policy & Resources Committee, which are still included on the current gov.gg website from 2019?

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**The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** Thank you, madam. In the previous term of Government, the Seafront Enhancement Area programme was identified as one of the States of Guernsey's policy priorities. Concern at the production of the plan for the provision of infrastructure in order to achieve the long-term social, economic and environmental enhancement of Guernsey's east coast.

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          Ahead of the development of the overall plan for the regeneration of the east coast, the SEA steering group resolved to undertake a number of initial enhancement projects, seeking to bring forward the enhancement of six States-owned sites along the seafront. These are: La Vallette, Le Vallette Kiosk and amenities; the States' Offices, the North Plantation, Vivier Bunker and Round Top Stores.

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          Of those, La Vallette and La Vallette Kiosk and amenities are currently being delivered by Vive La Vallette. There was interest in the States' Offices but this is currently on a pause as a result of the impact of COVID. The Vivier Bunker currently has two separate parties interested in bringing forward new uses for the site and for obvious commercial reasons we cannot disclose these whilst we are in negotiation with the parties. The Round Top Stores will come forward with some exciting new uses and we expect to be able to announce that very soon. There is no interest in the North Plantation.

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**The Deputy Bailiff:** Deputy Gollop, your first supplementary question.

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**Deputy Gollop:** Yes. Whilst understanding the workload and the commercial sensitivities of one of the sites, why has there been perhaps a two-year delay in getting to the point whereby quality and useful negotiations are taking place on that particular site, for example?

1665 **The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** I do not know the reason for that. I was not involved and I do not think the current Members of P&R were particularly involved in that in any great measure. Perhaps that is indicative of previous Assemblies, where there was too much delay on too many projects.

1670 **The Deputy Bailiff:** Deputy Gollop, your second supplementary question.

**Deputy Gollop:** My second supplementary is that the answer actually, helpfully, and I thank him for this, says that there was no interest in the North Plantation. Now that is a site that is still identified in the Island Development Plan ideas and, indeed, if it was linked to let us say the Visitor Information Office, which had ideas from an art gallery to a boutique hotel to all kinds of things, there was lots of speculation. Why was it that in the event the North Plantation proved to achieve an unimpressive amount of interest in what is a key site still under consideration by planners?

1680 **The Deputy Bailiff:** Deputy Ferbrache,

**Deputy Ferbrache:** I cannot answer for others, madam.

**The Deputy Bailiff:** Thank you. We will now turn to the Rule 12 question.

1685 **Deputy Ferbrache:** There is a third question.

**The Deputy Bailiff:** I am so sorry. Deputy Gollop, please place your third question.

1690 **Deputy Gollop:** Sorry, I sat down too early. Thank you. Hopefully two supplementaries for this as well.

**The Deputy Bailiff:** Carry on Deputy Gollop.

1695 **Deputy Gollop:** Will full consideration be given to blue economy opportunities for the seafront area, as soon as possible, including areas adjacent to ports, retail environment enhancements and active travel transport and holistic leisure planning?

**The Deputy Bailiff:** Deputy Ferbrache.

1700 **Deputy Ferbrache:** The work produced by the States' Trading Supervisory Board, within the Future Harbours policy letter, sets out the operational requirements for the port activity for the next few decades. With this information, it is possible to identify which areas can be re-used in the future for other purposes, including those that bring forward economic, social and environmental benefits.

1705 This will be taken forward by P&R through a dedicated subcommittee, in consultation with all relevant Government bodies, the private sector and the general public. As I have just explained, this will be laid before the States, if approved, by December 2022.

**The Deputy Bailiff:** Your first supplementary question, Deputy Gollop.

1710 **Deputy Gollop:** How will the group work to get what I would call buy-in from the community about the visions moving forward, so that there is widespread public acceptance of plans available?

**The Deputy Bailiff:** Deputy Ferbrache.

1715 **Deputy Ferbrache:** Again, hopefully, with the people involved, by sensible discussion, listening to what people have got to say and adopting something that is pragmatic and reasonable but with a degree of foresight. As to predicting whether it will be agreed, and it will be uncontentious, that is a matter for the future.

1720 **The Deputy Bailiff:** Your second supplementary question, Deputy Gollop.

**Deputy Gollop:** Yes, it does seem to me that the nature of this opportunity should bring in Environment & Infrastructure Board on transport and travel and Economic Development on everything from retail to the blue economy to leisure opportunities, to even hospitality. Will the President commit to working closely with those two key stakeholder Principal Committees, E&I and Economic Development?

1730 **Deputy Ferbrache:** Those, madam, who will be dealing with this, of course they will commit to work with everybody, including the committees that Deputy Gollop has mentioned, because it is such an important area of the Island that is radically calling out for some significant development. Also the blue economy generally is a very important aspect of our economy and our economic divergence and indeed the opportunity in the future.

1735 **The Deputy Bailiff:** If there are no further questions in relation to Deputy Gollop's questions we will move onto the Rule 12 question posed by Deputy Kazantseva-Miller to the President of the States' Assembly & Constitution Committee.

## Urgent Question Pursuant to Rule 12

### STATES' ASSEMBLY & CONSTITUTION COMMITTEE

#### Duties and Powers of the States' Assembly & Constitution Committee

1740 **Deputy Kazantseva-Miller:** Thank you, Madam Deputy Bailiff. The duties and powers of the States' Assembly & Constitution Committee are the following: to advise the States and to develop and implement policies in relation to the States' constitution, procedures, practical function, Members' induction, broadcasting, election and Code of Conduct. Can the President of SACC advise which part of the mandate enables his committee to initiate investigations into any individual instances of alleged Members' misconduct?

1745 **The Deputy Bailiff:** Deputy Meerveld.

1750 **Deputy Meerveld:** Thank you. The committee is responsible for advising the States and to develop and implement policies in relation to matters concerning the propriety and conduct of States' Members. It is not within the mandate of the States' Assembly & Constitution Committee to initiate investigations into any alleged misconduct. The States' Members Conduct Panel's purpose is to investigate complaints in accordance with the procedures set out in the Code of Conduct for Members of the States of Deliberation.

**The Deputy Bailiff:** Thank you, Deputy Meerveld. Is this a supplementary question? Yes, Deputy Kazantseva-Miller.

**Deputy Kazantseva-Miller:** Thank you. So the complaints procedure of the independent Code of Conduct Panel is the following: (1) complaints should be addressed in writing to the Chairman of the Panel; (2) in the interest of natural justice, the complaint should be made to the Panel in private and not publicised on media.

Three months ago, and in fact earlier today, the President of SACC made it clear that SACC is in no position to make any comments on individual instances of misconduct, such as that of Deputy Le Tissier. Can the President of SACC advise what has changed between then and now to enable him to take a diametrically opposing approach to bring an issue of a Member's alleged misconduct to the SACC public meeting last Thursday, to ask for agreement to initiate an investigation whether a breach occurred and to make public remarks to media on this?

**The Deputy Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Thank you. The SACC committee has not initiated an investigation. The issue was raised with SACC by a Member of SACC and by other Deputies that there was a potential issue. SACC is simply looking at that because it reflected directly on SACC. As I quote from the mandate:

To develop and influence policies in relation to matters concerning the propriety and conduct of States' Members.

SACC decided that, as a majority, to simply find out from ESC whether or not the facts as presented were accurate and the issues raised by other Deputies, including a Member, were accurate, and then to forward that information onto the Code of Conduct Panel. Not to make a complaint, but simply to make them aware of our knowledge of it. To not do so would be potentially undermining the integrity of the Rules themselves, being aware of a complaint. The committee discussed it and as a majority agreed that all Members and all committees have an obligation to preserve the integrity of the Rules and therefore we believe that that was the correct course of action.

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** Can I ask the President of SACC if, on reflection, he will agree with me that that was probably an inappropriate stance to take, that in fact it should be for aggrieved parties to refer matters to the Code of Conduct Panel if they wish to and not for SACC? Because otherwise they are going to be a magnet for all sorts of discontent and people coming to them and saying, 'What are you going to do about this?'

**The Deputy Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Obviously, it was a group decision of the committee and we will be putting that on the agenda for a future meeting because there is that potential hazard in that.

**The Deputy Bailiff:** Deputy Kazantseva-Miller.

**Deputy Kazantseva-Miller:** The President of SACC at the public meeting last week asked to an agreement from his committee to write to the Committee of ESC to establish whether a breach has occurred. To me, that amounts to initiating an investigation. Does the President of SACC agree that as individual misconduct procedures are absolutely the remit of the independent Code of Conduct Panel, that by bringing the issue of alleged misconduct of a Deputy, initiating the investigation as I have described, and making politicised opinions about alleged misconduct following that meeting,

the President had in fact acted outside of the scope of his duties and responsibilities as the President of SACC?

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**The Deputy Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Deputy Kazantseva-Miller's assumptions are incorrect. There was no investigation and the question asked to ESC was not: has there been a breach of the code? It was: was the information released considered confidential in accordance with the definition in Rule 20 of the Code of Conduct and was Deputy Cameron given authority to circulate that information in accordance with Rule 20(A) of the Code of Conduct? We have received answers to those and will just forward them on to the Code of Conduct Panel for their consideration.

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**The Deputy Bailiff:** Deputy Bury.

**Deputy Bury:** Than you, madam. I would like to ask what the intention of forwarding that information would be when the Panel needs a complaint, surely, to investigate?

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**The Deputy Bailiff:** Deputy Meerveld.

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**Deputy Meerveld:** Again, the committee discussed it and considered that it is the moral obligation of Members of this Assembly, both individually or as committees, to uphold the integrity of the Rules. As a committee with direct responsibility for advising the States on policies relating to propriety and conduct, we considered it was inappropriate for us to ignore that and that the appropriate course of action was simply to pass the information on to the appropriate authority, which is the Code of Conduct Panel. They can then exercise their powers, obviously, as they wish under their mandate.

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**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** I am interested in the idea that they can exercise their powers under their mandate. What powers do they have to exercise if they have not received a complaint?

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**The Deputy Bailiff:** Deputy Meerveld.

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**Deputy Meerveld:** Well they are simply made aware of an issue and a situation. If a complaint arises from that then they will take it forward. At the end of the day, should Members stay silent? Consider the moral hazard here. If Members or committees stay silent when they are aware of what they believe to be a breach of the Rules, then you are creating a moral hazard. You are creating a situation where other Deputies may be involved and also ignore the Rules and break them in similar ways, because there are no repercussions. We are simply making sure that moral hazard does not exist.

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**The Deputy Bailiff:** Deputy Burford.

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**Deputy Burford:** Thank you, madam. I am not sure anybody is suggesting that Deputy Meerveld should have stayed silent. Could I ask whether, on reflection, Deputy Meerveld considers that the correct course of action, when responding to the persons who approached his committee, was to simply, if they were unaware of it, advise them of how to contact the Code of Conduct Panel and to advise them that would have been the correct course of action, rather than trying to put it through the committee?

**The Deputy Bailiff:** Deputy Meerveld.

1855 **Deputy Meerveld:** That is, I think, again this issue is going to be put to the committee to discuss, as all five Members, at a future meeting, and that may well be the conclusion of the committee. I will wait for that debate.

**The Deputy Bailiff:** Deputy Inder.

1860 **Deputy Inder:** In one of the previous questions, Deputy Meerveld used the term 'moral hazard' and I think he implies – this is just seeking clarification, madam – was he effectively saying in that response and in his response previously there is some obligation for those who are in receipt of confidential information to have reported that back to the committee? Because quite clearly you can receive something but not be complicit in something. Was he saying that there is some kind of obligation for people in receipt of leaked information to have then reported that information back to the committee?

**The Deputy Bailiff:** Deputy Meerveld.

1870 **Deputy Meerveld:** Whilst there is nothing in the Rules that explicitly states that somebody has to take that course of action, I think all Members have to consider how they preserve the integrity of the Rules that we as an Assembly have agreed to and established for our conduct. If the aggregate of the Assembly wants to change those Rules then so be it. But the Rules are there and I think the way that we need to preserve that is by taking a moral high ground and, if in doubt, follow the course of action you are suggesting.

**The Deputy Bailiff:** Deputy Burford.

1880 **Deputy Burford:** Thank you, madam. Deputy Meerveld said that he will take this back to the committee for it to be considered by all five Members of the committee. Is the suggestion therefore that this original debate was not considered by all five Members of the committee?

**The Deputy Bailiff:** Deputy Meerveld.

1885 **Deputy Meerveld:** In the original debate, two Members were actually named in the email exchange. Therefore we obviously have the special interest rule in the States but I deemed that they had not and described to the committee they had done nothing wrong by being recipients. But one of the people, the Deputies who raised the issue with the committee was actually one of the recipients and the decision was made to avoid any perceived conflict of interest it was best if the three remaining Members who had not been recipients were the ones who were asked to vote on the issue, although the other two Members were allowed to speak on it.

**The Deputy Bailiff:** Deputy Bury.

1895 **Deputy Bury:** Thank you, madam. For clarity, is it not up to Members themselves to decide if they have a conflict of interest, rather than to be told by other Members?

**The Deputy Bailiff:** Deputy Meerveld.

1900 **Deputy Meerveld:** No. Under the Rules of Procedure, you have a special interest clause, which could be interpreted very broadly and the Law Officers, I have had personal experience, the Law Officers say if in doubt, invoke that special interest and exclude people from either, and it is at the discretion of the committee to some extent, whether they are excluded from the room and all papers relating to it, or whether they are allowed to sit in the room and whether they are allowed

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to vote. So there are Rules there that define special interest and the actions that can be taken after it.

1910 **The Deputy Bailiff:** Deputy Burford, I think you have already asked two questions, I am afraid. It is only two supplementary questions. Deputy Trott.

1915 **Deputy Trott:** Madam, I am completely outside of this and somewhat bemused by what I am hearing and so unusually I ask Deputy Meerveld, would he welcome a Code of Conduct complaint in order to allow an independent assessment of his actions and behaviours to be undertaken?

**The Deputy Bailiff:** Deputy Meerveld.

1920 **Deputy Meerveld:** That is the right of anyone who wishes to lay one. As I say, I have explained my actions here and I am sure that if the Code of Conduct Panel receives a complaint they will deal with it as they see fit.

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

1925 **Deputy de Sausmarez:** Madam, I wonder if it would be possible to ask HM Procureur for any advice relating to the answer on the special interests Rule that we have just heard? Thank you.

**The Deputy Bailiff:** Madam Procureur, are you in a position to respond now or do you want some time to consider it?

1930 **The Procureur:** Thank you, madam. We were not asked to advise on this particular case so, in relation to Rule 49, previous guidance has simply been that it is interpreted strictly. That is what previous Members have asked for. But no more than that. Thank you.

1935 **The Deputy Bailiff:** Deputy Leadbeater.

**Deputy Leadbeater:** Thank you, Madam Deputy Bailiff. Would Deputy Meerveld agree with me that the special interests thing in committees can be a barrier to the work of that committee, i.e. somebody could have subject matter –

1940 **The Deputy Bailiff:** Deputy Leadbeater, a bit like a Rule 11, a Rule 12 is on the basis of the original question. I think we are going beyond that,

**Deputy Leadbeater:** Okay, I apologise.

1945 **The Deputy Bailiff:** Are there any further questions in relation to the Rule 12 question. No? Then, States' Greffier, if you would carry on with the business of the day.

## Billet d'État XIII

### APPOINTMENTS TO BE LAID BEFORE THE STATES

#### COMMITTEE FOR ECONOMIC DEVELOPMENT

##### **Guernsey Competition and Regulatory Authority – Appointment of Mr John Curran as an Ordinary Member**

1950     **The States' Greffier:** The following appointment is laid before the States. The Committee *for* Economic Development, the appointment of an Ordinary Member of the Guernsey Competition Regulatory Authority.

**The Deputy Bailiff:** To the extent I need to declare an interest, this is my husband! (*Laughter*)

### LEGISLATION LAID BEFORE THE STATES

**The European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (Privileges and Immunities)  
(Bailiwick of Guernsey) Ordinance, 2021;  
The Marriage (Bailiwick of Guernsey) Regulations, 2020;  
The Marriage (Bailiwick of Guernsey) Law, 2020 (Commencement and Transitional Provisions) Regulations, 2020;  
The Motor Vehicles, Licensing and Traffic (Fees) (Guernsey) Regulations, 2021;  
The Control of Poisonous Substances (Fees) (Guernsey) Regulations, 2021;  
The Health and Safety (Fees) Order, 2021;  
The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) (Amendment) Regulations, 2021;  
The Income Tax (Approved International Agreements) (Implementation) (United Kingdom and United States of America) (Amendment) Regulations, 2021**

1955     **The States' Greffier:** The following legislation is laid before the States: The European Committee  
for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment (Privileges and  
Immunities) (Bailiwick of Guernsey) Ordinance, 2021; Statutory Instrument 131/2020, The Marriage  
1960     (Bailiwick of Guernsey) Regulations, 2020; 135, The Marriage (Bailiwick of Guernsey) Law, 2020  
(Commencement and Transitional Provisions) Regulations, 2020; 33, The Motor Vehicles, Licensing  
and Traffic (Fees) (Guernsey) Regulations, 2021; 37, The Control of Poisonous Substances (Fees)  
(Guernsey) Regulations, 2021; 38, The Health and Safety (Fees) Order, 2021; 46, The Income Tax  
(Approved International Agreements) (Implementation) (Common Reporting Standard)  
(Amendment) Regulations, 2021; 47, The Income Tax (Approved International Agreements)  
(Implementation) (United Kingdom and United States of America) (Amendment) Regulations, 2021.

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**LEGISLATION FOR APPROVAL**

**POLICY & RESOURCES COMMITTEE**

**1. The Public Functions (Transfer and Performance)  
(Bailiwick of Guernsey) (Amendment) Law, 2021 –  
Proposition carried**

*Article 1.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Projet de Loi entitled "The Public Functions (Transfer and Performance) (Bailiwick of Guernsey) (Amendment) Law, 2021", and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.*

**The States' Greffier:** Article 1. The Policy & Resources Committee – The Public Functions (Transfer and Performance) (Bailiwick of Guernsey) (Amendment) Law, 2021.

1970 **The Deputy Bailiff:** Deputy Ferbrache.

**Deputy Ferbrache:** Nothing to add, madam.

1975 **The Deputy Bailiff:** Does anybody wish to enter general debate in relation to the Public Functions (Transfer and Performance) (Bailiwick of Guernsey) (Amendment) Law? Let us put the Proposition to the Assembly. Those in favour; those against?

*Members voted Pour.*

1980 **The Deputy Bailiff:** The motion is carried.

**COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY**

**2. The Long-term Care Insurance (Guernsey) (Rates) (Amendment) Ordinance, 2021 –  
Proposition carried**

*Article 2.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Long-term Care Insurance (Guernsey) (Rates) (Amendment) Ordinance, 2021", and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Bailiff:** Deputy Roffey ... sorry, States' Greffier, I have interposed myself again! Would you mind reading out the proper title?

1985 **The States' Greffier:** Article 2. The Committee for Employment & Social Security – the Long-term Care Insurance (Guernsey) (Rates) Amendment Ordinance, 2021.

**The Deputy Bailiff:** Deputy Roffey.

1990 **Deputy Roffey:** This is simply the legislation that brings in the change in the co-payment that the States agreed recently, so I have nothing to add.

**The Deputy Bailiff:** Does anybody wish to enter into general debate? It appears not. I put the Proposition then to the Chamber, those in favour; those against?

*Members voted Pour.*

**The Deputy Bailiff:** The Proposition is carried.

## POLICY & RESOURCES COMMITTEE

### 3. The Charities etc. (Guernsey and Alderney) Ordinance, 2021 – Proposition carried

*Article 3.*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Charities etc. (Guernsey and Alderney) Ordinance, 2021", and to direct that the same shall have effect as an Ordinance of the States.*

1995 **The States' Greffier:** Article 3. Policy & Resources Committee – The Charities etc. (Guernsey and Alderney) Ordinance, 2021.

**The Deputy Bailiff:** Deputy Ferbrache.

2000 **Deputy Ferbrache:** Again, madam, I think this is self-explanatory and I ask the States to approve.

**The Deputy Bailiff:** Does anybody wish to enter anything into general debate? No. Therefore I put the Proposition to the Chamber. Those in favour; those against?

*Members voted Pour.*

2005 **The Deputy Bailiff:** The Proposition is carried.

## POLICY & RESOURCES COMMITTEE

### 4. The States of Guernsey Accounts 2020 – Debate commenced

*Article 4.*

*The States are asked to decide:-*

*Whether they are of the opinion to agree with the Policy & Resources Committee's approval of the States of Guernsey Accounts for the year ending 31st December 2020.*

2010 **The States' Greffier:** Article 4, Policy & Resources Committee – the States of Guernsey Accounts 2020.

**The Deputy Bailiff:** Deputy Helyar, I believe you are leading on this?

**Deputy Helyar:** I am indeed, thank you, Madam Deputy Bailiff. Members of the States, I am pleased to present to you the 2020 Accounts of the States of Guernsey. The financial statements of the States' Trading Supervisory Board's unincorporated trading entities, Ports, Guernsey Water, Guernsey Dairy, Guernsey Waste and States' Works and the Social Security Contributory Funds are included as separate items for debate and their respective Presidents will be presenting them to the States.

The timing of the preparation of the accounts and their external audit again fell within a period of COVID-19 lockdown. I must thank all those involved for their hard work and perseverance in meeting the deadline for publication. In April 2020, it was estimated that COVID-19 would impact General Revenue by £122m-£132 million in 2020. A combination of a reduction in States' revenues and increases in States' expenditure, primarily financial support measures for businesses.

However, the actual overall net impact was substantially less than forecast at £83.9 million. This improvement was undoubtedly largely the result of the majority of the economy being able to return to near normal trading conditions so much earlier than had been expected last year. This underlines the importance of economic activity being able to revive and support our community and our public finances.

It is encouraging how businesses have bounced back from lockdowns. We were reasonably well-placed to deal with the impact that the COVID-19 pandemic had on our public finances. We had a balanced budget including provision for capital expenditure, there was a funding held in reserves, our borrowing was modest and we had a very good credit rating.

We were able to secure a short-term borrowing facility at a very attractive rate in order to provide liquidity to meet the immediate cashflow requirements of the States. The main components of the £83.9 million impact of COVID-19 were £51.3 million of business support expenditure and £28.3 million as an increased charge for accumulated Aurigny losses, which includes a £4.2 million impairment charge in respect of the valuation of aircraft. It is particularly pleasing that overall our income was only £3.3 million short of budget, with particularly strong receipts from Document Duty and Customs duties, largely offsetting shortfalls in Income Tax receipts and overall committee expenditure was £4.3 million lower than budgeted.

Although significant additional expenditure was incurred in certain areas as a result of COVID-19, including in Health & Social Care services and Income Support payments, these were more than offset by reduced expenditure as a result of the limitations placed on normal operational activity, including the deferral of non-urgent surgical procedures.

The 2020 deficit was funded by a combination of the transfer of £50 million from the Core Investment Reserve and not making the budgeted transfer to the Capital Reserve of £40 million. Despite a very substantial fall in equity markets during the first quarter of 2020, as a result of COVID-19 related concerns, strong investment returns were recorded over the year, with the Consolidated Investment Fund returning 8.4%, which is 3.2% ahead of its target. The investment returns were allocated to various reserves, including £17 million to the Core Investment Reserve and £15 million to the Bond Reserve.

Therefore, at the end of 2020, the States' net assets, its overall financial position, was £695 million, a decrease of £64 million compared with 2019, with these positive investment returns partially offsetting the COVID-19 impact. Within the 2020 Accounts, the States' Treasurer's report provides a detailed commentary on the overall financial position and on the various funds and reserves. Madam Deputy Bailiff, I ask the Assembly to agree with the Policy & Resources Committee's approval of the 2020 States of Guernsey Accounts. Thank you.

**The Deputy Bailiff:** Thank you, Deputy Helyar. Deputy Queripel.

**Deputy Queripel:** Madam, I ask, through you, Deputy Helyar, please, can he tell me what stage we are at with addressing the huge, historic losses of Aurigny and is there any likelihood they will ever be able to pay off their debts or at least break even, which was always the understanding, as far as I recall?

2065 Also, if we look at page 93, we see that over £7 million was spent on planning for projects that may or may not even happen. That is a lot of taxpayers' money to spend speculating and that really concerns me. So my question to Deputy Helyar is, does he share my concerns and can we really afford to carry on with that trend of spending millions of pounds of taxpayers' money on planning for projects that may never even happen? Thank you.

2070 **The Deputy Bailiff:** Deputy Inder.

2075 **Deputy Inder:** On a similar theme, thank you for the update. I know we are only here for noting the report, I have similar fears as Deputy Queripel regarding consultations and consultants. I do wonder, as we look to move the organisation in a different direction, could Deputy Helyar give us some comfort that the consultation industry in Guernsey, which is massive and is at the expense of this Island, will be in some way reduced, as we are about to see over the Future Harbours development plan?

2080 **The Deputy Bailiff:** Deputy Gollop.

2085 **Deputy Gollop:** Deputy Lester Queripel has made, as always, a great contribution. But if his brother, who was an equally good Deputy in the two previous States was here, he would probably have referred us to page eight of my copy of the States' Treasurer's report, which is 8.4 to 8.7, in which we look at the cost of senior established staff and so on.

2090 I am the first to argue that we need to pay realistic and effective pay rates to senior people because there is a danger of losing their services to the private sector but, nevertheless, despite the impact of COVID and what was, even Deputy Trott would admit, initially a big economic decline, which has been mitigated, thankfully, we see the number of established staff in the £80,000 a year camp – more than any Deputy gets, that is another appendix – has risen by eight, which is, I do not know, 5% really. And the number of senior nurses and medical consultants, who we thank for their amazing work in the last two years, but nevertheless the number who are paid above £80k has gone up astonishingly from 62 two years ago to 119 this year.

2095 And the number of highly paid £80k plus teachers and lecturers has gone up from 35 to 51, so that should be good for our education system, motivated staff. But nevertheless we are seeing well above inflation normative rises of senior figures in the public sector. So that is my first point.

2100 The second point is it is gratifying in the funds and investment presentations to see that the Consolidated Investment Fund for the purposes of paying public sector pensions, and as of this moment I am still in that although I may come out of that, has risen to an impressive £1.6 million. But I did read somewhere that our liability to the staff is still a more eye-watering £2.7 million – £2.7 billion, apologies for misleading the Assembly. So, we have somehow still got to find £1.1 billion in our accounting mechanisms to allow for the fact that there is a shortfall.

2105 My third and fourth points relate to page 32 of the Accounts. Under Income Tax we saw, as Deputy St Pier and Deputy Trott reminded us, actually we did build back better and we did recover quickly from the initial lockdown. So gratifyingly, the individual tax received only dropped from £276 million in 2019 to £267,019 in 2020, which was more or less the same, really. Very small reduction.

2110 But the Income Tax raised from companies, which we have already heard a bit from Deputy de Lisle's questions today that are pertinent to the future of our taxation strategy, that had dropped more vigorously, I am afraid, because we had £62 million of our income in 2019 and that dropped to under £53 million in 2020. So it would appear that some elements of the corporate sector took a greater hit than individuals on the Island and I would be interested to know why that is and whether that reflects business growth or whether that reflects, maybe, a reorganisation by accounting professionals of how they accord these things.

2115 And another, well, chief point, perhaps. I am somebody who I must admit, when I had the chance, I would go to Jersey or France or the UK and get duty frees. Obviously in 2020 that became

somewhat difficult and unattractive. But we saw in 2019 from tobacco, £7.5 million to our revenues raised by tobacco and nearly £6 million from wine. But in 2020 that went up to closer to £7 million in wine and £13 million, nearly £14 million, in Income Tax from tobacco.

2120 Now either that means some of us were drinking and smoking more during lockdown, which I am afraid was a health risk, or that the duty free largesse was not happening to the same extent. That raises policy questions about how we raise taxes on these issues, how we police them and maybe we will, at some point, perhaps regrettably, have to reconsider our policies towards duty free and have a more focussed revenue stream, especially if we are looking at health and wellness in the equation. Thanking you.

2125

**The Deputy Bailiff:** Deputy Trott.

**Deputy Trott:** Thank you, madam. I would like to mention three matters and one of them, two of them, will have questions. The first is on page two of the States' Accounts, under paragraph 5.2, we are reminded that £35.6 million in payroll co-funding and £7.7 million in specific support packages went out during the year to which these accounts are considering and that is 2020.

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My question to Deputy Helyar, through you madam, is we are aware that some recipients of payroll co-funding have already very generously repaid those amounts, is he aware of any others that are due to make such a community commitment in the weeks and months ahead, particularly bearing in mind the extraordinary relative strength of our economy compared to elsewhere.

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The second point I would like to raise is under 8.7 on page eight. Now this is a table showing some of our higher paid staff and I notice that the main author of this particular report, the States' Treasurer, appears to have earned less in 2020, in terms of the cost to the public sector, than she did in 2019. So allowing for an understandable inflationary increase, in real terms actually appears to be costing us less. I thought that was curious and wondered if Deputy Helyar knew why that would be.

2140

However, my main reason for rising, madam, is to refer to paragraph 9.24 on 14, because there we are told that the bond issue proceeds, the unspent portion of the bond issue proceeds, have been managed in such a way that the Bond Reserve now has a balance, or had a balance, of £27.2 million at the end of 2020, up from £17.8 million at the end of 2019. That of course today would be significantly higher as a consequence of the manner in which capital markets have performed.

2145

It is a very good news story. Effectively, if we were to crystallise it, it would offset the significant losses on Aurigny. It is a good news story and, as I often say in this Assembly, occasionally we forget to give ourselves the occasional pat on the back when things have gone spectacularly well and this is an example of something that has certainly done that. So no doubt Deputy Helyar will relish the opportunity to agree with me when he sums up later. Thank you, madam.

2150

2155 **The Deputy Bailiff:** Deputy Matthews.

**Deputy Matthews:** Thank you, madam. I hope Deputy Helyar will forgive me. I have not submitted this in advance. Having looked at the accounts, there are many bright spots but one piece of welcome news appears at the top of page two, which is the move to recognise the accounting standards and the identification and valuation of fixed assets.

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The choice of accounting standard is sometimes portrayed as a boring technical detail that can only be of interest to accountants who tend to get worked up about such details. But this underestimates the value. An accountant's role is to explain what all the numbers mean to the rest of us and moving to a recognised standard will greatly assist with this. This in turn should greatly assist all of us, not just business people but taxpayers, voters and the community as a whole to recognise and understand the state of our finances.

2165

More open Government with better informed ideas from the community should be welcomed, not opposed. This is a theme, which I believe I will return to during the debate on freedom of information.

2170 One thing the States is often accused of is failing to recognise and make effective use of its assets. Property is an obvious example. I look forward to the day when these are valued and included on a balance sheet. This will help inform debate about how we run the Island.

2175 Moving to the negative side, of course the cost of COVID-19 dominates the Accounts but we have had a brilliant response. I recognise and give thanks to everyone who has helped keep us safe in 2020, from our chief ministers – both of them, Public Health and everyone in Health & Social Care, and our essential workers and everyone who has made sacrifices to keep our Island, for the most part, COVID-free.

2180 It is easy to take it for granted but we are extremely fortunate to be one of the very few locations with no restrictions. As we move to open borders, I would however sound a note of caution. The pandemic is not over yet. The Delta variant is showing itself to be stronger than the vaccination programme in the UK, where social distancing measures remain and have been extended for one month. Some projections show the rate of infection in the UK moving up to amongst the highest in Europe.

2185 There is every chance that following 1st July could equalise with those in the UK. A study published in *The Lancet* a few days ago showed that countries that pursued an elimination strategy and stuck to it, in the OECD these are Australia, Iceland, Japan, New Zealand and South Korea, had better outcomes for health, civil liberties and the economy. It frustrates me that there is not much debate about the potential economic opportunity arising from our COVID-free status. Could our COVID-free status be considered an asset, an intangible asset that we have not listed on our balance sheet and we have failed to effectively capitalise on?

**The Deputy Bailiff:** Thank you, Deputy Matthews. It is now just after half past 12, so now is an appropriate place to break for lunch and resume at half past two. Thank you all.

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

#### **4. The States of Guernsey Accounts 2020 – Debate continued – Proposition carried**

2195 **The Deputy Greffier:** Continuation of debate on the States of Guernsey Accounts 2020.

**The Deputy Bailiff:** *[inaudible]* the CPA meeting this evening at 5.30, whenever time we finish, will carry on after this. We are now continuing the general debate. Does anybody else wish to speak in relation to the Accounts? Deputy de Lisle.

2200 **Deputy de Lisle:** Just briefly, madam. I note a further jump in the full-time equivalence by pay group on page 33, a jump from 4,684 to 4,720. Now there was a movement to reduce the number of staff, together with rationalisation of the public service and I would like to ask, can I ask Deputy Helyar, do we still have an operational staff limitation policy and if not perhaps it is time that something of that nature is brought back to control numbers and to reduce the impact on the public purse. Thank you, madam.

2205

**The Deputy Bailiff:** Does anybody else wish to speak before I invite Deputy Helyar to reply? Deputy Soulsby.

2210 **Deputy Soulsby:** Just briefly, I thought I would respond to Deputy Matthews' comments. First of all on IPSAS and accounting standards and he said it was probably only something accountants were interested in. Well it is interesting that I think it was first mooted to try to move to IPSAS under Deputy Parkinson, I think, when he was Treasury Minister back in the day, before I was in the States, I believe. He is a chartered accountant and not last term, the term before, I laid an amendment to try and move it on and chivvy it up a bit and I am a chartered accountant.

2215 So perhaps he is right. I just thought I would advise him on those who were present at the scrutiny hearing however long ago it was – time flies when you are having fun – but the aim is to try and get IPSAS in by the end of this term. It is not straight forward. Once you have committed to absolutely say you are going to IPSAS you have got to do it within I think a three-year period so the time is running out. It is complicated but the hard bit has been through valuation of various aspects of property, which he talked about.

2220 In terms of COVID and saying yes, we are in a better position that we could have been with COVID, that is absolutely true. The forecast in terms of lost income, especially, were really quite frightening and it is really great that we got that recovery which other jurisdictions claimed they would have but did not, but we clearly did.

2225 We should not forget that although it looks quite good here, some areas where there was an expenditure because of COVID and, as Deputy Matthews will know very well from being an HSC Member, one of those areas is in off-Island treatments and that is where we are going to have problems in terms of dealing with backlogs and things. Although it makes things look better it is actually an underlying problem that we have, as well as have done in that area, if you know what I mean. So I just thought I would highlight those two points.

**The Deputy Bailiff:** Deputy Le Tocq.

2235 **Deputy Le Tocq:** Just a couple of comments, madam. I think, as Deputy Helyar stated in his opening remarks, last year was an exceptional year and I would hope, and I guess we all hope, this year will be an exceptional year as well. However, I am very pleased to see that we are nowhere near the sort of grievous position that I thought we would be in at the early start of last year. Therefore credit goes to all who have been involved in minimising the financial risk to this Island.

2240 That does not mean that our situation is not grave. It is and we face quite an uphill struggle. But we are nowhere near the situation that we might otherwise have been in or indeed that other jurisdictions not very far away from us are in. So I am glad to see that.

A few other comments, madam, on the issues raised by Deputy de Lisle. I was around and involved in the Treasury Department under Deputy Trott when we did have a staff number limitation policy. That no longer exists and I think Deputy de Lisle knows that. But what the Policy & Resources Committee have done is to put in place extra challenges and checks spearheaded by Deputy Mahoney particularly for the most senior posts so that we do not have a situation where they go unchallenged at the highest level.

2245 The old staff number limitation policy was discontinued largely because it was ineffective and the best ways of ensuring that we do not end up excessively going over budget is to keep to budget restraints that are put upon every Committee and that is what we are going to need to do over the next year. This is the predictions that one can make from looking at the accounts that are before us now. So I hope that goes some way, madam, to answering the issues raised by Deputy de Lisle. Thank you.

2255 **The Deputy Bailiff:** No one else wishes to speak in general debate. I invite Deputy Helyar to reply.

2260 **Deputy Helyar:** Madam Deputy Bailiff, thank you very much. I shall thank Members for their comments and observations and questions. There are one or two which I cannot answer because

they are quite detailed in nature. I shall endeavour to return to those and contact the relevant Members and I shall point those out as we go through.

Deputy Queripel first raised the issue of Aurigny and its losses. Now there is not much we can do about the COVID situation because clearly Aurigny was in a loss-making situation prior to COVID and those are the areas we need to focus on and I am very pleased to say, with the assistance of Deputy Roffey and STSB Members and P&R in its capacity as creditor, we have made quite a lot of progress on a way forward with the new managing director and the new chairman and I do hope to see those numbers coming through as soon as the world gets back to more of a sense of normality from a travel perspective.

I appreciate the comments and reflections on the £7 million, which he commented on being spent on planning for matters that we have never done and I think the message, as I gave this morning to those Members present in reflection on Government Work Plan, we do need to stick to budgets and we need to expend very carefully because we simply do not have enough to go around.

These comments were reflected by Deputy Inder then talking about consultants and that perhaps is reflection on what we were just talking about in terms of Deputy de Lisle's comments in regard of numbers of established staff because clearly appointing consultants is one of the ways which was traditionally used to get around the staff limitation policy. But we do need to monitor all of our costs. It is a simple function of running a large Government budget that we need to keep costs under control and they do need to be constantly monitored and I give an undertaking that we shall be doing that.

Deputy Gollop asked me a number of detailed questions and I am afraid I cannot answer several of them simply because the information is not to hand. I can talk about duty free on tobacco, however, because it was an anomaly that appeared in the Accounts that the duty had risen so substantially at the tail end of last year. We understand predominantly that is due to stockpiling as a result of fears in relation to supply over Brexit. So there was a lot of importation of tobacco. We expect that number to reverse out this year because those stock piles will have now been sold and smoked.

I will come back on the issue which was raised in connection with number of staff earning over £80,000. I think this has already been disclosed in the *Press* that that is largely to do with pay rises for nurses, which the States committed to during the last term and that is an equalisation payment. The idea of those is to bring them up to standards with other jurisdictions in order that we do not have to compete so much for staff with jurisdictions, which may be paying higher wages.

Deputy Trott raised three issues. The first one: am I aware of the repayments? We were very careful to invite any of those businesses, which had made the repayments, to consider whether they would like to have that recognised publicly. Some of them took the opportunity and some of them did not so it would not be fair for me to mention whether I am aware of other repayments at the moment. But I will take the opportunity whilst I am on my feet and in public to encourage anyone that might feel so publicly minded that the Treasury is always grateful to receive.

The Treasurer was paid less, I think it was a relatively small amount and I think if we look at it it is probably well within the bounds of materiality on the Accounts and I do not think it would be fair necessarily to talk about the pay and conditions of any particular individual, if that is okay with Deputy Trott.

He is quite right, Deputy Trott, that the bond issue proceeds are a success story and we should be very proud of it. In fact, we have some recommendations in connection with the use of that reserve and with the use of the bond proceeds themselves, going forwards, because as Members will have heard and I have just done several media interviews, if we adopt everything that is in the Government Work Plan then we are going to have a very big gap between what we have and what we want to achieve and that may include the use of those bond proceeds. So I am grateful for his reflection on that and I absolutely support it.

Deputy Matthews' points on IPSAS have been commented on by Deputy Soulsby so I do not intend to say much more other than, yes, it is very much at the front. I am not an accountant but I do appreciate the ability to be able to compare apples and apples and at the moment it is very

difficult to do that from a jurisdictional perspective. We are going to have to use some of our assets more inventively going forward if we want to raise the kind of capital that we need to meet our commitment and that involves and includes, for example, the property you mentioned being included in the Accounts from a valuation perspective.

Deputy de Lisle mentioned the rise in established numbers of up to 4,720. Obviously, the Accounts are a looking backwards thing so that reflects what happened last year and perhaps plans that were made even in the year before that. So I cannot necessarily reflect on that but the limitation policy has been referred to by Deputy Le Tocq. I can say that the transformation, which has been promised for a long time, is still planned to happen. But we must be absolutely sure, I think, in particular as Policy & Resources, that that does not take away from front line services. So any cuts that are made, we must ensure that people do not suffer as a result of that.

Just to thank Deputies Soulsby and Le Tocq for answering some of the questions for me. I agree that we should credit all those in the public service and all members of the public because there are a lot of businesses out there that have taken this on the chin. They have stamped their reserves and a lot of them have not asked for any money. The financial services sector, in particular, has not been paid a single penny, and it has continued to pay tax throughout and it has tremendously kept the economy going through that period. So thank you everybody and I would ask for your support and approval of the Accounts.

**The Deputy Bailiff:** The States are asked to decide whether they are of the opinion to agree with the Policy & Resources Committee's approval of the States of Guernsey Accounts for the year ending 31st December 2020. Those in favour; those against?

*Members voted Pour.*

**The Deputy Bailiff:** The Proposition is carried.

**Procedural –  
Request to change the Order of Business –  
Proposition carried**

**The Deputy Bailiff:** Before we move onto the next issue on the Agenda, which is the Port Accounts, Deputy Burford wishes to lay a motion to re-order the Order of Business.

**Deputy Burford:** Thank you, madam. It was to come actually after the Pilotage Board debate but I would like to put a motion to the States at this point, if I may, to bring the Scrutiny Management Committee's policy letter on FOI forward in the proceedings today to be debated after the Pilotage Board and not at the end of proceedings, as I will be unavoidably absent on Friday afternoon. If the States are minded to agree with that, it would be appreciated. Thank you.

**The Deputy Bailiff:** Those in favour; those against?

*Members voted Pour.*

**The Deputy Bailiff:** Deputy Burford, you have your wish.

**STATES' TRADING SUPERVISORY BOARD**

**5. Ports Accounts 2020 –  
Proposition carried**

*Article 5.*

*The States are asked to decide:-*

*1. Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Ports Accounts for the year ending 31 December 2020.*

2355 **The Deputy Greffier:** Article 5, States' Trading Supervisory Board – Ports Accounts 2020.

**The Deputy Bailiff:** Deputy Roffey.

2360 **Deputy Roffey:** Thank you, madam. In some ways it actually should be Deputy Ferbrache who should be presenting these accounts for the trading assets for 2020 as he was in charge of them for the vast majority for that year. But it falls to me and I am going to take them individually but as the Ports is the first one I hope you will allow me to make a few generic opening remarks first.

2365 During 2020 the Board continued with its robust governance arrangements across all of the States' unincorporated businesses. The political subcommittees for each, which are accountable to the STSB continued to challenge established practices and assumptions, as well as promoting innovation and I have to say the presence of non-voting business advisors on each of those company boards continues to provide a breadth of commercial expertise.

2370 Members will not be surprised to hear me say that 2020 has been a significant challenge for the unincorporated trading businesses, as they have been for so many Island businesses. The impact of COVID-19 was most keenly felt in our Ports, where passenger numbers all but ceased completely. States' Works also felt the economic impact of reduced activity.

2375 However, all of the businesses adapted as best as they could through dramatically changed conditions, deploying their business continuity plans. Altogether, the five businesses saw £61 million in revenue during the year, which is a reduction of £12 million on 2019 and they generated an operating deficit of £3 million, compared with an £8 million surplus the previous year. This led to a net deficit of £13.5 million after depreciation and other items.

Despite the obvious income challenges and the compliance with social distancing requirements they did collectively invest £8 million in new assets and returned £2 million to the States of Guernsey. The five businesses together managed a total asset base with a value of £411 million.

2380 Just before moving onto the individual Ports Account, I would like to thank all of our staff, some 564 working across all five unincorporated trading businesses, for the hard work and commitment that they show every day in delivering key essential services to Islanders. From water and milk to waste and sewage disposal and from road maintenance to critical events response and maintaining essential gateways to the Islands, these services all continued during periods of lockdown and their contribution to this Island, in what has been a challenging time for everybody in Guernsey, goes far beyond what is reflected in these financial accounts.

2385 However, onto the financial accounts for the Ports and, as I have said, of all of the businesses, Guernsey Ports was the most profoundly impacted by the COVID-19 pandemic and the associated border restrictions. Passengers on the St Peter Port Harbour and Guernsey Airport dropped by 83% compared with 2019, which led to a revenue fall of £11.7 million, or around 50%. That impact was most keenly felt at the Airport, where revenue dropped by £9 million or 68%.

2390 Every effort has been made by the Ports Board to contain and limit costs of closures during the year, while at the same time balancing the need, which was constantly stressed upon us by P&R and others, to maintain viable port facilities, for cargo, for medical flights, for the limited passenger activity we did see, as well as maintaining sufficient operational competence to manage a recovery to normal levels of trading activity in the medium term.

Madam, I can report that Guernsey Ports consequently made an uprating deficit of £8.2 million during 2020. This in turn depleted our cash position. At the beginning of the year Guernsey Ports had a healthy balance in what was known as the Ports Holding Account, from out of which we normally carry out capital works, but by the end of the year, we were carrying an overdraft to the States of Guernsey to the value of £5 million.

During the year I am afraid capital investment had to be severely restricted to less than £1 million and when the Ports are continuing to manage a total asset base of £221 million, it does not take a genius to work out that that is unsustainable and that investment needs to be enhanced. I have to say that at the end of the year Guernsey Ports was also carrying a debt of £2.3 million in respect of loans received from the proceeds of the States of Guernsey bond issue, in addition to the previously mentioned overdraft.

Madam, despite a difficult trading year, Guernsey's Harbour and Airport continue to benefit from robust governance arrangements and from strategic thinking, which is framing its priorities for rebuilding the businesses while understanding its vital role in the local economy in providing strategic gateways to the Island. I ask Members to support the Ports Accounts.

**The Deputy Bailiff:** Deputy Inder.

**Deputy Inder:** Just briefly, madam. I think everyone can accept that the Ports have had a fairly miserable year and it has taken the brunt of the revenue losses, as explained by Deputy Roffey. But as we will be moving to a harbour development debate and in that will be highlighted the importance of the marina, I must assume therefore, that the marina revenues would not have dropped unless they were giving subsidies to hobbies. So I would be interested to know, because I do not see it noted in here, what are the revenue earnings for both the North Beach and the Crown and the Albert Marina, and has that changed since 2019 in terms of revenue earnings?

**Deputy Roffey:** Sorry, could the Deputy repeat that, I was struggling to hear what he was saying?

**Deputy Inder:** Sorry, in short, would he be able to confirm that the marina earnings in the North Beach and certainly the Albert Marina, would not have changed that much, because I doubt that they would have been subsidised? Would he be able to confirm that and would he be able to tell us how much the revenue stream is for those particular marinas, to the closest half a million quid?

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Thank you, Madam Deputy Bailiff. I sometimes think as an Assembly and as a parliament we do not give enough attention to the day-to-day select committee-type activity of looking at public accounts in a format but I know that Scrutiny will deliver on many levels both in front of the cameras, perhaps, and behind the scenes.

My two observations here on these accounts and intriguing things is we all know, as Deputy Inder says, it was a miserable year for the Ports last year but what is interesting is the Harbours proved more resilient than the Airport because, I suppose, of their food and freight functions. But when one looks at the middle of page 28, notice of the financial statements, one notices that in 2019 the expenses of the Airport, non-depreciation really, were defined as £13,578,000 and in 2020, £13,356,000. So they dropped 1% or 2%, whereas the Harbour costs went from £6.572 million to £6,530,000. So more or less the same.

My point is the costs remained very similar. The Harbour did slightly better than the Airport but not by much, but what is intriguing was that the costs remained identical for both, despite a significant downturn of activity and whereas the Harbour was washing its face, the Airport definitely was not and one wonders how, if we ever go through this horrible situation again, next year or whenever, we can somehow contain the costs of the Airport.

2450 Because despite no flights flying for most of the summer, etc., there was a slight increase in the cost of the aerodrome fire service, we know that is essential, and airport security only went down by £400,000, navigational remained the same. Administration, unhappily, went up by £300,000, up by 20% in a non-year. Or virtually non-year.

2455 So, those are challenges. The other challenge is about depreciation. Unlike normal States' Accounts, depreciation is included on page 23 and I notice that the depreciation percentages vary *per annum* and the estimated life in years for infrastructure and buildings ranges between three – computer systems only last three years according to this, it makes you think – up to 60 years for infrastructural buildings.

2460 Now we are going to debate the Ports very soon and we know that some of those buildings have, rightly or wrongly, lasted a century or more, so we are getting value for money. Surely that should be a credit in our accounts because if we are using something for twice its expected life that is almost a saving.

**The Deputy Bailiff:** Deputy Kazantseva-Miller.

2465 **Deputy Kazantseva-Miller:** Thank you, madam. Just a short comment from me. I served on the Ports Board during a period of the time. I do not think I have to declare an interest but just to declare. I think there are some really high-level statistics there. Obviously, the Ports were hit very hard; in general about £11 million lost in revenue. What is interesting, the expenses have kind of remained the same between 2019 and 2020 and I think obviously the ports have had to maintain, 2470 as President of STSB mentioned, essential services, medical and so on, but to some extent you would think surely there could have been a bit more room for manoeuvre on costs and perhaps, following what Deputy Gollop has just said, especially at the Airport.

2475 I think that perhaps indicates that when you are an unincorporated asset within the States you are very much still within the missionary of the States. You have less manoeuvre to move on costs and especially people. I think we are debating the Ports later and STSB is bringing another policy paper at the end of the year, which is looking into the future of Ports and yes, I am not going to go into that, but it just is to note that managing costs in a Government asset, I think, is more difficult than if it was an incorporated business.

2480 The second point I wanted to make was the capital expenditure, which again Deputy Roffey alluded to. It is something we desperately pushed for that the Ports had to spend more money because the Ports are falling apart and it has come off the back of historic under-investment, underspending in the capital programme and so the budget for capital expenditure for the year was supposed to be £10 million and just £1 million was spent. So it is another £10 million gap in investment of our infrastructure. The more we delay, the more crumbling it will be.

2485 So just a couple of comments there but I think to commend, also, still the work of all those people who kept the lifeline for our food and construction materials for all of those busy renovations that we are all doing, going. Thank you.

**The Deputy Bailiff:** Deputy Soulsby.

2490 **Deputy Soulsby:** Thank you, madam. I will just pick up on the accounting role as a response to Deputy Gollop talking about if we do not spend anything then we have less depreciation then it makes it looks better. That is not what an accountant would think. Depreciation is there to spread the cost of an asset over its useful life and although it might look great not having a depreciation 2495 on the line, where you see it going up, it is a maintenance cost where things break down and that is important where you are trying to make an income from something. Also the actual corollary of that is that your income goes down because your equipment is breaking down and you cannot get the income because your equipment is down. You should have that depreciation. You should not be using it as a means to make your profit and loss account look better.

**The Deputy Bailiff:** Deputy Trott.

**Deputy Trott:** Thank you, madam. It is a question that comes out of comments made by Deputy Roffey and Deputy Kazantseva-Miller, as regards Airport capital expenditure in particular and the speed at which we can play catch up and I apologise, I have not given Deputy Roffey advance notice of these questions because it has only just dawned on me a few moments ago.

But Airport capital expenditure for 2019 was £650,000 and the actual expenditure in 2020 was £714,000. The £5.6 million, is that the baggage handling equipment and, as a consequence, have we already caught up on that? And if it is not the baggage handling equipment, where is that shown as a capital expense within the Ports Holding Account, because it is clearly a very significant sum of money and as a consequence adds to the overall cost of running the Airport substantially. So again I apologise for springing that on him but it looks as if, as usual, he is in command of his brief and will be able to answer the question. Thank you, madam.

**The Deputy Bailiff:** It appears that nobody else wishes to raise anything in general debate. Deputy Roffey.

**Deputy Roffey:** Thank you, madam. Deputy Inder is right that the revenue streams from what I would call the local marinas, if you like, have not really been impacted significantly by COVID. They are, however, an awful lot lower than they would be anywhere else in the world, I have to say. Our mooring charges are incomparably lower to all the other similar facilities around us and I think there will come a time when we have to decide, given the financial situation we know we are in, the last thing I want to do is price any person out of boating, but those facilities are owned by the whole of the community and they should be expected to show a decent return on it.

I know it is tied up with you have the facilities to offer in order of return, but I think this is going to have to be examined. Because although that income is coming in there is also money going out to maintain those marinas. For instance, the QEII Marina, is going to need ... we do not know until we really investigate in depth and it has been postponed because of COVID but the marina gates are going to take quite significant capital works to be carried out in order to make sure we do not have an insurance claim because everybody's gin palace is suddenly sitting on the bottom of the deck because the gates have failed. So there are some expensive price tags coming along there.

I think it was Deputy Gollop that said how come costs have not come down of running, particularly, the Airport. I have to say, it a bit ties up with what Deputy Kazantseva-Miller was saying as well, we did look at the various ways we could do that. Let us just think back. This is 2020, the then P&R – not Deputy Ferbrache, he was in my seat – was saying, 'We hope that this crisis ... hope we will be opening up in a limited way by autumn. So we are giving a few months and we probably will not get back to normal until early 2021 but we hope our flights will be getting back to something like normality by the end of the year.'

So we had to make sure, they were telling us, 'We want an airline waiting, we should have an airline in waiting, we need an Airport in waiting.' We could not use the furlough scheme because States' departments are not allowed to use the furlough scheme. We looked at redundancy. I see a Deputy is shaking his head, but that is definitely what we were told at the time because we inquired. We looked at redundancy, not that we wanted to make people redundant, but the cost of redundancy payments under the States' scheme, then the cost of rehiring, retraining people to get back up to full capacity was disproportionately higher than the amount of money that we have lost by maintaining a relatively high cost base without the income.

So we did look at all sorts of ways. Of course, a lot of the staff there were actually redeployed doing other things across the States but the paper accounting does not go with that. I see why. The whole Island was in a pickle, what is the point of moving money around in columns. It just sat on our books but they were actually doing other things. So I hope that goes some way to explaining to Deputy Gollop why our costs were not any higher.

2555 This business about commercialisation. Yes, let us not just talk about the Ports, let us talk about all of the unincorporated businesses. There is a strong, *prima facie* case, I think, for us looking at commercialisation. This Assembly will have the chance to debate that and give us a steer, one way or the other – I am getting a nose wrinkled at me next to me – in not very many months' time. Can we please not pollute everything else that we have discussed by saying, 'if only we had commercialisation'? Let us deal with the issues, let us deal with them as they are.

2560 I think even a commercially run ports authority would have had the same issues that I have just referred to in response to Deputy Gollop, although possibly if they were at arm's length they would then have qualified for the furlough scheme. I do not know. I think the fact that Guernsey wanted their Ports to be up and running and did not know that this was going to go on for so long, was really the basic problem there.

2565 Deputy Trott. No, let us get this clear. The whole baggage system is not being funded from the Ports Account. My predecessor, with his silver tongue, managed to persuade the States that that should come out of the Capital Reserve. The Ports Holding Account does not have any money, in that any money that comes out of the overdraft that we are now having to operate on for capital works, is for other stuff.

2570 For instance, the central search area is about to be redone. New machinery put in, that has to be done. That is a significant cost. There are some buildings around the place that need re-roofing and re-doing. So there is a significant amount of work that needs to be done. On any estate, you need to invest in it otherwise it goes south. If he wants a more detailed answer, then feel free to email it to me and I will pass it onto my technical bods and he will get that.

2575 **The Deputy Bailiff:** Thank you, Deputy Roffey. So the States are asked to support the Ports Accounts for the year ending 31st December 2020. Those in favour; those against?

*Members voted Pour.*

**The Deputy Bailiff:** The Proposition is carried.

## STATES' TRADING SUPERVISORY BOARD

### 6. Guernsey Water Accounts 2020 – Proposition carried

*Article 6.*

*The States are asked to decide:-*

*1. Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Guernsey Water Accounts for the year ending 31 December 2020.*

2580 **The Deputy Greffier:** Article 6. The States' Trading Supervisory Board – Guernsey Water Accounts 2020.

**The Deputy Bailiff:** Deputy Roffey.

2585 **Deputy Roffey:** Madam, 2020 saw Guernsey Water maintain a high level of service throughout the year, despite the challenges of COVID-19. The focus on this time was on maintaining core water and waste water services and helping customers that had difficulty in paying their bills. Business continuity plans ensured the resilience of these services and remote working enabled all parts of the business to remain productive.

2590 Rainfall during 2020 was 25% above average but climate change is expected to cause drier  
summers and wetter winters. What has that got to do with the accounts? Well, to adapt, Guernsey  
Water has had to invest more in effective water capture to enable more rapid recharging of our  
water reserves and I have to say, as climate change increases, and we have been hitting the news in  
the last 24 hours, consideration will have to be given to increasing storage capacity in order to be  
2595 resilient to future droughts.

Drinking water quality achieved 99.95% compliance, which is the best year of compliance since  
reporting began, which confirms that Guernsey Water continues to provide high quality water to  
Islanders, countering the need for less affordable, less sustainable and, frankly, fairly ludicrous  
bottled alternatives.

2600 Overall, revenue at £16.4 million was broadly in line with previous years. Expenses were up by  
3% compared with 2019, due mainly to additional costs incurred in relation to the cesspit emptying  
service, as more Islanders worked from home. Members can join the dots, I am sure. The efficiency  
of the service is a continuing focus for Guernsey Water.

2605 Overall, there was an operating surplus of £4.6 million and a net deficit of £329,000. That is a  
small improvement on 2019. Guernsey Water invested a further £4.4 million in its capital  
infrastructure, which is similar to the year before, which included further work on the St Sampson's  
drainage improvement project, enabling works for the refurbishment of their water treatment works  
in St Saviour and the ongoing rehabilitation of the water mains. It now manages an asset base of  
£151 million.

2610 At the end of the year, Guernsey Water continued to carry over just £8 million of debt with the  
States of Guernsey and no further borrowing was required during the year. In fact a return was  
made to Capital Reserve of £1.2 million. The business continues to promote a healthy community  
by aiming to provide the drinking water of choice and returning waste water safely to the  
environment. I ask Members to support these accounts for Guernsey Water.

2615 **The Deputy Bailiff:** Deputy de Lisle.

**Deputy de Lisle:** Thank you. I have three areas of comment, following the Chairman's report,  
madam. First, I note the work on the Harbour St Sampson's waste water pumping station, a major  
2620 investment in drainage in the north of the Island to reduce the risk of sewer flooding for customers  
to meet health and safety requirements and to prevent pollution of the marine environment from  
sewer overflows and protect bathing water quality at Bordeaux. All commendable, madam.

2625 However, concerns have also been raised about the lack of progress in stopping sewage from  
Guernsey's Fort George estate going straight into the sea, a danger to public health, especially for  
swimmers and those sailing in and around the Valette Pool area. Waste water improvements at Fort  
George are long overdue. New investment, currently, is going into the pools, the restaurant there  
and bathing facilities at the Valette and there is regeneration ongoing in the locality as a whole,  
which is very commendable and it is now time, I believe, for the States to clean up its act.

2630 What progress is being made to add Fort George to the foul water system, to prevent pollution  
of the marine environment, to protect bathing water quality at the bathing places? The tides take  
pollutants also onto the beach at Fermain. In 2019, three days of 20 were days with water quality  
failures against EU bathing water quality directive standards.

2635 The sewage flows over the limits. Investment is urgently required in this area to meet health and  
safety requirements to prevent pollution of the marine environment from sewer flows and protect  
bathing water quality.

Now also the green algae problem on Havelet Beach is probably a related issue, resulting from  
tidal movements onto the beach during the period of repairs to the outfall waste screen at Fort  
George. A longer term solution to the Fort George waste water problem is urgently required as  
pollution of the beach by green algae is in full view when deriving down the Vale des Terres and  
2640 will make the beach less attractive for recreational activities.

Madam, the second area of comment is on the state of our drinking water. I note, also, Guernsey Water's investment in improving their ability to manage drinking water risks at the water treatment works on the Forest Road and in St Saviour's. Water from the reservoir was so polluted with glyphosate, a known carcinogen, that the water from the reservoir was shut down for two months due to drinking water risks. What evidence of improvement from those days can the President provide to the people in the west, supplied during that period from the Longue Hougue Reservoir in the north? To what extent has the glyphosate pollutant been eradicated from the St Saviour's Reservoir and treatment works?

Madam, my third area of comment – Guernsey Water's plan for waste water. In particular, the cesspit emptying service and access to the public sewer. I note the work on the cesspit emptying management system and customer billing and, while commending these works for cesspit customers, the plan for the future of Guernsey Water's waste water service needs to go much further.

In particular, the cesspit billing charge needs to be integrated into the billing Island-wide across the piste for water and waste water charges, as the cesspit service is part and parcel of the transmission of waste water from homes and businesses not connected to the main drain into the main drain, in that direct access is not provided. Can the President look into the spread of the cesspit charge system-wide and the provision of one, integrated system of billing for all in future? Thank you, madam.

**The Deputy Bailiff:** If nobody else wishes to speak ... Deputy Dyke.

**Deputy Dyke:** Thank you. Could I ask one short question of Deputy Roffey, namely what are the proposals, going forward, to get everyone onto metered water as opposed to paying by the water tax? In view of his comment that we are likely to have drier summers, I guess that is going to mean we are going to be using more water and we need to control that. Thank you.

**The Deputy Bailiff:** Deputy Roffey, would you like to reply?

**Deputy Roffey:** Thank you, madam. There is a convention with discussing accounts that questions are put forward in advance because they tend to be technical. Luckily, Deputy de Lisle's questions did not really have anything to do with the accounts and therefore were not that technical.

As far as the emptying point at Fort George, I am tempted to say I refer the right honourable gentleman to the answers I gave to his Rule 11 questions just a couple of months ago. I do not think anything has changed. The same questions were asked and the same answers were given. There is no evidence that the water quality around Havelet – where I swim regularly, I should say – is problematic.

There was certainly a problem that there was a lot more sewage coming out of Fort George, particularly over the last winter, than is typical, presumably because some of the residents are spending their time in Guernsey as it was relatively safe compared with other places in the world. As a result the screening arrangement that was there was under considerable pressure and we have had to upgrade it. I think I explained all of that at the time.

The question of herbicides and the impact on water, Guernsey Water takes its responsibility incredibly seriously. They are not responsible for presence of the substances being in our water courses. I think they would prefer that their use was minimised where absolutely possible. I think they are probably shoulder-to-shoulder with Deputy de Lisle in that case. But when there is any evidence that there would be a problem, they will not provide that water. I think I said in my opening, actually the water quality is the highest it has been since we started monitoring it, not that long ago, I think about 10 years ago.

He makes a case, there is a case for saying why do people who own cesspits have to pay a waste water charge and then additionally on top for their cesspits. It is, I know, active and being considered by the board of Guernsey Water. I do not promise what the outcome would be. Likewise, I mean I

do not sit on the board of Guernsey Water. Universal metering, there is an argument in favour of that. I will certainly refer to the board of Guernsey Water, Deputy Dyke's comments.

2695        There would be a capital investment I would guess, although I think most properties have got a meter outside them whether or not the property is actually using it, so the capital investment may not be that high. How much difference it would make to consumption, I do not know, but it is certainly something that is worth considering.

2700        **The Deputy Bailiff:** Thank you, Deputy Roffey. The States are therefore asked to approve the Guernsey Water Accounts for the year ending 31st December 2020. Those who support the Proposition; those against?

*Members voted Pour.*

2705        **The Deputy Bailiff:** The Proposition is carried.

## STATES' TRADING SUPERVISORY BOARD

### 7. Guernsey Dairy Accounts 2020 – Proposition carried

*Article 7.*

*The States are asked to decide:-*

*1. Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Guernsey Dairy Accounts for the year ending 31 December 2020.*

**The Deputy Greffier:** Article 7. States' Trading Supervisory Board – Guernsey Dairy Accounts 2020.

2710        **The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** Thank you, madam. Guernsey Dairy is a bit of a weird one, when it comes to businesses, because if it was a commercial business it probably would not be there. It plays a crucial role, acting as an enabler to Guernsey's dairy industry and, by doing so, it supports conservation of our unique rural environment, our ancient earth banks and small fields, helps to protect biodiversity, although that is under stress, I know, and also upholds the integrity of the Guernsey breed.

2715        So in many ways the processing of milk at the state-owned Dairy and the sale of liquid milk and milk by-products is less of a commercial opportunity in its own right and more the financial mechanism that allows us to facilitate the continuation of the dairy industry, which as I say is designed to maintain Guernsey's traditional countryside.

2720        It continues to operate in a demanding financial environment with several significant challenges. Not least, in fact mostly, the age and infrastructure of the current facility, which desperately needs replacing. The impact of the COVID-19 pandemic set a number of challenges for the Dairy team, including separation of staff, socially distanced working practices and so on, as the team remained on site throughout the lockdown.

2725        Despite significant changes to the production schedules, that had to be introduced, continuity and supply of fresh liquid milk was maintained throughout. I have to report to Members that 2020 saw a further decline in sales of liquid milk, although there were some encouraging signs of a reduction in the rate of decline from the previous years. However, that may well be a distortion created during the period of lockdown because of an increased number of people in the Island at that time.

There was no marked movement in the product mix through the year, which saw revenues fall by 1% to £8.6 million. The price that the Guernsey Dairy pays to farms for raw milk was held level in 2020 other than a 2% increase in producer prices applied for those farms achieving the RSPCA accreditation.

Madam, Guernsey Dairy made a small operating surplus of £99,000, which was an improvement compared to the deficit in 2019. But when depreciation and other expenses are included, the overall net deficit for the year was £194,000. Again, an improvement on £338,000 deficit in 2019.

In 2020, the States of Deliberation approved funding for the design stage of the Future Guernsey Dairy Project. I have to say it is the aim of the STSB to present the outline business case to this Assembly for approval to proceed by the middle of next year. In the meantime the Dairy continue to invest in improving and replacing its ageing plant and equipment, with capital expenditure of £560,000 being incurred in 2020.

At the end of the year, the Dairy was carrying a debt of £718,000 in respect of loans received from the proceeds of the States of Guernsey bond issue. Happy to ask any questions ... Happy to answer them! I am less happy but willing to answer any questions and I ask Members to support these accounts.

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

**Deputy de Lisle:** Thank you, madam. My comments will be a lot more palatable to Deputy Roffey with regard to the Guernsey Dairy. One has to commend the Dairy staff for their huge efforts in difficult circumstances, with the sales of liquid milk in decline due to changing consumer preferences, a restricted site for developing opportunities and also an ageing plant and equipment to deal with.

Despite all this, though, the Guernsey Dairy continues to manage its cost base and, in 2020, continued to work on a programme of efficiencies to identify and realise cost reduction opportunities, which is commendable.

It is not always understood and recognised, the huge impact the dairy industry has in this Island. It is not just about £8.5 million in revenue generated, from 13 farm holdings, but it is important to understand that each litre purchased helps to preserve the Guernsey countryside, its traditional farming heritage, protect the iconic Guernsey cattle breed, support conservation, enhance biodiversity, preserve agricultural land, our unique identity and our rich heritage.

Now some of that heritage richness will again this year, this summer, be showcased at the Vintage Agricultural Show at Les Paysans, St Peter's. Around the Standing Stone, basically, where of course I was brought up on the farm personally – just a few years ago! Now that is to occur on 31st July and 1st August, to which everyone is invited to enjoy and bring along family and friends.

To finish, I want to say that given the wide benefits of the dairy industry to Guernsey, it is important that we all support the key areas the Dairy is working on, particularly to arrest the decline of local milk sales, to seek new profitable sales opportunities and to refit the Guernsey Dairy to become more efficient and in doing so to continue to support a viable dairy industry in Guernsey and all that means to its people. Thank you, madam.

**The Deputy Bailiff:** Thank you, Deputy de Lisle. Deputy Kazantseva-Miller.

**Deputy Kazantseva-Miller:** Thank you very much, madam. I was a little bit depressed looking at the accounts of the Dairy. It is basically showing a gradual decline over time. But the most depressing page was page seven, about the renewed business strategy and the future. This business strategy is based effectively on a declining market and reducing the amount of milk that you receive from farmers and improving operational delivery of the Dairy.

I just feel, Members, I do not need to draw your attention to the fact that we have an absolutely unique product in the form of Guernsey milk. We have a unique genetic breed of Guernsey cow. We have a unique brand, which is actually recognised and valued around the world. I just feel we

are not capitalising on what this unique product brand and opportunity presents to the Island and I feel these accounts, to some extent, and the business strategy presented so far presents a pitiful lack of imagination.

I think we can do more. Members, we should be doing more and I am conscious that STSB has sent a letter to Economic Development asking for ideas of what else we can do with the Dairy and I really look forward to working with my colleagues at Economic Development to hopefully bring some of those ideas further.

As Deputy de Lisle mentioned, the Dairy is much more than just about milk. It is very much about the management of our countryside. We can manage our countryside actually even better so that it becomes more attractive for tourism, for eco-tourism. We have fantastic cheese-makers. The opportunity with value added product from milk is phenomenal. Milk like Guernsey milk could be a fantastic niche and high-price product in markets in London and so on. So I really call STSB and the Assembly to be a bit more ambitious and let us work together to do a bit more than effectively keep looking at a declining trading asset. Thank you.

**The Deputy Bailiff:** Deputy Taylor.

**Deputy Taylor:** Thank you, madam. Kind of following on from Deputy Kazantseva-Miller's points there, I feel like we are kind of just putting a nail in our own coffin with the Dairy, reading that page seven. The point of particular interest for me was the ice cream sales and hopefully Deputy Roffey will be able to give a bit more information here.

It was noted that in 2019 ice cream sales were £186,000, declining to £153,000 in 2020. So the number themselves are pretty low but the kind of concerning part is the drop there. We had a pretty good summer. I am slightly concerned that £33,000 drop is kind of the visitor sale. Hopefully, there is another reason there but I find that just a bit worrying if we have got this amazing product and the difference in sales from having lots of visitors in is only £30,000, that is quite sad. Perhaps, if there is another reason, he might be able to enlighten us.

But another point is looking at the figure itself. It is not a declaration of interest but I used to sell ice cream. I used to sell it in quite large quantities and so the pricing makes me a bit concerned as well here, with the Guernsey Dairy. Looking through last night on my receipts and bits from a few years ago, in 2016 I imported about four tonnes of ice cream for a period of May through to August and was paying between six and nine euros per litre for the ice cream. It was selling pretty well, it was making good money. I had to import it all the way from the south of France, it was a logistical nightmare, which is why I switched to something different.

Comparing some prices with local wholesalers, I can give you the average price per litre. Kelly's of Cornwall, which is an ice cream which is all over the Island, it is in scooping freezers everywhere. I think Herm Island they have gone from making their own lovely ice cream to going to the Guernsey Dairy and now they sell Cornish ice cream in Herm. That is a bit sad, is it not?

But Kelly's of Cornwall, wholesale price, average about £4.04 per litre. Joe Delucci, kind of got an Italian brand to it but much the same stuff, at £4.30 per litre. Carte d'Or, probably one you are more familiar with the name, £3.09 per litre. But the Guernsey Dairy ice cream wholesale, £2.13 per litre. So we wonder why it does not make money when we sell it. We need to sell it at a bit of a better price. I promise you there is a market there when the visitors are here. There is a market to shift ice cream.

I think, I am confident, that local retailers, even if they could buy it and we kept it at that £2.13 price, local suppliers would stock it. But why do they not? A point I raised with, I believe it was Deputy Parkinson a couple of years ago, was surrounding the tubs that the ice cream is sold in. (*Interjection.*) Deputy Vermeulen there. Ice cream on a commercial scale, is sold in a Napoli tub, which is long, rectangular, so it is long and you can get a nice scoop. About six litres. But Guernsey Dairy sells its ice cream in square tubs. Square tubs do not fit in a commercial industry standardised container or freezer and they do not fit in a scooping freezer. So it is understandable that we do not really sell it on commercial scales.

I am hopeful that that will kind of pique his interest. I did email Deputy Roffey earlier on about having a conversation and lots of stuff has happened and got in the way and it has not really happened but it would be an interesting conversation to start up with him and get his thoughts on it. Thank you.

**The Deputy Bailiff:** Deputy Dyke.

**Deputy Dyke:** Thank you. Perhaps Deputy Taylor could join the Dairy Board as an interim measure. I have one boring question. Professional fees, £378,000. That seems a lot of money. Will that be brought down over the years as part of our control of professional and consulting fees? Thank you.

**The Deputy Bailiff:** Deputy Inder.

**Deputy Inder:** Madam, thank you. Of course, blessed are the cheese-makers. Just picking up from Deputy Kazantseva-Miller and she knows we had some conversations over email exchanges along with Deputy Taylor. I think one of the problems you have got on this is at the States of Guernsey we seem to give up very quickly. There is an amount of chasing decline. Something is going bad so let us follow it down. It is always follow it down.

That is exactly why tourism should not be anywhere near the Civil Service. That is why the product and brand development of the Dairy should not be anywhere near the Civil Service and that is why the marketing and the development of the Harbour should not be anywhere near the Civil Service. They are the wrong people. They are there to manage the organisation, they are not there to market brand or they are not there to market product.

You watch, you will see this time and time again: chase decline, chase negativity, do the worst, do the minimum. That is not what we should be about and I applaud Deputy Kazantseva-Miller and Deputy Taylor for taking up the mantle on that because they are right. Where they might be wrong is if we can actually expand our production of milk. We have 13 farms, we have a limited amount of it, we will never get to the point of scale where we are creating millions and millions of litres of it. That is not going to happen.

But a trick that has always been missed, and it is something called product food names, or PFN, the value in the Guernsey name, think Jersey for a minute. What is a Jersey potato? Do you actually think it is a variety? It is not a variety. It is starch and marketing. That is all it is. It is the international kidney. That is the variety of potato that they put in the brand of Jersey. The Jersey Royal does not exist. It is starch and marketing. The Jersey Royal is a mirage. I am glad I have got this down on *Hansard!* *(Laughter)*

The point remains they have done a very good job. Their Island has got together, much like probably the Guernsey Tomato Marketing Board, to a degree, that we had back in the seventies, how it worked. But a mistake we will always make is believing that anything to do with marketing, anything to do with product development coming out of committee presidents, and I do not mean this unkindly, Deputy Roffey, but it is the same old culture where everything is failed, everything bad, nothing can ever be turned around because it is all heading in a certain direction.

I do not actually think, personally, that the future is almost necessarily in expanding the actual product line but there is a lot in the licensing. You own the Guernsey name, you are heading somewhere. You license Island of Guernsey under protected food names. Suddenly Marks & Spencer is not selling the Guernsey name anymore – or maybe it is. Maybe they are using Guernsey herds in Devon, but they pay us. The future may well be in royalties. It may well be in licensing and that is what we have got to consider. But I can tell you now, Deputy Taylor, I can tell you now, Deputy Kazantseva-Miller, it will not come out of the system. It will never come out of the system. It just will not happen. And that is how broken it is.

**The Deputy Bailiff:** Deputy Vermeulen.

**Deputy Vermeulen:** Thank you, madam. I am a big fan of the Guernsey Dairy – surprise, surprise. I have been brought up on the milk, the butter, everything that has been produced. When we used to make yoghurts, the ice cream, the cheese, everything. It is a world class product. I am slightly concerned that we have taken on this idea that it is in decline. It should not be in decline.

I think this thing to Deputy Taylor and Deputy Sasha Kazantseva-Miller, I think we should be having a look at the distribution, perhaps. I am not so certain the milkmen agreement was a good thing, if we are looking at selling milk. We should be looking at the packaging, as Deputy Taylor alluded to. Really the thing that concerns me is we are actually buying more milk, more product in, than we are actually selling. So the waste concerns me.

Nowadays, in the gym, the big thing is these supplements, whey protein, it is all the big thing. This is a natural by-product of milk. So perhaps we should be getting into health drinks and dry powders. Perhaps we should be, instead of tipping milk down the drain, which is wasted, which we cannot use because we think demand is diminishing all the time, perhaps we should be producing dried milk powder and distributing it to countries that need a little bit of help instead of putting it down the drain. Just a thought.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, the power of Deputy Inder's speech and Deputy Vermeulen's has stopped me from dozing any more because it has made me think that I have been enjoying at some of the parish fetes and things the ice cream products of a well-known local farm and at another venue a pork farm as well.

The point is there is a growing interest in products and they can be branded. They can be successful. I would certainly like to see yoghurts. We have a private cheese-maker near Fort Grey, Rocquaine, that has also made a niche and I would like to see more along those lines and I think we do need, somehow, to co-operate with what is left of the milk retailers and the farming community and it could be a co-op, it could be private sector, but we somehow need to accelerate the reform and revamping of the Dairy. Deputy Inder's point that maybe a Civil Service structure is not the best way of making this work has some validity to it.

But where am I on this? I will mention now, I have kind of kept it to myself for a bit but I might as well put it on the floor, I will go to page 28. You have got the income analysis of Guernsey Dairy's revenue by class of business being set up below and 2020 saw consolidation on milk, £6.5 million; butter, that is nice to see, £1.4 million; cream, £290,000; and £153,000 from ice cream.

But what is not so happy there perhaps – and a little bit comes from Holland as well – is we actually saw an increase from Guernsey cheese, which I certainly enjoyed eating last year and the year before. It was £97,000 – not a lot of money perhaps – in 2019 and it went up to £132,000 in 2020. I have always found Guernsey cheese not only tasty but a bargain, which perhaps suggests that it is not sold and marketed at quite the price it could be.

My point is there has been speculation in the retail community and the blessed are the cheese-makers or cheese-lovers community, that we have not seen so much Guernsey cheese since about St Valentine's Day or before and it would be nice, if there are issues at the Dairy in producing cheese, that we could see a renaissance of cheese, rather than it just be a product that goes into decline. So let us hope whatever issues might be at the Dairy that are perhaps preventing the full networking of cheese can be resolved and if they cannot be that might mean we as an Assembly should accelerate solutions for the Dairy issue and its eventual redevelopment and restructure. Thanking you.

**The Deputy Bailiff:** Deputy Blin.

**Deputy Blin:** Thank you, Madam Deputy Bailiff. Just reverting to all the comments that we have been hearing and particularly Deputy Sasha Kazantseva-Miller's business strategy vision where,

2940 when you read it, it is a little bit depressing. But what is interesting is I do think the Dairy do a very good job. They work very hard, they churn out many things. (*Laughter*)

**A Member:** You are milking it!

2945 **Deputy Blin:** In my opinion that is not where the problem lies. It is in effect that in any other commercial business we are incentivised, we are focussing on the growth and developing the business and what is very impressive here is how Members of the Assembly are all contributing with their ideas of yoghurt, health foods, etc. So this should be something within the Dairy itself. Normally we work on incentivisation and management and we are trying to push. Here we are sitting on an enterprise, which actually has the capability of doing a lot better and demonstrating  
2950 our capability and it is sitting within our remit.

So it would just be nice if we have the opportunity to see what Deputy Roffey would think about that. When I look on page 28, it even has on the revenue side, UK £451,000 and Netherlands, £85,000. I presume these are exports of products and if we are already doing that that demonstrates there is a leaning towards doing that so it does feel like it is something that needs to be taken and  
2955 developed further.

**The Deputy Bailiff:** Deputy Dyke you have already spoken. I am afraid you only get one chance. Deputy Soulsby.

2960 **Deputy Soulsby:** Thank you. I thought I had to stand up because we are on the debate again and I am just worried we are having a debate about our yoghurts, why do we not do yoghurts any more and it is getting into that and this is meant to be about the accounts. If people want to know more about the Dairy and what it should do and how it is going, a report was done, I believe it ended up being published in 2015 by the then Dairy Review Board, of which I was a Member, which  
2965 went through about the Dairy, the importance of the Dairy to the Island and about the restructuring that was recommended and put through.

I think if anybody has got any ideas about what they should do, it has all been considered before and it is worth having a read of that and considering what we do as a result. But it is just like *déjà vu* all over again and I just think now we are into –

2970 I will give way to Deputy Inder.

**Deputy Inder:** Deputy Soulsby, she said this report was produced in 2015. It is six years on. What happened?

2975 **Deputy Soulsby:** Well some of the things that have been recommended in there have not happened but also some of the things that were required to be done were being phased, so you have not seen the whole impact of that over that time. Also between then and now we have not got what was a Dairy Management Board. It is now part of STSB and it is a different structure there.

2980 You could question, and this is why Deputy Roffey said, 'listen, do not talk about commercialisation' but I will talk about commercialisation because I think that is the one area that is actually probably crying out for it and be run independently with different ways of doing things. So from that point of view I would agree. But the idea was to make it more independent at the time.

2985 **The Deputy Bailiff:** I will interject here. As Deputy Soulsby started by saying, in relation to the debate, it should be on the matter before the Meeting. I realise the accounts is a very wide subject and we could almost incorporate anything under that but we are straying and I think we started when we started advertising what goes on in St Peter's and we have allowed ourselves to expand beyond. So I am going to insist on perhaps a little bit more discipline going forward. Does anybody else wish to speak in general debate? Deputy Roffey.

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**Deputy Roffey:** However, I will reply to the points that have been made because they have been made. Starting with Deputy Soulsby, she is absolutely right. This is why the STSB does not try to control the Dairy or any other of its businesses. It has boards. It still has a Dairy Management Board and it is trying to replicate a commercial approach as much as possible. It has independent business advisers on there. We have tried to go as far towards what would be a model of commercialisation in a non-commercialised world.

Unfortunately, we find, although it should in theory be able to replicate that without commercialisation, the reality is that the dead hand of States' control tends to remain upon you unless you do fully incorporate, which is why we will bring you that option to the States later this year for discussion. Not just for the Dairy and it may not be the businesses as arranged at the moment. There may be all totally different groupings of businesses. But we will be having that debate. All I am asking – of course I am not trying to gag anybody – but please let us not have the debate 18 times before we get there at the end of the year.

Deputy Inder said, 'Do not let civil servants market.' I would say, do not let politicians decide on the floor of the Chamber what will not be profitable for the Dairy and turn it around. We are doomsdayers, we are chasing things down, I am going to reinforce that. I am going to say something here: that the Dairy only exists because we banned the importation of liquid milk for sale.

Dairies, creameries elsewhere are just hugely bigger, more efficient, their cost base is a fraction yet their basic product, the milk, for an absolute minuscule cost compared with us. Many of them only produce one product. If they are going to do yoghurts, that is all they do. Or cheese or whatever.

People keep saying if you do whey, or if you do yoghurts or if you do this product or that product, suddenly you are going to make it more profitable. We have had professionals who understand this business looking at it and they are telling us absolutely the opposite. Of course we are not going to stop doing the core things like the butter and, by the way Deputy Blin, that goes off to Waitrose in the UK, we get paid less for it than the local market. They demand a continuity of supply. If there is not enough, they get it, local suppliers do not. Yes, it is a really good niche market but you have got to be careful about how you build it.

We will of course do the cream and the butter and things that people expect but if we were to turn around and make the Dairy wash its own face, the new facility is likely to be smaller and it is going to be an industrial plant, highly efficient. I would say to Deputy Kazantseva-Miller, I do not think that is what tourists come to Guernsey to look at. I think they are really interested in our cows, let us open up our farms, let us get that experience. If they want to come to have a viewing platform to look at milk shooting through everything and going into what packaging – we do not know what packaging it will be in the new era yet, it probably will not be what it is now but it may be – then fine. But I do not think that is a key development for our tourist market.

Ice cream. I do not need Deputy Taylor to enthuse me over ice cream. I am enthusiastic enough over ice cream and we are talking about brand-building, if you look at Carte D'Or, they sell themselves as a luxury product, made with a pound of milk, it is quite extraordinary. But I will take back the point about the shape of our containers. I know our containers are being looked at anyway. They may be made smaller for the domestic market than they are at the moment, because some people have small freezers and find the ones we sell are slightly too large, so we are looking at that.

I think the main debt in 2020 was for two reasons. The catering market had more or less disappeared and, secondly, we just could not produce it at times because we were trying to keep milk and the basics going and we could not, because of social distancing, have everybody working together. We were having to separate them to different shifts but we only barely had enough people under that arrangement to keep the liquid milk productions, so some things had to go by the board and occasionally ice cream was not available in the shops. I am sorry about that but it was just a reality of COVID.

I am just looking to see if there were any other comments that I need to respond to. As you say, madam, few of them related to the actual finances, I do not think. Deputy de Lisle, thank you for

your support for the farming industry and I might see you up at the Longue Rocques, some time in the summer. Thank you.

3045 **The Deputy Bailiff:** So you are asked to support the proposal, which is the approval of the Guernsey Dairy Accounts for the year ending 31st December 2020. Those in favour; those against?

*Members voted Pour.*

3050 **The Deputy Bailiff:** The Proposition is carried.

## STATES' TRADING SUPERVISORY BOARD

### 8. States' Works Accounts – Proposition carried

*Article 8.*

*The States are asked to decide:-*

*1. Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the States Works Accounts for the year ending 31 December 2020.*

**The Deputy Greffier:** Article 8, States' Trading Supervisory Board – States' Works Accounts 2020.

3055 **The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** I will not try to give any hostage to fortune by keeping my opening remarks quite heavily focussed on the financial outcome. The context again is that 2020 was heavily defined by COVID but States' Waste did have a strong business continuity plan in place and they were able to maintain their key operations despite the restrictions –

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**The Deputy Bailiff:** States' Works.

**Deputy Roffey:** What did I say?

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**The Deputy Bailiff:** Waste.

**Deputy Roffey:** Ah! No, we are coming onto that afterwards. States' Works, yes. The revenue was reduced, thanks to COVID restrictions but they did start to recover towards the end of the year and the total revenue reached £16.2 million, which is a fall of just £900,000 on the year before, which I think in the circumstances was a good outcome.

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Expenses were proportionately down, Deputy Gollop will be pleased to know, leading to an operating surplus of approximately £2 million and an ultimate net surplus of £682,000, which was a reduction on 2019 of 40%. During the year, the business invested £2.3 million in vehicles and plant and they contributed £500,000 to the States of Guernsey general revenue.

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The only other thing I would like to say is that an independent benchmarking and efficiency review of States' Works was carried out, which highlighted several opportunities to improve services, increase efficiency and deliver greater value for money and they were reflected in the new States' Works business plan, which was published in October 2020. We hope that the successful delivery of those will lead to the establishment of, it says here, optimum operating model. I do not think you will ever have an optimum operating model but a close to optimum operating model anyway for

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the business. I ask Members to support these accounts and I will answer questions on whatever you choose to allow debate on madam.

3085       **The Deputy Bailiff:** Deputy Dudley-Owen.

**Deputy Dudley-Owen:** Thank you and I am sure that Deputy Roffey will be pleased to know that I will be supporting the Proposition and I am afraid I am not going to confine myself directly to the figures within the accounts but actually building on comments that he has made during his opening speech there about the optimisation of this organisation. What I have got to say is quite relevant.

3090       I have never felt particularly comfortable with States' Works department and the scope of their remit because I do feel that actually this organisation touches so closely, in competition with local private businesses, that it just does not rest easy with me. They carry out services around the Island that we know that other private businesses do, such as hedge-cutting and ground maintenance, etc. and it has become more obvious over probably about a decade or probably longer that not only are they in direct competition but they operate more expensively than those private businesses and also that the tender process, which previously private businesses used to engage in no longer happens as transparently as it used to.

3100       Now we know that we have got a procurement portal for tender purposes for the States, which is much better than we used to have. It incentivises local businesses to come forward and there is much more weighting given to local businesses than there used to be but it is sometimes the fact that some of the works the States' Works department carry out do not go on that tender portal and I would like to really investigate that more because –

3105       **The Deputy Bailiff:** Deputy Dudley-Owen, given that I was going to apply discipline from the Assembly, you are pushing the edges of the discussion on accounts in relation to States' Works, so if you can bring it back to how this relates to the States' Works Accounts I would be grateful.

3110       **Deputy Dudley-Owen:** I will take on board that caution. In terms of optimising the business for the organisation for the States, bringing it back to Deputy Roffey's opening remarks, I would like to know how that optimises value for money for the taxpayer. Thank you.

**The Deputy Bailiff:** If nobody else wishes to enter general debate in relation to the States' Works Accounts I will ask Deputy Roffey to reply.

3115       **Deputy Roffey:** Thank you, madam. This is a debate that has been perennial since I first came to the States in 1982, about the fact that you need a States' Works, we need some kind of emergency response workforce there at any time to step up to the plate when it is required and you clearly do not want them sitting around doing nothing, so you get the doing things in the commercial world, at which point they can be described as being in competition with the private sector.

3120       I do not necessarily accept that where they clash they are necessarily more expensive. Very often there are private clients who have chosen to use States' Works in a competitive bidding process with other potential providers, so I think very often they are the most cost-effective. I know that in lots of areas they are looking to overcome this perception; for instance when they have very large contracts, they would look to break up packages for that and indulge what they would call the mixed economy by allowing sub-contracts to private firms. But I do not think we are ever going to overcome this.

3125       If you want the States' Works to pack up and go away then I think there will be times when we will really regret that. But if you want them to be there they are going to have to earn money and in earning money they are likely to be perceived to be in competition with private business at times.

**The Deputy Bailiff:** Thank you, Deputy Roffey. The Proposition is that the States are asked to approve the States' Works Accounts for the year ending 31st December 2020. Those in favour; those against?

*Members voted Pour.*

**The Deputy Bailiff:** The Proposition is carried.

## STATES' TRADING SUPERVISORY BOARD

### 9. Guernsey Waste Accounts 2020 – Proposition carried

*Article 9.*

*The States are asked to decide:-*

*1. Whether they are of the opinion to agree with the States' Trading Supervisory Board's approval of the Guernsey Waste Accounts for the year ending 31 December 2020.*

**The Deputy Greffier:** Article 9. The States' Trading Supervisory Board – Guernsey Waste Accounts 2020.

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** This time it is Guernsey Waste, madam. Yes, it is only Guernsey Waste's second year of trading, or 2020 was, and I have to say the results reflected the Island's continued high household recycling rate, which surpassed by a long way the original target set by the previous committee and the initial modelling that was undertaken when the strategy was developed.

Although this is a success absolutely to be celebrated, I know this Assembly is fully aware that this early success – and it is a success and I welcome it but in terms of the accounts, which we are talking about today, it has impacted the financial sustainability of the current funding model. So in many ways Deputy St Pier was right last year when he described the funding model approved by this Assembly for waste disposal as fatally flawed.

It was completely wrong to propose a lull in the annual increase in charges, which would have only exacerbated the situation but the underlying problem does exist. Madam, the lockdown in the second quarter of 2020 saw a change in the source of waste being generated. There was a significant increase in waste and recycling from households but a lot less was generated and received from the commercial sector.

And upturn in business activity in the second half of the year resulted in some income recovery from commercial waste streams but overall the downturn in commercial tonnage in 2020 just added to Guernsey Waste's deficit. During the Island's first lockdown a few members of the small team at Guernsey Waste were redeployed at the non-clinical call centre to assist the COVID-19 response and the remainder of the team continued in their normal roles but very often operated from home and they obviously had to ensure waste and recycling services continued to operate throughout the restrictions.

Guernsey Waste has always recognised that absolute dichotomy of success in reducing waste and increasing recycling and the associated impact on its financial performance. To address this, as I have reported before, it created an efficiency and pricing strategy team to identify options to all of the relevant costs over the 20-year lifetime of the strategy.

Despite there being no specific increases in household charges in 2020, revenues for the year did see actually a small improvement on 2019 at £7.9 million and a moderate reduction in costs led

to a smaller annual uprating deficit of £1 million, compared with £1.4 million the year before. It is this trading deficit cumulatively, before depreciation, that needs to reach zero over the lifetime of the strategy.

3175 As a result of the continued trading losses, Guernsey Waste has in the year utilised an agreed overdraft with the States of Guernsey of £2.6 million. After depreciation of the new Longue Hougue facilities the overall net operating deficit was £3 million. However, the annual depreciation of £2 million is not deemed to be recoverable from the consumer as the disruption was funded, at the decision of this Assembly, from the Capital Reserve

3180 The priority for Guernsey Waste now is to address how the agreed strategy can be made sustainably funded over its lifetime, taking into account what is known in regard to operations and behavioural shift in the Island. To that effect a policy letter will be presented to this Assembly in due course, to decide on its chosen approach to manage this. I have to warn Members I do not think the choice will be an easy one. But looking back to 2020, I ask Members to support the approval of  
3185 these accounts.

**The Deputy Bailiff:** It appears that nobody wishes to debate these accounts. There is nothing to reply to. So you are asked to approve the Guernsey Waste Accounts for the year ended 31st December 2020. Those in favour; those against.

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*Members voted Pour.*

**The Deputy Bailiff:** The Proposition is carried.

## COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

### 10. Social Security Contributory Fund Accounts – Proposition carried

*Article 10.*

*The States are asked to decide:-*

*1. Whether they are of the opinion to note the Committee for Employment & Social Security's approval of the Social Security Contributory Fund Accounts for the year ending 31 December 2020.*

3195 **The Deputy Greffier:** Article 10. Committee for Employment & Social Security – Social Security Contributory Fund Accounts 2020.

**The Deputy Bailiff:** Deputy Roffey.

3200 **Deputy Roffey:** Just warming up here! I think people have almost lost the will to debate accounts, so I am going to keep this down to the bare bones, with a sort of headlines from the funds from last year, starting with the General Insurance Fund. That is the big one that pays for pensions and Unemployment Benefit and so on.

3205 It had an operating deficit of £34.8 million. That is due to a combination of additional costs, lower revenue because of COVID and the underlying unsustainability that we flagged up many times in the past of the Fund. The number of new claims for Old Age Pensions was actually lower than the five-year average and that is due to the phased increase of the qualifying age so every 10 months the age at which you qualify for a pension goes up by two months, so it is like a retreating target so for the next few years the numbers of new pensioners will be lower, proportionately than has  
3210 been the case.

On unemployment, the cost more than doubled over 2019. In fact, it was a 125% increase. It was £2.1 million, up from £0.9 million. Clearly, overwhelmingly due to the impact of COVID-19 and the lockdown measures. On the other side of the coin, Incapacity Benefit, the costs increased by 7.2% and we think that is probably because of reduced access to treatments during lockdown, particularly non-urgent, off-Island treatment. People were sent off-Island for emergency treatment but they were not for non-urgent and therefore their return to work tended to be delayed.

The Health Service Fund, which is now made over to General Revenue and then, through them, to health to provide services, saw an operating deficit of £5.3 million and the Long-term Care Insurance Fund saw an operating surplus of £7.1 million and I have to say that residential care, there was a reduction in the demands because of the restrictions on actually entering or accessing residential care during and following lockdown. In fact, many people just choosing not to put their relatives into residential care at that time, when you think back that there was, thankfully, the very low number of fatalities that we had in Guernsey were nearly all related, or I think all related to residential care settings.

So, it is not a pretty picture. It was not before COVID. It is even worse now and, in September, when the Tax Review comes, you will be asked to do something about it. But I ask Members to note the accounts for last year.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Of course, I am pleased to note the accounts, sitting on Employment & Social Security, and commend the committee and its officers for managing extremely well in the last 18 months in difficult circumstances. Deputy Roffey is indeed right, there are things that we need to look at. For example, if one looks at page 21, you can see that contributions remain relatively ... went down a bit. Expenditure on the other hand went up a bit. So the overall position at 31st December was £916 million, rather than £953 million.

But of course one myth that is out there, really, is that the Contributory Funds are paid for by annual incomes or indeed States' grants, because the real assets of the funds are very much investment related and if you turn to page 33 you see that the investment returns in 2020 were marginally less than 2019, just £4 million from interest and fixed interest securities and short-term deposits and bank interest and expenditure was half a million. But this is what I am coming to, the movement on unrealised gain, to use a technical expression, was negative in 2020, whereas in 2019 it was positive, £53 million, compared with minus £9.8 million.

There were, I suppose, some worrying moments during the year when certain international stock markets were not doing well but we actually recovered manfully by the end of the year and we saw less than a 5% reduction in asset base, which was a very positive achievement and a tribute, I think, to our investment advisers and so on.

Nevertheless, the point I am making is it is not just about income and expenditure and control of that, or about process, or even about rates of contributions, it is partly linked to our investment performance and indeed the global investment performance. So, when you take the investment nest egg factors into account, which are not as good as they could be, they do not cover, necessarily, five or more years of expenditure, then that is another reason that has to be put into the equation when looking both at long-term sustainability and our Personal Tax and Benefits Review.

**The Deputy Bailiff:** It would appear that no one else wishes to contribute to general debate. Deputy Roffey, if you want to reply.

**Deputy Roffey:** The only grilling I ever get is from one of my Committee Members! Yes, investment returns were really quite poor in 2019, in common with many other people. They did recover quite well by the end of the year. I can tell Members that they have been incredibly strong for the first five months of this year and it is the last time I am going to be able to get the chance to say this, because the competition with P&R's investment returns is going to disappear as they

are going to be handled together, ours have way outperformed theirs in the first five months of this year!

3265      The trouble is, as the size of the fund goes down, the investment returns, however strong they are, make less of a contribution towards it. And that is the situation we are in at the moment. But I ask Members to approve the accounts for last year.

3270      **The Deputy Bailiff:** Thank you, Deputy Roffey. The Proposition is for the Chamber to support the Social Security Contributory Fund Accounts for the year ending 31st December 2020. Those in favour; those against?

*Members voted Pour.*

3275      **The Deputy Bailiff:** The Proposition is carried.

## STATES' TRADING SUPERVISORY BOARD

### 11. Change to the Composition of the Guernsey Pilotage Board – Propositions carried

*Article 11.*

*The States are asked to decide:-*

*Whether, after consideration of the Policy Letter dated, entitled "Change to the composition of the Guernsey Pilotage Board", dated 1 April 2021, of the States' Trading Supervisory Board, they are of the opinion:-*

*1. To agree that the composition of the Pilotage Board should be amended by reducing the representation thereon of the States' Trading Supervisory Board, and that this should be achieved by the repeal of paragraph (b) of section 3 of the Pilotage Ordinance, 1967.*

*2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.*

**The Deputy Greffier:** Article 11, States' Trading Supervisory Board – Change to the composition of the Guernsey Pilotage Board.

**The Deputy Bailiff:** Deputy Roffey.

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**Deputy Roffey:** Madam Bailiff, I am really quite pleased that Deputy Burford's procedural motion was successful, as I am beginning to get worn down! I think this is quite straight forward. The Pilotage Board is much bigger than it needs to be these days. The constitution goes back to just after the Second World War. In those days the pilots were in competition with each other, they were all self-employed, they were plying for trade, trying to sell their services to vessels coming in and the Pilotage Board controlled them and decided who was fit to practice etc.

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It is going to retain two members of the pilots. They are still self-employed but they operate as one unit these days and almost as a co-operative. So two members of the commercial port users, two members of the pilots and the harbourmaster, but instead of having three members of STSB, which are absolutely not necessary, there will only be one. It is just a sensible reform and I hope Members will support it.

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**The Deputy Bailiff:** It does not appear that anybody wishes to enter general debate on this issue. So therefore the Chamber is asked to support the Proposition in relation to the change to the composition of the Guernsey Pilotage Board. Those in favour; those against?

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*Members voted Pour.*

**The Deputy Bailiff:** Propositions carried.

## SCRUTINY MANAGEMENT COMMITTEE

### 14. Freedom of Information Review:

#### **Evaluation of the States of Guernsey's Code of Practice on access to public information – Debate commenced**

*Article 14.*

*The States are asked to decide:*

*Whether after consideration of the Policy Letter dated 10 May 2021 entitled Freedom of Information: Evaluation of the States of Guernsey's Code of Practice on Access to Public Information, they are of the opinion: -*

*1. (a) That a Freedom of Information Law should be introduced in Guernsey, focusing on the creation of an independent process for appeals against the application of exemptions, together with the creation of clear timeframes for responding to information requests and the introduction of automatic disclosure rules, and to direct the Policy & Resources Committee to return to the States with detailed proposals, costings and directions for legislation not later than March 2022.*

*Or only if Proposition 1a shall have been defeated,*

*(b) That the current Code of Practice on Access to Public Information should be strengthened by means of the addition of an independent process for appeals against the application of exemptions, and the current Code of Practice on Access to Public Information should be renamed the Freedom of Information Code and to direct the Scrutiny Management Committee and the Policy & Resources Committee to implement this change not later than 1 January 2022.*

*Or only if Propositions 1a and 1b shall have been defeated,*

*(c) That the current Code of Practice on Access to Public Information is appropriate, fit for purpose and should continue in its existing form.*

3300 **The Deputy Greffier:** Article 14, Scrutiny Management Committee – Freedom of Information Review: Evaluation of the States of Guernsey's Code of Practice on Access to Public Information.

**The Deputy Bailiff:** Deputy Burford.

3305 **Deputy Burford:** Thank you, madam. Shortly after taking up our positions, the new Scrutiny Management Committee resolved that the work of the previous committee, on the Freedom of Information Review, should be brought to the States for consideration. It is an all-too-frequent failing of Government that much energy and resource is expended on work that then never progresses. We were clear that should not be the case here.

3310 Further, we believe that it is important that a matter of public interest, relating to openness and transparency, should be debated openly and that the current system of access to public information should be improved. Even though our majority recommendation as a committee is different to the recommendation of the previous committee, we felt it was essential to bring their report to this Assembly so that a fully informed decision can be made.

3315 I am not going to go into the detail of the report itself. It is appended to the policy letter and Members will have familiarised themselves with it. What I do want to focus on are our reasons for proposing a different solution to the last committee. Those reasons come down to the present situation in which we find ourselves, which we consider would significantly delay any action on a resolution to implement a full Law, as well as to the benefits to be gained from a middle ground

option – financially, in terms of speed of implementation and also because of the data that can be obtained from operation of that middle ground option, which can be used to support a future move to an FOI Law, if that is deemed necessary in the future.

The Propositions before Members today are for a choice of three options. The first option, 1(a), is to instruct the Policy & Resources Committee to return to this Assembly with a fully costed proposal for the implementation of a Freedom of Information Law, to replace the current system of access to public information (API).

The second option, 1(b), is to improve the current API system by the addition of an independent appeals panel. Under this option, work would also be done to increase public awareness of the code and it would be renamed the Freedom of Information Code, to better signal its purpose to the members of our community.

The third option, 1(c), is simply to retain the *status quo*. The committee is quite clear that the current API code requires improvement. When I stood for this position, I emphasised the need to build trust between Government and the people it serves. Openness and transparency are key to that and, as such, in many ways, I do not mind desperately which of the first two options are approved today. Both will be a significant improvement over what we have now.

But in the end, after much consideration, the committee, by a majority, decided that the objective of improving openness and transparency, I am confident, would be more cost-effective, and crucially much more quickly served, by improving the current system as described in Proposition 1(b). My very able VP, Deputy Fairclough, believes that a full Law, as described in Proposition 1(a) is the way forward and he will set out his stall very clearly in support of that option during this debate.

But for now, I would like to expand a little on why the committee is not proposing a full Law at this time. If Proposition 1(a) is approved, it will require Policy & Resources to return with a policy letter, providing detailed costings, a source of funding, operational details of the system and drafting instructions. With the best will in the world and wishing it were different, we know that deadlines specified in Resolutions are merely guidelines with no sanction on the committee if that deadline is exceeded.

In our current post-Brexit, but not post-pandemic times, with the ever-tightening straitjacket of the Government Work Plan, delineating everything we do, I do not think I am being either pessimistic or in any way disrespectful to P&R to suggest that such a policy letter would not be winging its way back to this Assembly at warp speed. And if and when at some point in this term it does arrive, setting out the set-up costs, annual costs and necessary additional staffing arrangements of implementing and administering an FOI Law, it will need to be debated all over again and risks falling at that hurdle.

And it is impossible to imagine that by then there will not be yet more competition for scarce funds. But assuming for a moment that policy letter, when it arrives back, is passed, the drafting of the Law would then have to fall into priority order with all the other legislative drafting and although it is impossible to predict how long that process might take, it is fair to assume that it would not be swift and all the while we will be operating with the current system.

It is reasonable to say that the current system works pretty well on the whole, with one exception. That is when a request for information is turned down in accordance with one or more of the permissible exceptions in the Code, the requester can ask that it is looked at again. But this is done in-house by the same committee who applied the original exceptions and although this process is overseen and challenged by the Chief Information Officer, to many people it is akin to marking one's own homework and therefore does nothing to engender trust and confidence between Government and the public.

To address this weakness, the Scrutiny Management Committee, by a majority, proposes that it should set up an independent appeals panel. We can do this within months and at no additional cost to the public purse. It must be made clear that there is, however, one fundamental difference, between our recommendation and a full Law. If the new appeals panel overturn the decision of a committee not to release certain information and concludes that it should in fact be released, the committee can still refuse to do so.

In other words, because there will be no legal backing to the appeals panel, a committee could veto the panel's direction to release. How often will this happen in practice? We have absolutely no idea. Our instinct, based partly on the number of refusals to release under the current system, is that it would be rare.

3375 But nevertheless it is identified as a potential weakness of this option and therefore we propose to monitor and report annually on the use of any such vetoes and furthermore, should Scrutiny consider the use of such vetoes to be excessive, we can and we will bring forward proposals to move to a full FOI Law and this is the important point, complete with the evidence to show that a middle ground solution has not worked. Evidence that we do not currently have to support a full  
3380 Law today. On balance, I do not believe it will come to that. If I did, I would not be proposing this solution.

Before closing, I do need to mention the issue of costs and indeed opportunity costs where a full FOI Law is concerned. While there are arguments that a Law will not cost much more than the current system, in reality that is highly unlikely. Paragraph 5.59 of the Review says that the Panel did  
3385 not have the evidence to provide an accurate estimate of the additional costs but noted that they relate to the addition of an information commissioner function and staff.

If we look at the Isle of Man and Jersey, then we can put that annual cost between £200,000 and £900,000 and only a fully worked-up proposal will reveal what it is likely to be here. While I am not making a pitch here for additional resources to be provided to the Scrutiny function of this  
3390 parliament, I would ask Members who may be considering supporting a Law whether the laudable and necessary goals of openness and transparency could not be better served by directing that money, if it is to be spent, to enhancing other more productive means of achieving them.

So, to summarise, Proposition 1(b) represents a pragmatic, practical, cost-free and swift improvement to the current system. I have set out the arguments for the committee's majority view  
3395 but, ultimately, it is for the Assembly to decide which option it prefers and, in any event, I urge Members to vote for an improvement to what we have now. Thank you.

**The Deputy Bailiff:** Thank you, Deputy Burford. Deputy Brouard.

3400 **Deputy Brouard:** Thank you, madam. I do not know where I signed up to openness and transparency. I probably did somewhere or other along the line. But I do at times sometimes struggle with it. I find some of the requests that I have seen over the years for information to be not necessarily for the public good but more for other agendas played out by other people and I find that quite annoying because I cannot put it in the 'vexatious box' but I cannot put it in the 'I cannot  
3405 do it box' either, so I have to then answer them.

I find companies will contact us with regard to what I will call fishing trips, to get data for regard to their own marketing or their own submissions, then, for business opportunities that may come along. So they will be asking how many machines we have got of a certain sort, so that they can then sell us machines of a different sort a few weeks later. And I think on those instances I would  
3410 very much like to be able to charge for all the time that it takes to reply to it.

I also find that sometimes the media, this is probably not going to do me good here, they are running commercial stories to sell newspapers which they sell because they get advertising monies by doing so. I would like to very much charge for those stories that I provide to them. It is a very easy way to get a very easy story just to come to us or any other department and ask us a load of  
3415 questions. We then have to spend hours and hours trawling them through to get the answers for them, which is fair enough, but then the bill is put to Mrs Le Page, not to the newspaper, who is going to benefit from it.

I know I might well be controversial in this but I just think we need to be very careful on the balance and if we could charge for certain aspects – not for the genuine inquiry, that is not a  
3420 problem but for some of the other ones I find it very difficult to justify the amount of time it has taken. So I will be voting for (c), thank you very much.

**The Deputy Bailiff:** Deputy Inder.

3425 **Deputy Inder:** Just briefly, madam, I think there have been two good speeches, one from  
obviously Deputy Burford, who has laid out the challenges. I think I am personally a fan of a full  
Freedom of Information Law. However, we are in very different times. Only today, those of us who  
attended the Government Work Plan meeting, anyone who has not been living under a rock over  
3430 the past six months knows there are challenges, there has been mention of no new services, we  
have been told to keep within our budgets, and what I have really got to weigh up is my desire for  
an open democracy and a genuine belief that, within reason, Government should be open and  
transparent and responsible to people, with the pragmatism as spelled out by Deputy Burford.

The costs are relatively unknown and she makes mention of, or the report makes mention, in  
5.58:

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In the Isle of Man, the anticipated initial costs were around £500,000 with annual running costs of around £200,000.

That is big money and we would also have to get Law Officers involved, all that kind of nonsense.  
We have got no real idea, even it would become possible within the States because, as you know,  
what with all the other pressures that are going on on the Law Officers, we really do not know  
whether that would happen particularly quickly.

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This is more rhetorical. I am kind of talking to myself, really, in trying to justify that the principle  
in me says open Government, access to information; yet Deputy Brouard showed me something  
today where these things can be weaponised and used for commercial purpose. So in short I am  
going to go with the advice of the majority of the Scrutiny Committee, go against my natural  
inclination for a full Freedom of Information and go with the independent appeals panel, safe in the  
3445 knowledge if Deputy Burford, under her leadership, believes it does not work, she will come back  
to the States with a different idea. And that is where I am at.

**The Deputy Bailiff:** Deputy Fairclough.

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**Deputy Fairclough:** Madam Deputy Bailiff, thank you. Guernsey's commitment to open  
Government and transparency and to freedom of information has now been in development for a  
decade. It is time to move forwards. We have an opportunity to do so here today. As Members will  
have read, 10 months ago, the SMC published a Freedom of Information Review. The Review Panel  
concluding that an FOI regime is:

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... an essential and integral part of the scrutiny of Government.

Our current API system, while a step in the right direction, does not do the job. Why not? Well,  
as the Panel's findings determine, for an appeal system to have integrity, it has to be able on the  
grounds of an overriding public interest to overturn the States' refusal to disclose information.  
Crucially, there was universal agreement that the absence of such an independent appeals process,  
3460 through which the applications of exemptions could be challenged, was a weakness of the current  
system.

The Review Panel concluding that without such a mechanism ...

... it is not unreasonable for the public to lack full confidence in the States' commitment to openness and transparency.

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Again, as the Panel concluded, the current COVID-19 pandemic has highlighted the importance  
of openness and transparency to the public, because we have all heard the words, have we not,  
many of us have uttered them especially ahead of every election. You have heard from my President  
setting out very clearly the views of the Scrutiny Management Committee, so why am I taking a  
different position on this to my fellow Members?

Well, let us be clear, from the outset I have made my views clear on this issue. In my manifesto I wrote:

Before every election there is lip service paid to greater accountability, openness and transparency when, in reality, there is now less of all three. We need a proper Freedom of Information Law, greater access to politicians and a more powerful and adequately resourced Scrutiny function.

I repeated the mantra when I stood as a candidate in the election of Members to the Scrutiny Management Committee and was elected to that position and I thank you for your support. And so, while the committee discussed this issue at length, and I listened to all the arguments for and against, in descending order of desirability, a Law, a so-called code or a system of access to public information, I just kept reaching the same conclusion, the same conclusion as the Panel, which is that in order for any appeals process to be independent, it requires a statutory framework. In other words, the development of a Freedom of Information Law for Guernsey.

In what is described as the crux of the case, it states that while we accept the need for a system that is proportionate, the present API Code's credibility is undermined by its lack of an independent appeals process and this weakness is widely accepted. So, support for the setting up of such a process was unanimous. However, as the report also states, there was not a clear vision for what this should look like in practice. That is why more work is needed to bring this forward, as set out in Proposition 1(a) before Members today.

I trust Members will have read in the report appended to the policy letter the conclusion that for an appeal system to have integrity it has to be able on the grounds of an overriding public interest to overturn the States' refusal to disclose information. Such a decision can only be exercised by a body or individual with a high level of authority. Once that is accepted, Members, then the difference in cost between an appeals body with the necessary weight, under the API code, and one backed by an FOI Law, becomes less evident.

So, let us talk about cost, which I know is a subject close to all of our hearts. Many of the costs attributed to a Law are potentially already incurred in handling requests. Or would be if the current Code becomes as successful as its supporters hope. The fact is the number of API requests is on the rise, from an average of 15 *per annum* six or seven years ago to 60 or more a year now. So a quadrupling of requests for public information during the last two political terms and you have to ask yourself why that is.

Of course, in reality, that is around one request per week and if you visited the relevant section of the gov.gg website – and if you have not I would urge you to do so – you will see that requests for information range in complexity and subject matter. Now the cost referred to in section 1.5 of Scrutiny's policy letter before you today, an estimate of a net additional cost of between £200,000 and £900,000 a year, and set up costs of between £0.5 million and £2.68 million, depending on the chosen implementation approach, I believe are wide of the mark, maybe over-estimated – potentially an attempt to put us off implementing a full FOI regime.

What we are looking for here is a model, which is suitable for Guernsey. Not Jersey or the Isle of Man, with whom we only compare ourselves when it suits us to do so. This is a framework we are looking at for Guernsey and Members will see from the first Proposition, which I would urge them to support, that I am not asking you to commit to a full FOI Law here today, rather that P&R return to the States with detailed proposals, costings and directions for legislation.

It would also be useful if those detailed costings, unlike what we have before us today, include figures on how much is spent on our access to public information requests currently. Because if that figure appears in the States' Accounts or anywhere else, you are a better scrutineer than I am if you can find it.

In short, what is the current system costing us? The point being that many of the costs are already being borne by the States, directly or indirectly. This is backed up by the Scrutiny Panel's findings that it is considered that objections on the grounds of costs relating to operating a system to handle requests and to answer them to be almost the same, irrespective of whether we are talking of a code or a Law.

As I have stated, there are around 60 requests a year and dealt with by some of our highest paid civil servants. Hours and hours, as Deputy Brouard refers to. So many of the costs attributed to a Law are potentially already incurred in handling requests under the API code. So, I urge Members not to be put off by arguments of cost. What we need is detailed proposals and costings again as set out in Proposition 1(a).

Now, I know that if we approve this today the transition is not going to happen overnight. Proposition 1(a) is not asking you to commit money or legislative resources here and now, but this is about taking a step in the right direction, of evolution towards a place where we should be and are bound to end up anyway.

I accept that time will be needed to draft legislation. But it is incredible how quickly laws can be prioritised and drafted when we want them to be. I would also suggest that there is no greater priority than increasing public trust in the States of Guernsey. We have an opportunity to do that here today.

Never before, whatever our political leaning, have we seen so much engagement with the electorate and strong scrutiny is needed more than ever, given the challenges being faced by the States, the scale of spending being talked about on capital projects this Assembly is looking to embark upon, the advent of party politics and murmurings of a more executive system of Government. We are indeed in different times, Deputy Inder.

I would remind Members that this is about changing the cultural default setting from let us keep it private, let us keep it confidential, to one of greater confidence in the process and the knowledge that there is a process. It is widely recognised and freely admitted that a change of culture is needed. A shift to greater openness and a full FOI Law is the framework we need to make this change.

As one constituent wrote to tell me:

Regardless of the cost, I believe Guernsey should be making every attempt to implement an FOI Law because it is simply the hallmark of a transparent democracy and would allow its people to be better informed and better placed to scrutinise the people that make decisions that affect their lives.

Cut out the spin, we are told. API or FOI replies should not be an exercise in reputation management and should be handled by an independent unit that simply applies the Code or Law to the request. Reports that are commissioned, paid for by taxpayers and never published. Sound familiar? Let me give you an example, just one of many of where our current system is failing.

On 22nd September 2020, a request was made to supply a copy of what is commonly known as the Kojima Report. The person making this request tried to identify the correct name for the report via the States of Guernsey portal listing commissioned reports, but to no avail, and so made a request under the Code of Practice for Access to Public Information. The response from P&R:

The Report requested is part of an ongoing review into terms and conditions across all employment areas of the States of Guernsey. As the Report has been prepared as part of a review, which will inform policies relating to public sector pay, exception at 2.4 of the Code of Practice for Access to Public Information (internal discussion and policy advice) is applied. Furthermore, this Report forms part of a wider review, which is still ongoing. While it is not the Committee's intention to publish this Report, should that position change, it would still be inappropriate to publish before the wider review is complete and so exception at 2.10, prematurity in relation to publication, is also applied.

A separate individual has made a similar request, following information from the Kojima Report being quoted in the public domain. As far as I am aware, they are still awaiting a response from the States – well past the one month's deadline by which the States is supposed to respond. This is a Report that has been paid for by Islanders, its content referred to and used in debate by politicians but one that is not being made public. Just one example, two requests, and no answers. No independent appeal process. That is what needs fixing.

That tired old mantra of 'if it ain't broke don't fix it' has already been reeled out this political term. It has nearly replaced kicking the can down the road. Well here is another one: if it is broke, then do fix it. There are still too many reports costing taxpayers hundreds of thousands of pounds, which are unpublished or redacted. In short, I came into the States convinced that we needed an

FOI Law; many of you may not have shared that view, you may still not share that view, it will be up to the Assembly as to what they want here today. But when it set out on its review, the Scrutiny Panel did not expect to come to the conclusion it did.

Sorry, Deputy Brouard, if you have been standing for some time, I give way.

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**Deputy Brouard:** Thank you and if I was the one, I was on P&R when the Kojima Report was there, I would make the same decision again today. That is not something that needs to be in the public domain at this time.

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**Deputy Fairclough:** But it is unable to be appealed. So, I came into the States convinced that we needed an FOI Law. Many of you may not have shared that view. But when it set out on its review, the Scrutiny Panel did not expect to come to the conclusion that it did, and I apologise for repeating myself, but that was what happened when presented with all the facts and evidence.

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Some see it as an interim step, strengthening the code without moving to a full legal framework, but as one of those key witnesses giving evidence to the Panel explained, you cannot half-do FOI and that it could be done in a way that is proportionate and delivers value. This is ultimately about increasing public trust in the States. I urge Members to be bold today, to not chase decline, and support Proposition 1(a).

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**The Deputy Bailiff:** Deputy Falla.

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**Deputy Falla:** Madam Deputy Bailiff, admittedly I do not bear the scars and bruises described by Deputy Brouard this afternoon. I am all for open Government and that is telling people what we are doing by engaging in proactive, two-way communication. Listening as much as we speak. But part of me does wonder whether there is really a problem we need to solve with this policy letter.

What does success in this area actually look like? We read that there has been relatively little interest in APIs from journalists or media, who did not even take the opportunity to make representations to the Review Panel. And absolutely none at all from civil society groups and there are a few of those starting to emerge, as we know from our inboxes.

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If there had been nearly one a week – I could not find that in any of the reports or the policy letter, which is interesting – my worry is that we are like a restaurant that does not get any complaints about its food or service, so we are providing a complaints box to encourage some. Having spent 10 years as a journalist and then several decades on the other side, as poacher turned gamekeeper, I agree that Guernsey does not have investigative journalists of the *Sunday Times* variety and has not really had any for a very long time, since my old mentor the late Bob Baker.

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But we perhaps need to be careful for what we wish. Some journalists and the occasional vexatious individual who would love to tie us all up in knots might see FOI questions as tempting, low-hanging fruit. I think that to go for a Freedom of Information Law could be opening a Pandora's Box. Furthermore, I am very nervous about introducing another statutory process. They have their place but in my view should be used sparingly if we really want efficient and cost-effective Government.

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Yes, let us have the change in culture that the Panel desires, but let us be very careful in choosing the tool by which we achieve it. It definitely should not be the sledgehammer that Proposition 1(a) represents, notwithstanding Deputy Fairclough's very strong speech today. I was close to voting for 1(c), the *status quo*. However, if Deputy Burford can really reassure me that 1(b), so changing the name and bolting on the appeals process will not be costly, I am minded to support the majority of the committee's preferred option. Thank you.

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**The Deputy Bailiff:** Deputy Le Tocq.

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**Deputy Le Tocq:** Thank you, madam. I will be supporting 1(b). I do so because I think we can make improvements but I do so because notwithstanding the excellent and to some degree

persuasive speech of Deputy Fairclough. I believe that Guernsey as a small jurisdiction cannot afford to do the sorts of things that larger jurisdictions would do, without affecting our ability to be able to do the sort of decision-making and the sort of swift decisions that we have seen over the last couple of years.

We are small and the costs and just the structure of running something like 1(a), and I say that with some skin in the game because we did consider it during the term that I was Chief Minister, would be so preventative in terms of us managing to make decisions and to effectively run the sorts of operations that happen in the UK – and I do not know whether anybody in this Assembly has ever been involved or had friends or contacts that have engaged with the Freedom of Information system in the UK, for example, or for that matter Jersey – but one thing I am certain of is that if our aim is to regain public trust that has been lost, putting in the sorts of systems that they have in Jersey or in the UK will not do that.

Because those jurisdictions have not increased the degree of public trust by having Freedom of Information Acts. I know a particular friend of mine who has tried for years to get information from the UK government and he is more frustrated and more of a conspiracy theorist now than he was before. So these things are not Nirvanas, they are not the sort of cure-alls that sometimes we make them out to be.

I think we have got to live in the tension – and it is a tension – of improving what we currently have, which is an improvement, certainly, on what things were like when I was first elected but resisting the temptation to have something that looks excellent in terms of doing everything that other jurisdictions might do but at the same time still ending up with a few people – and I accept there will be and there still are – who are frustrated with the current system.

Yes, there have been increases in applications under the current API system but actually the vast majority of them have been answered fairly swiftly and fairly easily. I think the problem currently is the lack of an appeals process, or one that is transparent and is seen to be fair, and that is why I will support 1(b). Thank you.

**The Deputy Bailiff:** Deputy Dyke.

**Deputy Dyke:** Thank you, madam. I would like to speak very briefly in support of Proposition 1(b), as put forward by the President of our committee as a majority proposal. I am personally much in favour of people knowing what is going on in the States, of transparency, and not hiding and burying things. On the other hand, I see the points made by Deputy Brouard, which are very valid points and I also understand the points made in favour of Proposition 1(a) so well by Deputy Fairclough.

Having said that, I think the compromise that we are suggesting is the right one. We have a Code of Practice. We will now have an appeals process and we will avoid the cost. It is difficult to know what it is but the set up costs seem to be, if we look at Jersey and the Isle of Man, between £0.5 million and £2.6 million and ongoing running costs, which we cannot be too sure of.

Hopefully, the appeals process will sort out the point that Deputy Brouard has mentioned, the vexatious litigant, or the vexatious inquirer, or the very expensive inquiries. Hopefully, that should be dealt with in the non-statutory appeals process. We will see.

Members of this Assembly might also bear in mind that the Scrutiny Committee itself has additional powers to require information, that were introduced by statute last year. So, if we see that the appeals process is not working, there is a particularly difficult issue out there, we do have capacity ourselves to look at the information at the committee level, if deemed necessary. So, I would say that to take the mid proposal, which is Proposition 1(b), not Proposition 1(a), is the right one and I would recommend that to this Assembly. Thank you.

**The Deputy Bailiff:** Deputy Kazantseva-Miller.

**Deputy Kazantseva-Miller:** Thank you, madam. First of all, I wanted to commend the committee for the actual paper in terms of publishing the information developed previously and also the approach taken in cascading the positions and allowing space for those different views to come forward. I thought that was really a strong approach so I wanted to commend that. It was a policy paper that I really enjoyed reading.

My first thought when I read the policy paper, I thought what is the freedom of information right I have as a Deputy to access information within the States? Because colleagues, right now, I am struggling to get access to information that I believe I require within my specific mandate within one of my committees that my colleagues are aware of, and I am unable to get that access.

So I thought, you know what, never mind the public, me as a Deputy, I am struggling to get access to information which I think would be, certainly, in the interest of my direct mandate and would be further in the public interest as well. It was really interesting listening to Deputy Brouard because what he was saying made me think that there is a cost to information. Potentially you can sell information and so on.

Information is power and we ultimately now live in an information society and this very much links into the digital world where the amount of, I do not know the word now, petabytes, zillion-bytes, whatever it is, now are produced and whoever holds that information holds the power. So just look at the technology platforms. They are the owners, possessors of that information. They make money off it. They control, kind of, our lives to some extent.

So, we are going towards an information society. Information is power. Information is cost. Yes, there is a lot of talk about the increased cost and I think Deputy Fairclough actually made a very good point to say much of that cost we are already absorbing. But I thought one thing that is potentially missing with the approach so far developed is that the cost is an indication of how the API requests are handled and what kinds of systems we have in place inside the organisation to deal with them.

If we are talking about an information society, we need to make better use of digital technologies. We need to make better use of publishing information in formats which are accessible and in a sandbox environment so the community could have permanent access to it. For example, we have the wonderful facts and figures book, which is a bit of a bible, I am sure, for many Deputies, but it is in a printed format. You cannot use that.

So, as part of what I would have really liked to see, as part of developing this policy – and perhaps this is really within the remit of public sector reform, digital strategy and so on – is we can reduce the cost of accessing information by building better systems, better processes, better culture, different culture, different mindset, so that information access is not how we do it today, through very much manual handling, which is why the cost is high and it is often handled by senior officers, as was mentioned. If we change our approach to the way we capture information, we store information, we distribute and publish information, those costs will be reduced.

So my gut instinct was that this Assembly will never go for 1(a), so 1(b) was really a practical option. I was very inspired by what Deputy Fairclough told us. I think that is really the direction of travel we need to take. I am concerned that the appeals process will not be a statutory instrument and effectively any committee could just decide not to publish the information anyway, but I guess it is taking a step in the right direction.

At the moment, I would love to see 1(b)-plus, but that is, I guess, not possible unless we lay some amendments on the floor. So I am between 1(b) and 1(c) but I would like perhaps, if the President could reflect on the suggestion of how we can change our systems, increase digital storage access processing, so that actually we look at the way we handle information differently, in addition to the work that you have been putting in. Thank you.

**The Deputy Bailiff:** Deputy Queripel.

**Deputy Queripel:** Thank you, madam. The previous head of Scrutiny, former Deputy Chris Green, said in the media on May 17th that the review he chaired into Freedom of Information

recommended an independent body that was enshrined in legislation and headed up by a person of real authority who would have the full force of the Law behind them to strike down decisions to withhold information and that that sort of real authority is absolutely necessary if we are going to be telling a Government Committee that they need to release something in the public interest.

3720 He went on to say that the States needs to capitalise on the trust it has built since the election by becoming more open and not less and that, given the current financial circumstances, it is not surprising that the new Scrutiny Committee have come up with a different option to the previous committee but only time will tell if it has any bite, if it succeeds.

3725 He concluded by saying he hopes the original recommendations of the Scrutiny Management Committee in the 2020 Report are implemented one day, even if they have to await a more favourable, fiscal and economic environment.

3730 So taking what former Deputy Chris Green, former head of the Scrutiny Management Committee, said into consideration, funding is once again the obstacle here. Yet it seems like hundreds of millions of pounds, much of which will need to be borrowed, will be made available to spend on other projects. I understand completely that those other projects are labelled either economic enablers or vital infrastructure initiatives.

3735 But surely the question we need to all ask ourselves is what price is trust? What price is truth? What price is openness, honesty and transparency? What about some investment in all of those things? I think it is absolutely crucial to introduce some independence and impartiality into this process and for it to be backed up with something that is binding in obligation, putting the emphasis on disclosure, that important tool in holding Government and systems to account.

3740 This is something that has lagged behind and been shelved for far too long. It seems to me the real obstacle is culture. The inconvenience and discomfort that might be caused and what may be revealed. Actually, a pragmatic solution could be far more onerous and costly in many respects. So with that in mind we must all be careful what we wish for and I urge colleagues in favour of Proposition 1(a). Thank you, madam.

**The Deputy Bailiff:** Deputy Matthews.

3745 **Deputy Matthews:** Thank you. I will be supporting 1(a) and the reason is I think really an FOI Law, a full Law, is the only way that will really bring about a change in culture. I think that is the only real way that we can encourage the States and encourage the States' Departments to not just respond to requests but to proactively provide information in the first place.

3750 I think this is really speaking to the points made by Deputy Brouard about requests being onerous and being sometimes vexatious. We should not really be looking at the requests themselves, we should be looking at the change in culture that could be brought about by having an FOI Law in place.

3755 That also speaks to the comments from Deputy Falla about there being little interest in making FOI requests. We should not really be looking at the request themselves, we should be looking at the change in culture that we can bring about and drive through the States to be more open and that is the only way that we can foster an open Government, transparency and democracy, that Deputy Inder would like to see.

3760 Speaking as a taxpayer, we are talking about the costs of bringing this in. As a taxpayer, my first thought is this is my information. This is information that has been paid for by the taxpayer. They have funded the collection and creation of it. We should be able to provide that out to people as they request it. So that is why I will be supporting 1(a). Thank you.

**The Deputy Bailiff:** Deputy Meerveld.

3765 **Deputy Meerveld:** Thank you. I am going to come at this from a slightly different direction. As I see things, a Freedom of Information Act or an obligation for a Government to be open and transparent and share information and to have the electorate have the ability to demand that

information, have a right to access it, is a cost of doing business. It is a normal part of a democratic government and it is something that virtually all democracies have.

3770 On that point, we talk about potential costs and the difficulties and everything else of implementing it. The UK implemented their Freedom of Information Act in the year 2000. Jersey in 2011. Isle of Man in 2015. Okay, that is our nearest relations and competitors. Let us go a little bit further afield and look at other international financial centres because at the end of the day we are in the market to market ourselves as a top-level, secure, transparent jurisdiction of the offshore finance industry. Gibraltar, 2018; Malta, 2012; Bermuda, 2010.

3775 Then I start looking at a bit more obscure, slightly more distant competitors in different ways. Ireland, 2014; Cayman Islands, 2007; BVI, 2016; Belize, 2011. Then let us look at the Commonwealth. Australia, 1982; Canada, 1983. Every single one of those I have listed on those dates are the date they enacted statutes to allow freedom of access for their citizens.

3780 My question is not a choice between (a) and (b), it is why have we not done this yet? Let us get on with it. Option (a).

**The Deputy Bailiff:** Deputy Ferbrache.

3785 **Deputy Ferbrache:** I thoroughly disagree with Deputy Meerveld. I expect from Deputy Fairclough, who is a principled and decent person, we had a principled and decent speech made with passion and a quality speech. But what I am about to say is not meant as any criticism implied or expressed of him.

3790 But when I hear the word, and he did not use this word, when I hear the word 'ethical' mentioned, I do not know of a jurisdiction that is more ethical than this one. When I hear the word 'openness' mentioned, I do not know of a jurisdiction that in reality is more open than this one. I do not really care what they did in Belize in 1846, or New Zealand in 1923, I do not really care. I do not need the people of Belize or the people of New Zealand to tell me, as a citizen of Guernsey, that they are more open than we are. Because they are not.

3795 A Freedom of Information Law is not a *panacea*. Even under any Freedom of Information Law, as I am sure Deputy Fairclough will have looked at the detail of some of them, there are exemptions, there are restrictions. There is no such thing as total freedom of information.

Now purism is fine, but in the world that we live in we have to be practical and pragmatic. Also, Deputy Fairclough, as I know he would, has said accurately the APIs have gone up in the last several years from 15 to 60 or so. Still not very many. We may be interested in this room and a minority of people might be interested outside of this room but most people have not a blinking bit of interest in relation to having a Freedom of Information Law. They are not bothered about it at all.

3800 That said, we, States' Members, States' bodies, should be as open as we possibly can and I believe we are. The question was, Deputy Fairclough said, some of the cost is already expended because civil servants, sometimes senior civil servants, have looked at it. Yes, that is true. But it is already subsumed within existing budgets. They are doing it as part of their daily job.

I am sorry, when we are coming to the States on 21st July and saying we have not got much money left, Deputy Helyar has told those Members that attended at eight o'clock this morning at the briefing in relation to the Government Work Plan and told the press at lunchtime today and has made that comment previously, we have got lots of money that we need to spend on things that are absolutely essential to this community.

3810 There are three references to costs. I know they have been referred to and I would also like to say, in passing, the way that Deputy Burford has dealt with this leading up to this debate is exemplary. She has spoken to people, she has consulted with P&R, she has sounded out views and I am sure in a purist way she would prefer 1(a) but realises that in practical terms 1(b) is the only way that we can move forward if we are to advance it at all.

In an ideal world, if we had trillions and trillions of pounds, perhaps we should have an information law. We have not got trillions and trillions of pounds. It has already been referred to. Let us look at some of the figures. I do not know what the figures are for running it in Belize, formerly

3820 British Honduras, I do not know what the figures are for running it in the Cayman Islands, or any of these other places where they might have freedom of information, but we are told at paragraph 1.5. of the policy letter, let us just read it and let us just take these figures in.

3825 Bearing in mind we have not got places for our essential nurses to live in because we cannot afford it. We have not got the places to put them in, but we are asked to spend on something that not very many people are interested in because in reality they are getting on with their day-to-day lives and because we are an open and transparent Government and because we are a decent place and because we are an ethical place, they are not really bothered. I will read paragraph 1.5 of the policy letter:

Based on the costs incurred in Jersey and the Isle of Man to establish and maintain legally established freedom of information regimes and taking into account the information provided by the Policy & Resources Committee, it is estimated that the net additional cost of introducing and operating this legislation is likely to be between £200,000 to £900,000 per annum depending on the chosen approach ...

3830 Even if it was £200,000, that is a vast sum of money. Deputy Trott has said many times in the past and I have heard this week so many times I can remember it, that the average taxpayer spends via direct and indirect tax about £10,000 to £12,000 on their tax. Great contribution, validly received.

3835 So £200,000 is, let us take £12,000 as an interim figure – £12,000 average tax, that is 16 or 17 people's tax, without paying a penny towards the health scheme, without paying a penny towards education, without paying a penny towards the Police Force, without paying a penny towards the upkeep of the roads, is all spent on a Freedom of Information Law. You can do your own arithmetic if you increase that from £200,000 to £900,000.

The paragraph goes on:

Similarly, set up costs are likely to be between £500,000 and £2.68 million depending on the chosen implementation approach.

3840 Even if it is a 'mere' £500,000 that is a heck of a lot of money to me and to the average citizen out there so that some people, 60 people, whose questions could be answered anyway, can get information. I very much sympathise, perhaps not in the same direct manner because I am not as direct as Deputy Brouard in my comments, but in relation to the matter put forward, we forget the cost. For every right that we have as a citizen we have a duty and we have a duty to act sensibly and we have a duty to act reasonably.

3845 Now if the *Press* want information they should be given it but they are a commercial entity, they should pay for it. Because more and more we have user pays. That is a consideration that we in the States and previous States' Assemblies have brought forward. But let us continue with the statistics because in the report that Deputy Queripel has referred to, the report of Scrutiny of August of last year, at page 49, we have got cost of implementation:

3850 ... there were two separate allocations of funds for the Jersey FOI implementation, £500,000 to enable the start-up and project work in 2012 and a further £4,287,610 in 2013 for implementation during 2013-2015.

There is a column over the page which talks about costs, spending to date. Jersey costs, spending to date, between 2012-15, total projected spend only a mere £2,825,970. Isle of Man is a bit cheaper. Well it is less costly up there because things are not quite as expensive apparently, but if we look at the column on page 51 we have got certain costs and it reads this:

3855 The Isle of Man Act was a phased implementation across the public service starting in February 2016 and finishing in January 2018.

And it has got the cost between 2014 and 2018. Again a mere bagatelle, £813,596.91. For 60 APIs a year, of which they are already being dealt with. Deputy Fairclough is shaking his head but ... also the Kojima, that has been mentioned; Deputy Brouard said what his view was when he was in P&R and what his view would be now. I am in P&R now and that would be my view. There is

certain information that has to be respected. That is not to say that it is the information ... I accept the point made by Deputy Matthews, he is a taxpayer as we all are, and therefore the information is shared.

In a prudent, practical, pragmatic, responsible Government, you have got to make decisions and judgements. If the public do not like it then, when there is an election in 2025, those of you that stand, they will be able to reject you because you have taken the wrong view in relation to this particular matter. I bet not one of you loses any votes because of the vote that you have made on Freedom of Information.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** *[inaudible]* Generally I have been very much a supporter of Freedom of Information but I do think the difficulty Members like Deputy Kazantseva-Miller and others will face in getting information for their committees or other parts of the States is because, sometimes the right to freedom of information we think we have is always measured, as Deputy *[inaudible]* and others know, by other considerations. Commercial confidentiality was even answered in one of the questions we have seen today, another one would be GDPR, another one would be sensitivity for people with health conditions or indeed young people with health or education conditions.

All sorts of reasons a politician or journalist or member of the public seeks freedom of information and there are legal or other barriers to them receiving that information. In many ways, I would not say, Deputy Fairclough, that we are completely failing to be as open and transparent when it comes to *[inaudible]* in that direction.

There may have been in one or two areas, improvements in others, the fact that here we are, we are actually being broadcast, we are being streamed. That is improvement on many levels. The SACC, a committee of which I am proud to belong – Deputy Meerveld has strongly spoken in favour of freedom of information today – that is unusual as a committee because perhaps one of the reasons why it has been the subject of comment and questions today is that it unusually, uniquely actually for a States' committee, apart from some meetings of the Development & Planning Authority, is held partially or mostly in public, with journalists and representatives of the media able to attend.

I would say that Guernsey does less of that than, for example, Jersey or Alderney, in terms of publishing details of agendas and so on. But I will come onto that in a minute.

Unusually, I was actually a witness at the Freedom of Information Review. I was called by the then Scrutiny Committee in January 2020. The panel, as I remember, consisted of advocate Chris Green and then a Deputy and President of the committee and very learned Deputy Emilie McSwiggan as well and it was a useful Panel and I spoke. I noticed that I was not recorded in detail in the reports or the new Report, but then perhaps I did not say much of note and I will come onto that in a minute.

Freedom of information has been something that the States have gone around in circles with a fair amount of time. When I spoke to the Panel, the Chairman, Advocate Green, kept on saying in a polite way, 'Can I bring you back to the question. Come back to the point.' That sort of thing. I was exploring the history of it and how there were Members ... the late Deputy Hadley for example was very keen on freedom of information, and the reference has been made by Deputy Meerveld and others to it being introduced in the United Kingdom.

Indeed the Rt. Hon. Tony Blair, who introduced it in the United Kingdom later apparently said it was one of the things he really regretted doing because certainly elements of the media deliberately asked questions about expenses, amongst other things, which were alienating and disturbing.

Now of course Deputy Ferbrache's suggestion, amongst others, that the media should pay for the price of information is interesting. But we know that the printed press is not as viable as maybe it once was in a different era and therefore they have to pay for things. We know too that many of the media, for example, I suppose the excellent BBC, they are not really a commercial organisation, so that is potentially a barrier.

Indeed it was BBC journalists from television and radio, online I suppose, who first really pushed the matter in Guernsey, precisely because I suppose they have been trained in a culture where freedom of information was available. I think it is not unlinked to an ombudsman issue as well, because that could reduce costs.

I think access to information in Guernsey is perhaps too protected through the current Civil Service structure. I remember saying at the review my core belief is that an internally focussed system, whereby senior Members of the States' executive leadership team are acting as an interesting investigator, a little bit perhaps like the French judicial system, is likely to cause conflict in some people's eyes.

In many ways we have seen politicians taking a lesser role in Government. Only an hour ago, we are thinking now of completely commercialising the Dairy so the informal information that passed between Deputies and also passed to Douzaines, has changed as well.

So I would very much like to look at freedom of information, as I said at the time, and I would definitely support an independent executive outside of the Royal Court and parliamentary and political process. I will also support a Law, but not as Draconian as the UK. The problem is though I am aware that the Law is expensive in terms of the resource it would take up, from legislative draftsmen to policy time to the very process of creating an independent establishment.

Perhaps I was a little bit surprised that Deputy Falla, who is very much a politician who supports openness and communication on every level, was a little bit wary of the middle course. I would definitely like us to go today ... having supported the majority standpoint of Deputy Burford and Deputy Dyke at the Scrutiny Management Committee, I will personally vote for and hope that a cost-effective solution is found in getting a belt and braces Freedom of Information Law because perhaps the reason I was less than cogent before the Scrutiny Management Committee is I want a Law but I know it is expensive and although not a luxury it is perhaps less of an urgent priority than somewhat pressing matters to do with Ports and hospitals and schools and things.

But I think our default position should go for Law. So I will support the Law today but if it fails, and I suspect it might, we must definitely get behind the middle course of the Scrutiny Management Committee to make pragmatic progress in this respect. Because if we do not, I think it undermines our scrutiny system, our accountability and maybe discussions as to whether we need to move more in certain areas towards commercialisation, greater accountability with an executive system, reforms of governance and so on.

I do not think any changes to our current system would be palatable without a more robust freedom of information machine and one that is not closely tied to political or senior officer influence. So, hopefully we will make progress today.

**The Deputy Bailiff:** Madam Procureur, can I prevail on you to provide a bit of clarity around the Administrative Decisions Review Board (Guernsey) Law and the provisions under that Law, which may assist Members when they are making their decision.

**The Procureur:** Yes indeed, madam, and thank you for raising this point. It was really just to clarify, it has been said a couple of times in debate that there is no independent appeals process from the API and just to clarify, under the Administrative Decisions Review Board (Guernsey) Law, 1986, to which amendments were made in 2018-19, it is possible for people to challenge decisions of committees, members of the public to challenge those committees, via an independent complaints panel that has been set up. But it is also true to say that that panel cannot set aside those decisions made by a committee, it can only refer matters back.

But just as a point of clarification there is now an independent complaints panel for complaints but it perhaps does not do everything that Scrutiny may wish it to do, in that it could not set a decision aside. Thank you, madam.

**The Deputy Bailiff:** Thank you. I am grateful. Deputy Mahoney.

**Deputy Mahoney:** Thank you, madam. Along with everybody else, I would like to thank Deputy Burford and her committee for the report they have given to us. It is interesting, is it not, because we have Deputy Falla and Deputy Queripel, 1(a)-ers and 1(b)-ers, both warning us to be careful what we wish for. I know I side with Deputy Falla on this and will be supporting 1(b).

It is perhaps naive for some Members to believe that an FOI Law will be this *panacea* of freedom of information everywhere and all information will just flow freely. As mentioned by the Chief Minister, there will be commercially sensitive information, legally sensitive information, information that is sensitive to a person, perhaps even. Certainly, they would not be given out, no matter if we have a full FOI Law. So there are already decisions being made about what would and what would not be given out, whether this 1(a) passes or does not.

Really also I wanted to just clarify something with Kojima. It was a very specific point made by Deputy Fairclough that a request had been made in September. I assume that was dealt with by Deputy Brouard because it was in the previous term, but a request had been made by an individual this term and had been unanswered. There have been no unanswered requests in respect of Kojima. We had one this term, that was from a union, about it and it was replied to. It is important we clarify that, madam. Thank you.

**The Deputy Bailiff:** Deputy Moakes.

**Deputy Moakes:** Thank you and thank you to the committee as well. I do not disagree with the direction that your committee wants to take. However, I think if you spoke to most of the general public, they were probably more supportive of putting this money today towards affordable housing and sorting out the schools, rather than this particular issue, which could be done at any point in the future.

But the biggest problem I have with this Proposition, as it stands, is that there is no real idea of the cost and no real idea of how many requests have been made or how big an issue this is, as has just been pointed out. We have limited funds, so using the upper estimates is an interesting thing to look at. Because if you had said there were 50 requests, and we do not actually know if that is correct, it would cost £18,000 per request to look at. That is an enormous amount of money and I think there are many things that I would rather be spending this money on than £18,000 per question. Thank you.

**The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Thank you, madam. I am just going to say the well-worn phrase of I was not going to speak but I thought I had to stand up after I heard from Deputy Matthews. Two points actually. The first one less so but the second one really did bother me. Firstly, in terms of a Freedom of Information Law will change the culture, I do not understand that. Deputy Le Tocq stood up and said that has certainly not been the case in the UK and it caused more frustration than anything. I cannot understand how making somebody do something, how that will make anybody want to be more proactive. I find the logic is not there.

But what really concerned me in his speech was the implication that a lot of information has been hidden and we are hiding stuff. If that was the case, there would be far more rejections to the requests that are already in place. Surely that is logical. What is that you are against? the system? Most requests have the information published.

Deputy Fairclough mentioned the Kojima Report and Deputy Mahoney just gave some clarification there. But Deputy Brouard was right in what he said. It was the right decision to make in those circumstances. But the fact that Deputy Fairclough references it basically shows it as an exception to the rule because there are very few exceptions that are made and they are done so for very valid reasons. I know, from the Committees that I have been on, that the default has always been to publish. I know in particular at HSC, a considerable number of requests all the time.

4015 Deputy Queripel talked about the previous Scrutiny President wanting this. I think it is fair to say, I miss Deputy Green in this Assembly, it is a shame he did not stand again, but I think it is probably fair to say that his focus last term was not necessarily on the States' finances and I do reiterate what Deputy Ferbrache said and others that the way that Deputy Burford has gone about this, and her understanding that we have to be looking at things in context.

4020 I think it has shown a strong President in doing something that could be more headline-grabbing, saying, 'Hey, we want to bring in Freedom of Information Law, is that not the next popular', than actually saying, 'No, actually I think this makes more sense', option 1(1b) and that will serve its purpose and that will be a good testing ground, if nothing else.

4025 Deputy Fairclough says it should not cost more as the work is mostly being done. Then I would say why do we need a Law if we are already doing it? If I thought that there was systematic covering up of information in Government I would say, yes, I would sign up to it, I really would. If I saw that frustration, knowing that we were not getting that information, I would be concerned. But the evidence just is not there.

4030 The one thing we are forgetting here is the amount of information that Government is providing to the media every day that does not go anywhere near an API request because it does not have to. Because Government is open when we are asked questions, 99% of the time, that information is given. Within the committees, we have got staff who are employed to provide that information on a daily basis because of all the requests we have got. That information is provided, that does not need to go anywhere near an API request or anything to do with freedom of information, we are giving that information out.

4035 Deputy Kazantseva-Miller talked about being more digital. She is absolutely right, we should be posting far more on the website and on a website where you can actually find the information, because there is actually a lot of information on the website, including a digital version of the facts and figures. But probably she could not find it because it is such a nightmare finding anything we want on there. But I think that is a different matter.

4040 **Deputy Kazantseva-Miller:** Thank you, Deputy Soulsby. I just wanted to quickly interject to say this, it is not about publishing in PDF and digital format, it is about making information available in raw format so that people can make their own extrapolations, use data in different forms. It is not just converting printed into digital. Thank you.

4050 **Deputy Soulsby:** Which is what I was going on to say, I absolutely understand that. The giving of the raw data. I think you find in information through Public Health that is happening but absolutely right, more data, and that is something that we have been talking about in terms of what we can do in the Government Work Plan, so totally agree with her.

4055 Sorry, I am not picking on Deputy Fairclough, I actually thought he made a really good speech, really strong for what he believes and I know this is something that he does believe in. Because of those points it is why we took to respond to them. He talks about how the capital projects means that we need an API request but I really do not see any need. When we did the Oberlands Centre we had a request for information from the media and that was provided. Nothing needed to be hidden and I am just worrying this idea we have to have an API because there is stuff hidden when so much more information is actually given on a daily basis.

4060 And we do have the Committee on which Deputy Fairclough sits, the Scrutiny Management Committee. I was the President who led, together with Deputy Jones, back in the good old days when we had a Public Accounts Committee and a Scrutiny Committee, a joint policy letter about how we could strengthen the role of the scrutiny function, which we shoe-horned into the review committee work in the previous term, 2012-16, and which now has led to the Scrutiny Management Committee having more powers. That is absolutely right and they are the ones that can hold the Government to account and ask them for information and have the powers to ask for records, papers, and all manner of things now in a way they did not.

So that is where the power has been. That is where I support it. The evidence, to me, is not there for a Freedom of Information Law, to add to everything else. But I can support 1(b). I do see the value of having that appeal process and so that is what I will be supporting.

4070 **The Deputy Bailiff:** Deputy Helyar.

**Deputy Helyar:** Thank you, Madam Deputy Bailiff. Like Deputy Soulsby, I was not planning to speak but circumstances have changed. I very much enjoyed Deputy Fairclough's speech. It came from the heart. I have known Deputy Fairclough longer than anyone else in the Assembly, since we  
4075 grew up together, but I disagree with some of the assertions made and the Kojima example that he gave is actually a very good one because it is one that, speaking as a lawyer, even if we did have a Law, would not be released, the information contained in it being of such commercial sensitivity that it is not possible to do that.

It would be not in the public interest and by that I mean in the interest of all of us and all of the members of the public. The reason for that is the States often gets itself into situations where it has to play poker. For those of you who play poker, you know you do not win many hands by showing other people your cards and so we have to make sure that we do not do that in circumstances where we ought not to and so there has to be a scale of what might be considered within the realms of what we do on a day-to-day basis. Some of it is confidential, some of it is very confidential and  
4085 some of it is secret.

Security issues that Home will deal with and all sorts of other issues that we deal with are effectively secret. The same goes for all of the interactions that we have with foreign governments and that we have with provisions and tasks that we must undertake in terms of our international responsibilities.

But the main thing I wanted to say, and I am going to sound like a broken record and you are going to get fed up with this after four years of it, we cannot afford to do this and we cannot afford to keep making decisions which require expenditure that we do not have. It is simply not possible. Deputy Moakes gave an example and I think he used 50 requests. If you take 60 requests at £900,000 a year, that is £15,000 a request and I think Deputy Trott can correct me if I am wrong,  
4095 but that is the cost of a hip operation. That is the cost of two children in the state schools. So altogether that would be 112 children's costs of being educated.

We simply cannot. We are now getting to the position where we are going to have to make very different and very difficult value judgements against some of the things that we want to do and this is an example of something we cannot afford. Thank you.

4100 **The Deputy Bailiff:** Thank you. Deputy Trott.

**Deputy Trott:** Briefly, madam. I have often said that nothing disinfects quite like sunlight. I did not originate that saying, someone far more distinguished than me. But increasingly in the modern  
4105 world when we go out in the sun we need protection. One of the reasons we need protection is that employment matters are, as others have said, extremely sensitive.

Now if you look at our General Revenue expenditure, about half of every taxpayer's pound goes on salaries and other costs associated with staff. What is not widely appreciated is that very often staff are compensated out of a role and one of the ways that that is done is to secure a better deal than potentially the Employment Law may necessitate, if we sign non-disclosure agreements.  
4110

Now, the taxpayer benefits as a consequence of that and, as others have said, those details would be unlikely to be revealed in any event. But a lot of what goes on by those that are designated with these responsibilities is done in a way that minimises the cost to the taxpayer and that is important because, despite the fact that I have used a particular statistic more times than I care to remember,  
4115 Deputy Ferbrache has not quite got it right, so I am going to mention it one more time. Deputy Helyar was, I think, quite accurate with his cost of that particular medical procedure.

4120 But if you are on average earnings in Guernsey, let us round things up, you earn £35,000, and the first £11,000 or so of that is exempt from taxation under our earned income provisions. So the balance times 20% means that, from a tax perspective, the average taxpayer on average earnings in Guernsey, pays less than £5,000 a year tax. So if something costs £900,000, 180, more than the figure he gave, 180 individual taxpayers would be needed to fund that cost.

4125 Now it is a lot easier for me to stand and say this as someone who now sits on the back benches, rather than holds particular office, but the truth is I have never witnessed in my 21 years, the whiff of corruption within our system. We have an incredibly open and transparent process. It is the size of our community, it is the manner in which we control power and authority, the lack of a full executive government and so on.

4130 In the Isle of Man they have an executive government, Jersey have an executive government. They have all the costs that go with that as well as some of the benefits. But in my experience the thing that bothers taxpayers the most, the element of waste that bothers them the most, is around pay and conditions and, as I have said, the majority of the perceived secrecy, the signing of non-disclosure agreements, is done in a way that benefits the taxpayer rather than the contrary.

4135 I too thought Deputy Fairclough's speech was exceptionally good and I was not surprised to hear it. He has been consistent in his view. But one of the things that has also surprised me over the years and there is an element, I suppose, of poacher turned gamekeeper to a certain extent, but I think it only goes so far, and that is to my knowledge, without exception, the journalists that have come in from the outside into the public sector, become public servants, are all of the view that our freedom of information processes are most of the time appropriate.

4140 What is not appropriate is what Deputy Burford highlighted in her opening remarks and that is the fact that we mark our own homework. That is clearly ludicrous and it has been ludicrous ever since this code came in. So if that is remedied, which option (b) will provide for, then my view is that what we will have will be fit for purpose, based on my experience of dealing with these things on both sides of this Assembly.

4145 **The Deputy Bailiff:** Thank you, Deputy Trott. Given the time, that will be the end of the day, although of course I remind you again there is a CPA meeting, which will start after a very brief comfort break, which will be chaired by the Bailiff. Deputy Greffier, would you close the States' Meeting for today?

*The Assembly adjourned at 5.32 p.m.*