



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Wednesday, 26th March 2014**

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# States of Deliberation

*The States met at 9.30 am in the presence of  
His Excellency Air Marshal Peter Walker C.B., C.B.E.  
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

## PRAYERS

*The Senior Deputy Greffier*

## EVOCATION

## CONVOCATION

**The Senior Deputy Greffier:** To the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at The Royal Court House on Wednesday, 26th March 2014, at 9.30 a.m. to consider the Items contained in this Billet d'État, Billet d'État V, which have been submitted for debate, and Billets VII and VIII are hereby convened pursuant to Rule 1(4) of the Rules of Procedure of the States.

## Procedural – Media attendance and photographs

**The Bailiff:** Members of the States of Deliberation, good morning to you all.  
Before we start the day's business, I would like to ask if you would agree to allow the media to come and take photographs and film of the States at 2.30 this afternoon. As you know, by then we will have had an election, there will be a new Minister on the bench and as you know the media like to have a photograph of the States as it is in session. Do you agree? Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** The media can take note then that they are invited to come at 2.30 subject to the normal restrictions of filming and recording.

## STATEMENTS

### Financial position for 2013 – Statement by the Treasury and Resources Minister

**The Bailiff:** So we move on to the business. The first Item is a Statement to be delivered by the Treasury and Resources Minister, Deputy St Pier.

**Deputy St Pier:** Mr Bailiff, thank you for the opportunity to make a statement updating the Assembly on the overall financial position for 2013.

As Members of the States well know that there is currently an annual requirement to drawdown from the tax strategy portion of the contingency reserve in order to fund our ongoing deficit, and this arose as a result of the move to zero 10 in 2008.

The budget for 2013 anticipated a requirement to draw down a total of £17 million to cover the costs of the net deficit position.

30 You may recall that in my last statement regarding the financial position in September 2013 I notified the Assembly that due to tax receipts being lower than originally anticipated it was our expectation that the call on reserves would have to increase by £10 million in 2013 to a total of £27 million. The 2014 Budget Report gave more detail to this figure and the reasons behind it. Our estimate at the time, in October 2013, based on receipts and expenditure in the year to date and forecasts by Departments at that point, was that a £12 million shortfall in tax receipts would be partially offset by marginally lower overall expenditure.

35 Now that the preliminary year-end results are available, and which to be clear are still subject to final adjustments and audit, I am pleased to be able to advise that the overall drawdown from the contingency reserve should now not be greater than £25 million - an improvement of £2 million on our most recent forecast.

40 Sir, before I talk through some of the key elements of the 2013 position, it is worth dwelling for a moment on the contingency reserve. In 2006 when the States made a decision to use up to half of the reserve to fund the deficit resulting from the implementation of the zero 10 corporate tax strategy it had a total balance of £204 million. At that time the fund was invested in suitable fixed-income securities and was making cash-like returns for the States. In 2007 the Treasury and Resources Department, led by Deputy Trott at the time, decided to change the investment approach and sought permission from the States to amend the investment rules in order to permit the addition of equities and other investment classes to the portfolio. This was in order to diversify the position and take advantage of the better long-term returns offered by such investments. This change in approach has seen significantly improved investment returns over the period since implementation in 2008. These have helped extend the life of the reserve and have meant that despite drawdowns of £86 million since 2009 and the deficit persisting longer than was originally anticipated the balance on the overall reserve at the end of 2013 was very similar to the starting point in 2006.

45 However, since annual withdrawals are currently required and due to the 'rainy day' nature of the remainder of the reserve the present investment rules require that a minimum of 50% of the reserve is realisable at or near current market value within seven days. This short-term investment horizon comes at a financial cost. If we were able to introduce a longer term investment strategy then returns could indeed be improved further and in turn we could make the reserve work even harder for us.

50 The Treasury and Resources Department intends to make recommendations to the Assembly regarding the future use and investment of the contingency reserve in the 2015 Budget Report.

55 Now, sir, turning back to the key elements of the 2013 position. Overall our general revenue income for the year totalled £361 million which is £10 million lower than originally budgeted. This shortfall was in part due to collections arising from the extension of the 10% income tax band to insurance and fiduciary businesses being lower than anticipated in its first year. I should say that this does not change our longer-term forecast for this revenue stream as it is anticipated to be largely a timing issue.

60 There are two other revenue shortfalls that are worthy of comment. Firstly individual income tax, which accounts for some 80% of the overall income tax receipts and incorporates all those who pay through ETI, fell short of budget by some 2.5% or £6 million and showed no overall growth on the 2012 position.

65 For the avoidance of doubt, and as I set out in my statement last month to the Assembly on the Income Tax Office, I can provide reassurance that this shortfall is not as a result of the backlog of work in that office. The combination of the ETI-scheme interim assessments and late payment surcharges protects the collection of the majority of revenues.

70 The shortfall underlines how the gradually declining number of people in employment that are subject to ETI seen over recent years leads to variances on this vital revenue stream which can have a significant impact on our year-end outcome. Over the five years to 2013 employment in the finance sector has declined by 432 employees, including 2.1% or 138 people in 2013 alone. In addition, of course, only yesterday we learnt that real median earnings after inflation had fallen by 1.4% in 2013, which would not have been assumed in our budgets and forecasts. And this is only the second time since 2005 that there has been a real-terms fall in earnings.

75 Secondly, document duty receipts ended the year almost £2.5 million down against the original budget. This is, however, an improvement of over £1 million on the revised estimate contained in the Budget Report which shows that there was some pick-up in sales over the final few months of the year.

80 In terms of expenditure the end of year outturn was £346 million against an authorised budget of £349 million. This compares to forecasts of the year end outturn which was published at the time of the budget of £349 million. Sir, this overall £3 million underspend does conceal a number of overspends and underspends, which I wish to bring to the attention of States Members.

85 Firstly, it should be noted that the year-end outcome is after allowing for the in-year exceptional costs in relation to the voluntary severance exercise of £4 million, meaning that the underlying expenditure position would otherwise have been £342 million. But this one-off cost will result in ongoing annual revenue savings of over £1.5 million from 2014 onwards.

The majority of Departments and Committees underspent on their authorised budget in 2013 after successfully delivering against their FTP targets and these collective underspends have offset overspends in two Departments.

First of all the Housing Department has marginally overspent by £40,000 against its authorised budget, due to reduced occupancy in its residential homes ahead of the transfer to extra care, and also a decrease in Housing Control income as a result of the change in the profile of chargeable applications.

More significant is the year end outturn of the Health and Social Services Department. The Minister will shortly be making a statement which will cover this in more detail but I should report that the Department overspent its final authorised budget by £300,000. However, sir, it is important to note that this is after budget increases authorised by my Department during the year under its delegated authority.

As outlined in the 2014 Budget, the budget increase in respect of off-Island placements totalling £700,000 was authorised earlier in 2013. This was followed by a further adjustment of £1.3 million at the year-end together with adjustments for voluntary severance referred to earlier, and the normal in-year adjustments for pay awards.

In total then the budget increases given to the Health and Social Services Department amounted to £3.7 million, an actual spend total £4 million more than the original budget.

Both Departments continue to work closely in order to monitor the financial position. This includes monthly ministerial meetings with an agenda focused on progress with the financial recovery actions which are designed to enable spend within cash limit by the end of 2014. Deputy Dorey will no doubt explain shortly that significant risks remain in 2014 to achieving a balanced budget, and this is particularly due to the timing of many of the benefits from projects delivered to reduce spend.

Sir, it is too early in the year to have any meaningful picture of the likely overall 2014 outturn. However, I would like to reiterate the challenges faced by the large Departments in delivering their FTP targets and hence achieving a balanced budget. This is particularly the case for the Education Department, and I am also holding monthly meetings with the Minister of that Department in order to closely monitor their financial position.

There is a risk already acknowledged in the 2014 Budget Report that these Departments will not be able to deliver all of their FTP benefits by the end of the year. An additional allowance has been made in the 2014 budget reserve in order to mitigate the risk that this poses and ensures that the benefits from transformational projects which may take slightly longer to deliver are not jeopardised by a dash to deliver the cash by the 31st December 2014.

Sir, I would like to take this opportunity to reiterate that life cannot go back to normal at the end of this year, once the five year life of the FTP has come to an end. It is clear that there are many projects and initiatives already underway which will see savings delivered in 2015 and beyond. We are also well aware of several significant spending pressures which are mounting, including in respect of health and long term care. There will therefore be an ongoing need for continuous improvement in efficiency in the future to ensure that these unavoidable pressures can be mitigated where possible and sustainably funded.

I would just like to take this opportunity to give a brief update on progress with the development of the States Capital Investment Portfolio. Since the Capital Prioritisation Report was debated in September last year, my Department has been working with all other Departments on the 19 pipeline projects to develop business cases and firm up costings. This is now progressing well, but the initial round of business case development by Departments, and gateway reviews, has taken somewhat longer than anticipated, and this has led to a short delay in the time frames in my Department to define the portfolio and develop recommendations to bring back to this Assembly.

It had been our intention to bring a further report for consideration before the end of the second quarter of this year. I regret that it will now be necessary to delay consideration of this matter until the July meeting of the States. Our priority is to ensure that the States Report we table for Members consideration has been well prepared and fully considered and has not been rushed merely to meet a self-imposed deadline.

I should stress that this should not delay the progress of any of the pipeline projects, specifically the team has worked closely with the Education and Public Services Teams to ensure that such a delay will not impact on their planned timelines for La Mare de Carteret Schools and the Belgrave Outfall projects respectively.

In the meantime, my Board has requested that an update is prepared for circulation to all Members, hopefully before the end of April, to outline progress made to date and the next steps required. This will also be made publicly available.

In closing, sir, I would like to briefly come back to the 2013 position. The overall deficit for the year is likely to be some £25 million, or 7% of the general revenue budget, which is a slight deterioration on the 2012 deficit of £23 million. As I set out earlier this deterioration from 2012 and from the budget has resulted from lower revenues rather than higher Government spending. It is a real demonstration of the impact on public finances of lower income and profits in the economy and this underlines the need for the

States to continue to focus on expenditure restraint but also, of course, the importance of ensuring that the tax base is as resilient as possible to such economic pressures in the future.

It is my intention to continue to keep Members regularly updated about our financial position. I therefore anticipate making further statements to the Assembly in May and September in relation to our performance during this year. Thank you, sir.

**The Bailiff:** Thank you, Deputy St Pier.

Just before we move into some questions, can I just observe it is a bit warm and possibly a bit stuffy in here. Is it possible to open one or two windows and those Members who wish to may remove their jackets?

We can now have a period of 15 minutes, and I emphasise, for questions not for speeches. Does anybody wish to ask a question? Deputy Trott.

**Deputy Trott:** Sir, the Treasury Minister would be disappointed if I did not ask him a couple of questions, I am sure. Sir, may I ask how large, with regards to the preliminary figures for 2013, how large was our surplus with regard to the excess of revenue income over recurring revenue expenditure?

**The Bailiff:** Deputy St Pier, do you have that figure at your fingertips?

**Deputy St Pier:** I would indeed be disappointed, I would be surprised if Deputy Trott had not asked a question or two. I am not sure I do have that information to hand, sir, so I think I... but perhaps Deputy Trott could repeat the question to make sure –

**Deputy Trott:** I can do better than that, I can give the answer if that helps (*Laughter and interjections*)

**Deputy St Pier:** if that is within the rules –

**A Deputy:** Is the Minister aware –

**Deputy Trott:** Yes, exactly – Is the Minister aware that if we are running a £25 million, or we are requiring a drawdown on the contingency reserve of £25 million and we are spending £35 million or more on capital we must by definition have a surplus on our revenue income over expenditure of a minimum of £10 million a year?

**The Bailiff:** Is that how the figures work, Deputy St Pier?

**Deputy St Pier:** Yes, I believe Deputy Trott is referring to his old chestnut of where capital spending is funded from, sir. So I cannot disagree with his assessment.

**The Bailiff:** Deputy Trott.

**Deputy Trott:** Thank you. Is the Minister able to inform the Assembly how much interest income the contingency reserve generated during the year 2013?

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Well, sir, interest income and of course investment return as well, and again I do not have that information to hand. We do intend to more fully disclose in the accounts this year the financial performance of all the reserves which are managed by Treasury and Resources, but I am afraid I do not have that information to hand, but would obviously relay it – unless of course Deputy Trott has it to hand as well.

**Deputy Trott:** Is the Minister aware that Deputy Trott is able to make an educated guess, sir?

**Deputy St Pier:** That does not surprise me at all, sir.

**Deputy Trott:** Would the Minister agree with me that on the assumption that returns were probably around 6 or 7% we currently have a structural deficit of less than £10 million per annum?

**The Bailiff:** Deputy St Pier.



210 **Deputy St Pier:** Yes, we probably do have returns of that sort of order. That would not surprise me given the investment objectives for the funds, subject to confirmation. But that is one of the issues that needs to be addressed is exactly what those reserves are for and how they are going to be used which I did refer to in my statement, and as I have referred to before, we do intend to bring proposals back to the Assembly in relation to both the investment strategy and the uses of the fund.

215 **The Bailiff:** Deputy Fallaize has a question.

**Deputy Fallaize:** Thank you, sir. Unlike the Shadow Chancellor I do not know the answer to my question. *(Laughter)* Deputy St Pier referred to the ongoing structural deficit of the States. Is he able to advise the States whether when his Department and Social Security report to the States later this year with proposals relating to the personal tax and benefits review that those proposals will include recommendations which, if approved by the States, will eliminate the structural deficit of the States?

**The Bailiff:** Deputy St Pier.

225 **Deputy St Pier:** Sir, I am not sure whether that question arises out of the statement, but I think that what I can say is that the whole premise and purpose of the personal tax, pensions and benefits review is to provide recommendations to this Assembly which ensure that our pensions, tax and benefits system has long-term sustainability.

230 **The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Thank you, sir. Now a question on a slightly different topic which is related to the capital prioritisation report which Deputy St Pier referred to. Can he advise the States whether when that report is produced it will include proposals to fund capital projects, or will those proposals also wait for the personal tax and benefits review report?

**The Bailiff:** Deputy St Pier.

240 **Deputy St Pier:** It is our present intention, sir, to include recommendations in relation to funding in the capital portfolio report, sir.

**The Bailiff:** Deputy Gollop.

245 **Deputy Gollop:** My question is not dissimilar to the last one in that I believe the Treasury Minister in speeches has argued that the old phrases 'contingency reserve', 'rainy day fund', are not the best way forward and indeed the monies should be seen as a strategic capital reserve, or capital fund like a corporate entity. Will we have a separate debate on that, or will it be bundled into the budget or the personal tax and benefits review? Because I think within itself it is a stand-alone topic, and I have a second question on a different theme.

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

**Deputy St Pier:** I think our present intention, sir, is to include any recommendations in relation to the investment and use of the contingency reserve in the Budget Report as it forms part of the budgeting process, sir.

**The Bailiff:** Deputy Gollop.

260 **Deputy Gollop:** Yes. The Minister has made reference to the regrettable overspend at Health and Social Services Department, but has Treasury and Resources Department in themselves got a strategy to cap demand for services, whereby more people can be ill than you can expect?

**The Bailiff:** Deputy St Pier.

265 **Deputy St Pier:** No, sir. My Department certainly does not have that strategy; I do not think it would fit within our mandate, sir.

**The Bailiff:** Deputy Hadley.

270 **Deputy Hadley:** Mr Bailiff, related to that particular point, I thought again these statements come as a surprise and it is difficult for Members who have not your expertise to query you in great detail. But I thought that you had the discretion to increase budgets by up to 2%. Now it would appear from the figure that you have given that you have increased the budget of the Health and Social Services Department to disguise an overspend in the order of £4 million.

275 When the current Minister of Health and Social Services Department stood for election, he undertook to come back to the Assembly with a report if he could not get the spending of that Department under control. Well quite clearly, the spending at Health and Social Services Department is totally out of control and neither you nor the Minister of the Health and Social Services Department has come back with a report.

280 **The Bailiff:** Is this a question or a speech? Do you have a question?

**Deputy Hadley:** Why is that the case? *(Laughter)*

**The Bailiff:** Deputy St Pier.

285 **Deputy St Pier:** Why is what the case, sir?

**Deputy Hadley:** By way of explanation, Mr Bailiff, why has no report come to the States to justify this allocation of £4 million to that Department?

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

**Deputy St Pier:** Sir, to be clear, the Treasury and Resources Department has used its delegated authority to increase the authorised budget for Health and Social Services Department twice in the year, £700,000 in respect of off-Island placements and £1.3 million at the year-end, which is use of its delegated authority for £2 million which of course is within the 2% authority that we have. The other increases are in respect of the – that apply to all Departments in relation to voluntary severance and pay awards, which is outside the use of the delegated authority. The £300,000 is an overspend which of course the Department cannot authorise in any event.

300 **The Bailiff:** Before Deputy Trott asks another question, is there anybody else who wishes to ask questions? No? Yes, Deputy De Lisle.

305 **Deputy De Lisle:** Yes, sir. With regard to transfers to the capital reserve, I would like to ask the Minister whether in fact he is looking at some reduction in terms of transfer into the capital reserve, in order to reduce the deficit somewhat? Because it seems to me that the deficit has been remaining fairly high at the £25, £27 million, because of the large amounts that have been transferred in the past into the capital reserve. Will he be looking at also taking a cut, if you like, in the amount transferred in order to improve the deficit situation?

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

315 **Deputy St Pier:** Sir, Deputy De Lisle's suggestion, of course, would be a very simple way of addressing the deficit, but it would leave our capital spending programme unfunded. It ties in with Deputy Fallaize's question earlier in relation to the Department presenting funding proposals for the capital programme, and clearly we need to consider how we are going to fund our programme going forward and the impact therefore on general revenue and any transfers from general revenue to meet that programme.

**The Bailiff:** Deputy Trott.

320 **Deputy Trott:** Thank you, sir. In rising to compliment the Minister on the quality of the answers he has given this morning, can I ask finally, is the Minister able to advise whether ETI contributions in the public sector fell by greater, less, or the equivalent to, that he advised fell in the private sector? That is a particularly important question.

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

**Deputy St Pier:** I cannot reply to that, sir, with the information I have before me, sir.

330 **Deputy Trott:** Could I ask that information be circulated to Members at his convenience, sir?

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** I would be delighted to do that, sir.

335 **The Bailiff:** Does anybody else wish to ask a question of the Minister? Yes, Deputy de Lisle.

**Deputy De Lisle:** Sir, will the Minister be considering extending the ten of the zero 10 corporation tax regime in order to deal with the deficit situation in the next year?

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

**Deputy St Pier:** Sir, again I am not sure that question arises out of the statement, but nonetheless I am happy to give an answer. As I have indicated on many occasions elsewhere our room for manoeuvre in relation to extending the ten is extremely limited because of the Rules from the EU Code of Conduct Group in relation to our corporate tax regime. There may be limited scope in relation to extending the ten in relation to the fund administration businesses and that is a matter which I have indicated before is under review, and remains under review.

**Financial position for 2013-14 –  
Statement by the Health and Social Services Minister**

**The Bailiff:** I see no one else rising, we will move on to the next statement which is to be delivered by the Minister for Health and Social Services Department, Deputy Dorey.

**Deputy Dorey:** Thank you, Mr Bailiff. I am grateful for the opportunity to make this statement on the Health and Social Services Department's 2013 and 2014 financial position.

355 HSSD's final outturn position for 2013 was £112.1 million, an overspend of £300,000 against an authorised budget of £111.8 million.

However HSSD started this year with a budget of £108.1 million. I need, first of all, to outline the various changes to the Department's budget that were authorised by T&R in the course of 2013 and second to explain the size of the genuine overspend which we believe to be about £1.6 million. I will also speak about the Department's position in regard to the Financial Transformation Programme.

360 As I have said, the authorised budget for HSSD was £111.8 million at the year end, up from the original budget of £108.1 million. One third of this increase, or £1.3 million, was due to pay awards which are centrally funded and added to budgets. Another £800,000 was due to costs of severance both general and strategic. The remaining difference of £1.6 million between the original budget and the authorised budget is explained as follows.

365 HSSD's budget was reduced by around £500,000 in respect of two centralisation projects: telephony and recruitment. This was offset by additional funding of £800,000 from the budget reserve which included the funding for a special situation concerning looked after children and a small number of individual cases requiring significant levels of long term specialist care, which was reported in the October Budget Report. Most people requiring such care tend to be known to HSSD for some time and budgets can be set accordingly, but there are also cases where people come suddenly into the care of the Department for various reasons. Such unplanned placements can have a significant impact of HSSD's budget. But rather than building a generous contingency HSSD is working with T&R on the basis that where it is not possible to fund this additional unplanned care from with budget, HSSD will apply to the budget reserve. This leaves a difference of £1.3 million between the original budget and the authorised budget.

375 From, mid 2013 HSSD has been consistently forecasting an overspend against budget. Although the Department made significant efforts to contain costs and identify efficiency savings, particularly during the second half of the year, projected overspend never dropped below £1.3 million. As such, at the end of 2013 HSSD wrote to T&R asking them to approve an overspend of £1.3 million and this was done within their delegated authority.

380 As all the year-end processes have now been worked through, we are now able to confirm the final overspend figure was in fact £1.6 million. As I understand there will be a Proposition in the States accounts for the additional £300,000.

385 HSSD has made considerable efforts to strengthen financial management and improve the consistency and quality of financial reporting and the effects of that have already been felt. We have shared information regularly with T&R throughout the year as well as updating States Members on the Department's financial position at the October budget debate.

HSSD has also made genuine progress with the Financial Transformation Programme in 2013. At the start of the year the Department had to achieve a target of £3.29 million, of which £0.9 million was carried over from 2012. At the end of the year HSSD had banked £3.26 million. Only £30,000 less than the target in recurring full year savings. These savings were banked at various points during the year, so their in-year cash effect was less than the full year value. HSSD saved £1.75 million cash during the course of 2013. This was £1.5 million short of the full year savings. So, if HSSD had been in a position to bank all of its savings at the beginning of 2013 this would have brought the Department's overspend figure right down from the £1.6 million I have reported today to less than £100,000.

HSSD has an even greater challenge in terms of the FTP target for 2014. The Department is trying to achieve £4.7 million in savings to deliver an overall budget of £104.2 million.

HSSD is making progress and has banked £0.8 million in the first two months of the year. We have identified service saving opportunities worth about £1.1 million, that will be realised during the year, and are actively working to close the gap. However, as with 2013, savings will be gradually banked throughout the course of the year, which means that these will have a positive effect in terms of reducing HSSD's overall expenditure but will not have a full year effect in the Department's actual outturn for 2014.

It is too early in the year to forecast what the Department's financial position will be at the end of 2014, and we know the year-end will be a serious challenge. HSSD will continue to strengthen its own financial management, work closely with Treasury and Resources Department and to share information openly with States Members as the year progresses. Thank you.

**The Bailiff:** Thank you, Deputy Dorey. Deputy Hadley has a question, then Deputy Soulsby.

**Deputy Hadley:** Mr Bailiff, it is now some 15 months ago the Minister undertook to get the budget under control or come to the States with a report outlining a model that would work for HSSD if he was unable to do that. Now quite clearly the budget is not under control and can the Minister tell us when he is going to bring a report to the States rather than a quick Ministerial statement?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Sir, I cannot answer that question without referring it to my Department, and I do not believe it comes out of the financial statement I made, but I emphasise that I think we have made immense progress by delivering almost all of our FTP savings in 2013, and it was just that if we had started them all on January 1st, 2013 we would have had a very small overspend. So I think we have made considerable progress in 2013, but I do agree with Deputy Hadley the ongoing challenges of how HSSD's budget is calculated is something that we will discuss at Board and will discuss with T&R at the appropriate time.

**The Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, yes, I would like to ask the Minister whether he agrees with me that given today's statements from both the Treasury and Resources Minister and himself on yet another overspend that this further justified the Public Accounts Committee's recommendation that the overall model of Health and Social Care merits its own separate independent review as a matter of urgency, and that an internal review undertaken in bite size chunks that he prefers will not cut the mustard?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** There have been a number of reviews and I think that you can spend too much time on reviews. We have had our own financial management improvement plan. We have had the Finnamore Report. We have had the PAC Report and the internal audit report. We are working on improving the situation and we are working very closely with T&R to improve the situation. And we will discuss when it is the right time with T&R to bring everything back to this House.

**The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Thank you, sir.

Sir, I am afraid my question does not focus on saving money but spending it. I have a question regarding the MRI scanner which I believe is either in need of updating –

**The Bailiff:** Does this arise in the context of the statement?

**Deputy Lester Queripel:** It concerns the budget, does it not, sir?

**The Bailiff:** Well, it is permitted if it is within the context of the statement, but only if it is within the context of the statement. Deputy Queripel.

**Deputy Lester Queripel:** Would the Minister like to see a rise in expenditure?

**The Bailiff:** For any particular – ?

**Deputy Lester Queripel:** Would he accept a rise in expenditure, for the purpose of renewing or upgrading the MRI scanner?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** The MRI scanner was one of the items which would be included in the capital programme, the renewal of that, so I think that is the time to discuss the MRI scanner.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Sir, in the context of ensuring that the budget can be controlled and reformed for the future is the Board actively considering options such as outsourcing partially, or completely, functions such as catering, cleaning, artisan trades and professions, property management, recruitment and human resources management, as a way of perhaps long-term reducing the budgetary need, whilst not disadvantaging disabled and other people requiring HSSD care?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** As part of the Financial Transformation Programme we are looking at everything which we can do to reduce our long-term spending and produce repeatable year savings, every year savings, we have had as I said an extensive review, we have had a particular consultant who came in for a few weeks to review the Department last year, and he identified a large number of savings which we could take forward. We are working through those and we are working very closely with the Financial Transformation Programme team at the centre to help us to identify savings, to review any savings and we are also working with our staff and we will continue to do that to identify any areas where we can make savings.

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Thank you, sir.

Some of these exchanges rather suggest that the allocation of budget to HSSD is a great science. I mean it really is not, it is a bit of a ‘finger in the air’ job. You add a bit more and then you take away FTP savings targets.

Given that, is the Minister able to give the Assembly some reassurance that in the not-too-distant future we will have an opportunity to debate the appropriate level of long-term funding of health care and social services that are necessary in Guernsey?

And secondly, is the Minister able to advise the States of the difference in expenditure by HSSD in the year 2013 compared to say 2009 or 2010 so that we can have some understanding of what the Department’s financial performance is against reality, real expenditure rather than simply against allocated budget?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Answering the second question first, I am happy to give you figures. I have got a table here which lists original authorised outturns for the years from 2005 to 2013 but I do not think they are digestible verbally, I think they would be needed in a table, so I am happy to give Members that table.

Sorry, in answering the second question, could you just repeat your first question?

**Deputy David Jones:** Could we have a debate on – ?

**Deputy Fallaize:** Thank you, sir.

The 2009 and 2010 figures against the 2013 figures would suffice; I think that would be a useful comparison for the States.

The first question was – is the Minister able to reassure the States that sooner rather than later the States will have an opportunity to debate what is the appropriate level of funding necessary for health and social services in the long term?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** I would welcome that. I think it is a considerable challenge trying to work out a formula for health. I recently went to a summit in the UK and I know the NHS faces immense challenges with financial constraints on it, and I think health will always have those constraints. One of the problems with health is there is a never-ending demand for it, and it is where you say no. That is what we have been trying to do with our setting up various procedures and it is unfortunate that we are saying no, particularly involving some drugs which are given intravenously which people can get in the UK. But that is the reality of trying to control budgets.

But I will circulate the table.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, would the Minister agree with me that a review of the health care system, a wholesale review of the health care system is essential to be able to determine what our long-term funding needs are for health? But given the limited resources our priority in the short term *must* be to focus on ensuring we have good financial management and forecasting ability within the Department and that is where our attention should be in the short term.

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** I agree, and we have done a lot to improve, as I said in my statement, our information that is given to the Board and also we pass on to T&R, and I think our forecasting system has shown to be robust from the second half of the year, so we are well aware of that. But there are immense challenges with the FTP programme and we are reviewing our health care system, but not in one block but by areas, and we will continue to do that to see that we get the best value for money from our health care system.

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

**Deputy Kuttelwascher:** Sir, Treasury and Resources Department regularly meets with its counterparts in Jersey and at one of those meetings it was agreed that Jersey's health care review results would be passed on to our own Health Department, and this was some time ago. I want to ask whether that has been of any value at all to the Health Department.

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** We have gone for, basically, a different strategy in terms of reviewing our health care to Jersey, so it is no doubt of some value, but we have made a decision, having listened to advice and considered the ability of the Department to carry out such a review and to forward the results of such a review to do it the way that I have outlined, and we are working on that, and there will be a debate in relation to that area coming back to the House later this year.

**The Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** I would like to ask the Minister whether he believes that his Department has sufficient resources in terms of expertise and numbers to undertake the reviews that he suggests.

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** We will no doubt have to use some outside help and we will use outside help when we need it to carry out the review, but we have got considerable resources in the Department and it is a matter of working with resources we have got, with contracts we have with consultants, and to carry out the review area by area.

**The Bailiff:** Anyone else? No? Well that concludes the ministerial statements for this sitting of the States.

## Questions for Oral Answer

### ENVIRONMENT DEPARTMENT

#### Planning policies re residential sites – Timely development; encouraging housing development; use of hotel sites

**The Bailiff:** We move on to Question Time. We have some questions to be asked by Deputy Gollop of the Minister for the Environment Department. Deputy Gollop.

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**Deputy Gollop:** Thank you, Mr Presiding Officer, sir. There are three questions altogether. How can the Environment Department ensure that sites with current residential development permission get developed in a timely fashion?

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**The Bailiff:** Deputy Domaille.

**Deputy Domaille:** Sir, the simple answer is that it cannot. The Environment Department is required under current planning policy to ensure that a two-year housing supply is effectively available for housing development at any one time. The current annual target is 300 additional new dwellings per year. This target has been met and exceeded over the last three years and is currently being met in terms of planning permissions granted by the Environment Department with the current pipeline housing figures supply figure of 736 additional dwellings approved. This ensures the minimum provision of houses in the pipeline but it is for the market to decide how many of these planning permissions are taken up and built.

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The Environment Department has no legal powers to require that approved developments are actually built. As occurs elsewhere a small percentage of permissions never come to fruition and there are a variety of potential reasons for this, including at present, issues surrounding available finance for both developers and end buyers of properties.

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Monitoring this rate of take-up shows that after one year of being granted planning permission, approximately a third of permissions for residential development are taken up. After two years approximately half of permissions are taken up and after three years over three quarters of permissions are taken up.

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**The Bailiff:** Are there any supplementary questions arising out of that?

**Deputy Gollop:** My second question, which follows on from it really is: what planning policies can the Environment Minister and his Board implement in the immediate foreseeable future in encouraging more sites to come forward that in particular support private, public, social, intermediary and third sector housing?

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**The Bailiff:** Deputy Domaille.

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**Deputy Domaille:** Sir, in implementing the current planning policies agreed by the States the Department is currently proactively supporting and encouraging all types of housing to come forward.

For the future, the Department is undertaking a major review of planning policy for housing and its provision on the Island through preparation of a new Island development plan.

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The current policy towards housing and land supply relies on windfall sites being brought forward by developers. These are sites that have not been identified specifically for housing development plan but are considered under broader planning policy. The new development plan will identify a minimum five-year supply by allocating specific sites for housing, focusing on deliverable sites. It will also for the first time recommend some general market housing developments to contribute directly to the supply of public, intermediary, and third sector housing, through the use of planning covenants, but only to the extent the development would remain viable.

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Research undertaken by the Department with feedback received from public consultation will inform preparation of a Draft Development Plan which the Department expects to publish in the early summer of 2014. The Draft Plan will be subject to a public inquiry and representation from the public, both for and against the proposed policies, will be considered by an independent planning inspector and subsequently, the Draft Plan together with any proposed changes will be presented for the States' consideration.

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Thank you, sir.

620 **The Bailiff:** Any supplementary questions? Deputy Hadley? Have you got a supplementary, Deputy Gollop? And then Deputy Hadley.

625 **Deputy Gollop:** Yes, I welcome those plans and indeed I was aware of some of them likely to happen already. But will those plans be worked in conjunction with other Departments of the States particularly Treasury and Resources and the Housing Department within the context of the Corporate Housing Programme?

**The Bailiff:** Deputy Domaille.

630 **Deputy Domaille:** Yes.

**Deputy David Jones:** Could I just ask a supplementary?

**The Bailiff:** Deputy Hadley was on his feet first, and then –

635 **Deputy Hadley:** Mr Bailiff, does the Minister agree with me that in fact if he finds more sites for development this will not help the situation if builders obtain planning consent and then do not build them? And so has his Department looked at why builders are not activating their planning consents?

And could I also implore the Minister to speak rather more clearly when he answers the questions, because I am actually finding it difficult to listen to what his answers are.

640 **The Bailiff:** Deputy Domaille.

645 **Deputy Domaille:** Well, taking the last comment first, I apologise, sir. In trying to give full answers within the time limit I have had to speak quickly, and I apologise. I have also got a cold but I am not looking for any sympathy. (*Interjections and laughter*) I asked for that one. I forget the question now!

Right, I think the point about developing and getting people to develop is a very difficult question. There are far more problems than perhaps there are solutions, and the solutions themselves are quite technical, and Housing and Treasury – and we have actually offered to work with them – are looking at a variety of measures to deal with bringing... getting perhaps through taxation, perhaps through some orders of some sort, to get developers to actually build sites or not have derelict or empty sites. So, we are working on that.

650 I think the real change that we are producing on the development plans whereby we are moving away from the windfall site proposals to whereby we have actually done a trawl already, and said to the population of Guernsey, 'If you have got some land that is in or near the centres we are looking at, that you are prepared to have developed, then please tell us and we will put those into the plan', and assuming the States agree or the planning inspector, those will give some more certainty on those plans. It does not stop windfall sites coming along, but I think that is probably a good way forward.

660 **The Bailiff:** Deputy Dave Jones and then... Sorry, Deputy Hadley.

**Deputy Hadley:** Sir, I do not think, with respect, that the Minister has answered the question. I mean has his Department actually looked at the building industry to find out from them why they are not building?

665 **The Bailiff:** Deputy Domaille.

**Deputy Domaille:** Sorry, sir, I forgot that element of the question, I am sorry Deputy Hadley. Yes, we have met with the Construction Industry Group and their response to us was primarily it was to do with funding.

670 **The Bailiff:** Deputy Dave Jones.

675 **Deputy David Jones:** Sir, would the Minister agree with me that as far as liaison goes between Environment and Housing any number of hours have been spent between senior staff of Housing and Environment talking about these kinds of issues and Housing has been working very close together with Environment to see if some of these matters can be resolved?

**The Bailiff:** Deputy Domaille.



680 **Deputy Domaille:** Yes, sir. I think at staff level I think we are liaising if not almost daily, and we have found working with Housing on this particular issue to be extremely good, and we also welcome Treasury's interest in the matter as well.

**The Bailiff:** Deputy Fallaize.

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**Deputy Fallaize:** Thank you, sir.

I am sure the Departments are working closely together and there is no lack of commitment on this issue. But would the Minister agree that it would be of some use for his Department and the Housing Department, and quite possibly Treasury and Resources as well, to come to the States with a joint report setting out measurable targets for resolving what remains in Guernsey a housing crisis? We are now at the stage where the affordability of housing has deteriorated by 100% in a generation. That is not going to improve unless the supply of housing increases because there is no let-up in the demand for housing. So can the Departments please work together to come to the States with a report with proposals and measurable initiatives which can be implemented by the States?

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**The Bailiff:** Deputy Domaille.

**Deputy Domaille:** Thank you, sir.

From the Environment Department's perspective we have already offered to Treasury and Housing to sit down with them and talk through these issues. I am well aware that Treasury is doing some work in this area. I am very well aware that Housing has actually done a very full paper on it. So, in that regard we are working together, but I have to say that from an environmental planning perspective – and I want to solve the problem – the question of affordability is not an issue for planning.

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**The Bailiff:** Deputy Sherbourne.

**Deputy Sherbourne:** Thank you, sir.

I wonder if the Minister could explain the lines of communication, the structures that exist for the Board and the Department to discuss these issues with developers as well as the members of the construction industry.

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**The Bailiff:** Deputy Domaille.

**Deputy Domaille:** Thank you, sir.

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Our door is always open, we encourage our staff to work proactively with developers and we do hold pre-application meetings and are quite prepared to discuss almost any – well, any planning issue – but almost any issue with developers.

Interestingly on that, just bear with me just a minute, this is from the Director of the Garenne Group and it is a point he has made recently and it says:

'I get the impression, and this is anecdotally from developers who work in both Islands, that Guernsey is more proactive and accommodating in planning terms and is cheaper. The States acts almost as a development enabler, effectively asking, "How can we help you make this happen?"'

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Thank you.

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

Your third question please, Deputy Gollop.

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**Deputy Gollop:** Third and final question, really. Would the Environment Department agree that there is a surplus of current hotel hospitality accommodation sites, and these could be redeveloped as budget-priced residential apartments to buy or rent, or even transfer to the States Housing Department ownership and/or control?

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**The Bailiff:** Deputy Domaille.

**Deputy Domaille:** No, sir, we would not agree. The current planning policies concerning rationalisation of visitor accommodation approved by the States in 2007 create a presumption against the loss of existing visitor accommodation establishments, unless specific criteria including standard of accommodation, viability, location, immediate surroundings, size and potential for upgrading are met. It is only if these

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criteria are met and it is agreed that the premises may be lost from the visitor accommodation sector that alternative uses may be considered.

In considering any planning application for such a proposal affecting existing visitor accommodation the Environment Department is required to consult with the Commerce and Employment Department. Feedback from the Commerce and Employment Department received as part of the current development plan review process indicates that following a period of rationalisation of the visitor accommodation sector since 2007, including the loss of a number of poorer quality, less satisfactory hotel premises, the amount and quality of visitor accommodation on the Island has now stabilised at an appropriate level, and there is only very limited scope for further losses without prejudicing the retention of an adequate stock of visitor accommodation on the Island.

In the light of this advice from the Commerce and Employment Department the Environment Department cannot agree with the Proposition that there is a surplus of current hotel hospitality accommodation sites with potential for redevelopment as suggested.

Thank you, sir.

**The Bailiff:** I see no one seeking to ask any supplementary questions, so that concludes Question Time. We may move on.

Move on, please, Greffier.

## Billet d'État V

### ORDINANCES

#### I. The Alderney (Application of Legislation) (Food and Drugs) Ordinance, 2014 – Approved

##### *Article I.*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled “The Alderney (Application of Legislation) (Food and Drugs) Ordinance, 2014”, and to direct that the same shall have effect as an Ordinance of the States.*

**The Senior Deputy Greffier:** Billet d'État V, Article I. The Alderney (Application of Legislation) (Food and Drugs) Ordinance, 2014.

**The Bailiff:** This piece of legislation is in the brochure, Members. Does anybody require any further clarification or debate? No? Well, I put The Alderney (Application of Legislation) (Food and Drugs) Ordinance to you. Those in favour; those against.

*Members voted Pour.*

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

### ORDINANCES LAID BEFORE THE STATES

#### The Protection of Investors (Limitation of Liability) (Bailiwick of Guernsey) Ordinance, 2014 – deferred

**The Bailiff:** Next we have Ordinances laid before the States, the first one of which is The Protection of Investors (Limitation of Liability) (Bailiwick of Guernsey) Ordinance, 2014. But as this relates to Article II on Billet V, namely the Policy Council Report on the Channel Islands Securities Exchange Authority, Limitation of Liability in respect of Regulatory Functions, I put to you that we defer that Item.

There has been no motion to or I have not been given notice of anybody seeking to have the Ordinance repealed, but I propose that we defer debate on it until we deal with the Policy Council Report. Those in favour; those against.

*Members voted Pour.*

775 **The Bailiff:** In that case we will defer that and please continue, Greffier, with the other Items.

**The Aviation Registry (Guernsey) (Amendment) Ordinance  
laid before the States**

**The Senior Deputy Greffier:** Billet d'État V, The Aviation Registry (Guernsey) (Amendment) Ordinance, is laid before the States.

**STATUTORY INSTRUMENTS LAID BEFORE THE STATES**

**The Financial Services Commission (Fees) (Amendment) Regulations, 2013;  
The Income Tax (Guernsey) (Valuation of Benefits in Kind) (Amendment) Regulations, 2013;  
The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit)  
(Amendment) (No. 7) Regulations, 2013;  
The Temporary Prohibition of the Importation of Animals from Alderney (No 2) Order, 2013;  
The Pigs (Identification and Notification) Order, 2013;  
The Sheep and Goats (Identification and Notification) Order, 2013;  
The Liquor Licence (Fees) (Amendment) Regulations, 2013;  
The Mooring Charges (Guernsey) Regulations, 2013;  
The Harbour Dues and Facilities Charges (Guernsey) Regulations, 2013;  
The Fees, Charges and Penalties (Airport Fees) (Guernsey) Regulations, 2014;  
The Mooring Charges (Guernsey) Regulations, 2012;  
and The Harbour Dues and Facilities Charges (Guernsey) Regulations, 2012**

780 **The Senior Deputy Greffier:** The following Statutory Instruments are laid before the States: The  
Financial Services Commission (Fees) (Amendment) Regulations, 2013; The Income Tax (Guernsey)  
(Valuation of Benefits in Kind) (Amendment) Regulations, 2013; The Health Service (Benefit) (Limited  
785 List) (Pharmaceutical Benefit) (Amendment) (No. 7) Regulations, 2013; The Temporary Prohibition of the  
Importation of Animals from Alderney (No 2) Order, 2013; The Pigs (Identification and Notification)  
Order, 2013; The Sheep and Goats (Identification and Notification) Order, 2013; The Liquor Licence (Fees)  
(Amendment) Regulations, 2013; The Mooring Charges (Guernsey) Regulations, 2013; The Harbour Dues  
and Facilities Charges (Guernsey) Regulations, 2013; The Fees, Charges and Penalties (Airport Fees)  
(Guernsey) Regulations, 2014; The Mooring Charges (Guernsey) Regulations, 2012; and The Harbour  
Dues and Facilities Charges (Guernsey) Regulations, 2012.

790 **The Bailiff:** I have not received notice to annul any of those Statutory Instruments or that Ordinance. So  
we can move on swiftly.

## Billet d'État VIII

**I. Home Department –  
Election of a Minister –  
Deputy Gillson elected**

*Article I.*

*The States are asked:*

*To elect a sitting Member of the States as Minister of the Home Department to complete the unexpired  
portion of the term of office of Deputy Jonathan Paul Le Tocq, who has been elected to the office of  
Chief Minister, namely to serve until May 2016, in accordance with Rules 3(2) and 7 of the Rules  
relating to the Constitution and Operation of States Departments and Committees.*

**The Senior Deputy Greffier:** Billet d'État VIII, Article I. Home Department – Election of a Minister.

**The Bailiff:** Chief Minister, I understand that that you are proposing Deputy Gillson. Is that correct?

**The Chief Minister (Deputy Le Tocq):** That is correct.

**The Bailiff:** And that is seconded by Deputy Le Clerc?

**Deputy Le Clerc:** Yes, that is correct, sir.

**The Bailiff:** Are there any other nominations for the post of the Minister of Home Department? No?

In that case, Deputy Gillson, you may under the Rules speak for five minutes in support of your nomination. (*Laughter*)

**Deputy Gillson:** Thank you, sir.

I would like to thank Deputies Le Tocq and Le Clerc for their nomination and support, and also thank all the Members who have sent me kind messages of support.

Firstly, I will just make a declaration that I have an existing link with the Home Department in that my brother is employed there. I do not envisage this being an issue but I believe that in the interest of transparency Members should make it known if they have close family links with any Department they wish to join, hence the declaration.

Sir, within our form of Government Ministers may have such a title but in reality are Chairmen of Committees as well as being *ex officio* Members of Policy Council, and I believe my political and business experience is appropriate to successfully fulfil the responsibilities of the position.

My employment history is, I think, quite well known. It is just worth noting that an important aspect of this was holding Board-level positions, attendance at and chairing meetings locally and overseas. Especially in this current financially difficult climate, I am sure my financial experience will be of benefit at Departmental and at Policy Council level.

From a political point of view, this is my second term as a Deputy and during my first I was a Member of Commerce and Employment where I also sat on sub-groups such as Business Guernsey, Finance Sector Group, Lifelong Learning Apprenticeship and Youth Employment Construction Sector and additionally a member of Air Route Licensing Authority, where we reviewed all licences and made a particularly difficult decision in one case, despite knowing there was a possibility of legal action coming at us, but we were not afraid to make that decision.

I was also a member of the Environmental Policy Group, Strategic Land Planning Group, a non-voting member of Waste Disposal and a member of the Solid Waste Consultation Review Panel. During that period, I became Deputy Minister of HSSD and this term, I think everyone knows I am Vice-Chair of SACC, Scrutiny and a member of the Douzaine Liaison Group.

Sir, being half way through a term of Government, it is not about major change of policy initiatives or direction. The current Board has been in place for two years, has experience, and over that time has developed the current policy initiatives and prioritisation. Based on reading the current business plan of the Department those priorities seem totally sensible – in which case the role is about ensuring targets for policy initiatives are achieved rather than changing direction.

Additionally the Board, like all Boards, continues to have an important role in monitoring of policy implementation and ensuring services are provided in an efficient and cost effective manner within policy parameters defined by the Board or the Law, and I think that is shown by some of my Rule 5 and 6 questions. I am not afraid to challenge answers if I do not believe I am getting full information and can insist on sometimes having full and complete information.

In summary, sir, I think I have the experience both inside and outside politics to fulfil the role of Minister of the Home Department for the remainder of this term of Government. Thank you.

**Several Members:** Hear, hear.

**The Bailiff:** Thank you.

Well Members, we vote now on... and we do it not by secret ballot because there is only one candidate. We will vote on the proposal that Deputy Gillson be the Minister of the Home Department, proposed by Deputy Le Tocq, seconded by Deputy Le Clerc. Those in favour; those against.

*Members voted Pour.*

855 **The Bailiff:** I declare Deputy Gillson elected. (*Applause*) And I invite Deputy Gillson to take his seat amongst the Policy Council. (*Applause, interjections and laughter*) Welcome, Deputy Gillson.

## II. Election of a Deputy Chief Minister – Deputy Langlois elected

*Article II.*

*The States are asked:*

*To elect a Minister as Deputy Chief Minister to complete the unexpired portion of the term of office of Deputy Jonathan Paul Le Tocq, who has been elected to the office of Chief Minister, namely to serve until May 2016, in accordance with Rules 3(2) and 7 of the Rules relating to the Constitution and Operation of States Departments and Committees.*

**The Senior Deputy Greffier:** Article II. Election of the Deputy Chief Minister.

860 **The Bailiff:** Chief Minister, you have proposed Deputy Langlois, is that correct?

**The Chief Minister (Deputy Le Tocq):** That is correct, sir.

865 **The Bailiff:** And that is seconded by Deputy Luxon, is that correct?

**Deputy Luxon:** Yes, sir.

870 **The Bailiff:** Are there any other nominations for the post of Deputy Chief Minister? No?  
Deputy Langlois, then you may speak for five minutes in support of your candidacy.

**Deputy Langlois:** We have got five minutes, I shall do my best.

Sir, I feel honoured and privileged to speak in support of my candidature for the post of Deputy Chief Minister of Guernsey. Following the interesting events of a couple of weeks ago, I feel it is most appropriate for me to make a few comments about my vision for the remainder of this parliamentary term.

875 But may I first take this opportunity, sir, to thank all my supporters both in the Assembly and outside during the Chief Minister election. Among those I would like to make particular mention of a rather special lady who happens to be sitting in the Public Gallery this morning. (**Several Members:** Hear, hear.) (*Applause*) Needless to say, as far I know, she has been a supporter of mine for all my life. (*Interjection and laughter*)

880 Inevitably, the closeness of the vote two weeks ago has led to a number of different interpretations. Some wish to interpret the vote as an indication that there are two clear factions in this Assembly, and in my opinion nothing could be further from the truth. To me, the results followed by the proposal which has now been made by the Chief Minister and Deputy Luxon for me to take the Deputy Chief Minister post are a clear indication of the overriding strength of our consensus system of Government. (**A Member:** Hear, hear.) I feel sure that this will be proved by the cross-section of voters for both candidates when the votes are published soon.

I thank Deputy Le Tocq and Deputy Luxon for their confidence that I will be able to fulfil this role effectively as part of the States and Policy Council team with much to achieve over the next two years.

890 Given all that was said two weeks ago, you do not need to know anything more about me and my background. I will continue to carry out my duties as Social Security Minister to the best of my ability, and we have several key workstreams that must be achieved.

The precise allocation of Chief Minister and Deputy Chief Minister workloads will have to be agreed. Nevertheless, regardless of how those tasks are allocated, I am confident that I can work closely with the Chief Minister to represent this Island positively and proudly.

895 With regard to the business of the Assembly which crosses Departmental boundaries I think it is essential that certain decisions are made within the next two years. This in no way belittles the work of any single Department and some very key decisions that each and every Department is seeking. But, we must reach some resolution on the Personal Tax, Benefits and Pensions Review, the work of the States Review Committee and the population proposals. Those are absolutely paramount as far as I am concerned. It is not an all-embracing list but those are at the top of it.

900 I will do all that I can to ensure that these three crucial sets of decisions are reached in the true spirit of consensus that marks out the special nature of the States of Guernsey. That will demand much

communication and liaison together with the spirit of compromise by all concerned, so that we can assure the medium to long term future of the Island.

Serious divisional conflict on these or any other matters within the Assembly, or the Policy Council, will serve no useful purpose. However, we must recognise the healthy spirit of constructive debate and conflict will be necessary to find the elusive compromises in each and every one of the areas. The Chief Minister and I will seek to show leadership throughout the process.

Sir, I will serve Guernsey proudly for the next few years and let us all face up to the ongoing challenges in order to maintain our wonderful Island's identity, culture and prosperity. In other words, sir, and unusually, I will stand tall. *(Laughter and applause)*

**The Bailiff:** Well, Members, we vote on the nomination of Deputy Langlois as Deputy Chief Minister proposed by the Chief Minister, seconded by Deputy Luxon. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare Deputy Langlois elected as the Deputy Chief Minister. *(Applause)*

## Billet d'État VII

### **I. Scrutiny Committee – Election of a Chairman – Deputy Robert Jones elected**

*Article I.*

*The States are asked:*

*To elect a sitting Member of the States as Chairman of the Scrutiny Committee to complete the unexpired portion of the term of office of the late Alderney Representative E. P. Arditti, namely to serve until May 2016, in accordance with Rule 7 of the Rules relating to the Constitution and Operation of States Departments and Committees.*

**The Senior Deputy Greffier:** Billet d'État VII, Article II. Social Security Department – new Member.

**The Bailiff:** We need the election of the Chairman of the Scrutiny Committee next, Deputy Greffier.

**The Senior Deputy Greffier:** I beg your pardon, sir. That is Billet d'État VII, Article I. Scrutiny Committee – new Chairman.

**The Bailiff:** Do we have any candidates proposed? Deputy Robert Jones?

**Deputy Robert Jones:** Yes, sir.

**The Bailiff:** Oh, do we have a proposer for – *?(Laughter)* Deputy Sherbourne!

**Deputy Sherbourne:** Yes, sir!

**The Bailiff:** Deputy Sherbourne, you are proposing Deputy Robert Jones?

**Deputy Sherbourne:** I am, sir, thank you.

**The Bailiff:** Thank you.

Does anybody wish to second Deputy Robert – ? Deputy Soulsby, thank you very much.  
Does anybody else wish to stand or offer their candidacy for the post of the Chairman of the Scrutiny Committee? No?

I see no one else, so Deputy Jones, you may speak for five minutes in favour of your candidacy.

**Deputy Robert Jones:** Thank you, sir.

First of all, I should start by mentioning the former Scrutiny Chairman, the late Paul Arditti (**A Member:** Hear, hear.) Clearly replacing such a man will be a difficult task. He changed political scrutiny in Guernsey, and in a relatively short time had a profound impact on politics here in Guernsey and in Alderney. I make no apology in saying that I hope to continue to lead the Scrutiny Committee in a similar direction, although with perhaps a slightly different style.

I believe the Committee is now working very effectively in delivering an agreed vision for parliamentary scrutiny. We believe this is right for Guernsey. It is looking to build on the success it has already achieved in delivering a new type of political scrutiny in the public arena.

The course of the Committee's work has been agreed for the current year with the report on security of electricity shortly to be completed, and workstreams having commenced on a Strategic Air Links Policy, and a review of the impact of some of the changes that resulted in the new Children's Law.

I think it is now generally accepted that the current consensus system of government in Guernsey requires an appropriate political scrutiny. Sunlight is the best disinfectant – this is a well-known quote often used when referring to the benefits of openness and transparency within Government. I believe it is essential that credible and respected organisations operate with this philosophy in mind. Questions from the public or the media may make leaders uncomfortable but the questions are often valid. I believe that openness and transparency is an identifying characteristic of a successful democracy. And I want the Scrutiny Committee to play its part in taking the States of Guernsey forward in this direction.

Political scrutiny operated for an inappropriate purpose can be very dangerous both for the individual Members and for the States of Guernsey, and it is vital that that power of scrutiny function is used in a way that ensures appropriate political oversight rather than reflecting the political ambitions of its Members. In this way I believe that the existence of a robust scrutiny function is an effective and necessary deterrent for other Government Departments and Committees.

If a topic of major importance arises demanding urgent action the Committee has shown that it is prepared to launch and can deliver effective urgent business reviews. The reviews into the AFR affair ably demonstrated the Committee's willingness to act and to act quickly. I can confirm that the current Committee will not hesitate to act in this way when the Committee deem it necessary.

Good scrutiny is based not just on the actions taken but also on the influence the Committee can exert to encourage action throughout the States of Guernsey.

Our work thus far has led not only to the increased public visibility of the scrutiny process but has also provided a welcome nudge when it has been called for to prompt action from a number of Government Departments. I believe that this is the essence of good political scrutiny to act decisively when necessary, but also try to influence practice across the whole of the States.

I therefore ask you to give me your support in the role of the Scrutiny Chairman. Continuity is important if the agreed objectives of the Committee's work are to be delivered, and I believe that as the choice of the existing Members, and as the former Vice-Chair, I represent the logical choice for the Assembly moving forward. The current Committee is working together very effectively and we have developed into a cohesive team. The Committee has chosen its path it has mapped out and it is consistent and it is solid. I believe now is the time to deliver not just for this Committee, but right across the States of Guernsey.

Thank you.

**The Bailiff:** Well, Members, you vote now on the election of Deputy Robert Jones as Chairman of the Scrutiny Committee, proposed by Deputy Sherbourne, seconded by Deputy Soulsby. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare Deputy Robert Jones elected. (*Applause*)

Deputy Jones, if you wish, you may move across the Chamber to the vacant seat on the other side. Greffier.

## II. Social Security Department – Election of a new Member– Deputy Inglis elected

*Article II.*

*The States are asked:*

*To elect a sitting Member of the States as a Member of the Social Security Department to complete the unexpired portion of the term of office of Deputy C. J. Green, who has resigned as a member of that*

*Department, namely to serve until May 2016, in accordance with Rule 7 of the Rules relating to the Constitution and Operation of States Departments and Committees.*

**The Senior Deputy Greffier:** Article II. Social Security Department – new Member.

**The Bailiff:** It is for the Minister of the Social Security Department, Deputy Langlois to nominate somebody if he wishes to do so. Deputy Langlois.

**Deputy Langlois:** I would like to nominate Deputy David Inglis.

**The Bailiff:** Deputy Inglis – is there a seconder? Yes, thank you very much, Deputy Jones.

Do we have any other candidates? No, in that case we go straight to the vote. Under the Rules, different rules apply to the election of a Member to those that apply to the election of a Minister or a Chairman, but as there is only one candidate we go straight to the vote.

I put to you the election of Deputy Inglis as a Member of Social Security Department, proposed by Deputy Langlois, seconded by Deputy Jones. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare him elected.

**A Member:** Well, done. *(Applause)*

**III. Public Accounts Committee –  
Election of a new Member –  
Deputy Harwood elected**

*Article III.*

*The States are asked:*

*To elect a sitting Member of the States as a Member of the Public Accounts Committee to complete the unexpired portion of the term of office of the late Alderney Representative E. P. Arditti, namely to serve until May 2016, in accordance with Rule 7 of the Rules relating to the Constitution and Operation of States Departments and Committees.*

**The Senior Deputy Greffier:** Article III. Public Accounts Committee – new Member.

**The Bailiff:** Deputy Soulsby, do you wish to propose somebody?

**Deputy Soulsby:** Yes, sir. I would like to propose Deputy Peter Harwood.

**The Bailiff:** Deputy Harwood, and do we have a seconder for Deputy Harwood?

**Deputy Le Clerc:** Yes, sir.

**The Bailiff:** Thank you very much, Deputy Le Clerc.

Do we have any other candidates? No?

We go straight to the vote then on the proposal to elect Deputy Harwood as a Member of the Public Accounts Committee, proposed by Deputy Soulsby, seconded by Deputy Le Clerc. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare Deputy Harwood elected. *(Applause)*



## Billet d'État V

### II. Policy Council – Channel Islands Securities Exchange Authority Limited – Limitation of Liability in respect of Regulatory Functions granted

Article II.

*The States are asked to decide:*

*Whether, after consideration of the Report dated 13th January, 2014, of the Policy Council, they are of the opinion to grant a statutory limitation of liability to Channel Islands Securities Exchange Authority Limited in respect of the regulatory functions set out in that Report.*

**The Senior Deputy Greffier:** Billet d'État V, Article II. Policy Council – Channel Islands Securities Exchange Authority Limited – Limitation of Liability in respect of Regulatory Functions.

**The Bailiff:** Just before I call the Chief Minister to open the debate, Deputy Harwood has advised that he will be leaving the Chamber and I think for the record that we should record that Deputy Harwood will not be present in the Chamber for this debate.

Deputy Trott, I believe you wish to declare an interest.

**Deputy Trott:** Yes, I rise to make a declaration. I am a director of a company that *was* a shareholder of the Channel Islands Stock Exchange and *is* a shareholder of CISEL. No member of that Board has ever served as a director of either entity and I reserve my right to speak on the issue, sir.

Thank you.

**The Bailiff:** Deputy Gillson. (*Interjection by Deputy Gillson*) Deputy Gillson is also leaving the Chamber.

The Chief Minister will open the debate.

**The Chief Minister (Deputy Le Tocq):** Thank you, sir.

I am pleased to have the opportunity to introduce this Ordinance relating to the Channel Islands Securities Exchange Authority Limited and in particular in relation to the Limitation of Liability in respect of Regulatory Functions.

Before doing so, I want to emphasise that the Channel Islands Securities Exchange is a commercial entity, not a Government entity, and as such is subject to the regulatory oversight of the GFSC, the Guernsey Financial Services Commission. That will mean that there are clearly defined parameters to what I can comment on now, and what I will be able to say in response to any questions from Members which follow, not least as regulatory investigations remain ongoing into the historic issues at the old entity.

What I can say quite clearly at the outset is that the focus of this Ordinance and of my comments will be on the new structure, the Channel Islands Securities Exchange and how that new structure moves forward.

Firstly, the principle of statutory limitation: I would like to begin by setting out the basic principle we are considering. It is common for bodies with financial services regulatory functions to have a statutory limitation of their civil liability in the absence of bad faith.

In terms of Government, or statutory financial service regulators, the GFSC has had such a limitation of its liability since 1990, and for example so does the FSA in the United Kingdom, and the JFSC in Jersey. This allows them to undertake their regulatory functions fearlessly, without fear of constant litigation arising from potential tough and unpopular regulatory action.

Many investment exchanges are private undertakings with self-regulatory functions in respect of their members and listed entities. Under Guernsey's model for the regulation of investment exchanges, the GFSC regulates the operation of an investment exchange, but is not responsible for regulating the conduct of members of the exchange or for acting as a listings authority. The exchange itself is required by the Commission to establish, supervise and enforce membership, and listing rules, through contractual arrangements with its members and listed entities. These are essentially regulatory functions – functions that operate in the public interest. Again this function is overseen by the GFSC.

In the UK, Stock Exchanges have been granted statutory limitations of their civil liability in respect of the exercise of their regulatory functions as referenced in paragraphs 15 to 17 of the States Report before the Assembly.

The Policy Council believes it is in the public's interest that the new Channel Islands Securities Exchange should have a statutory limitation of liability in respect of the regulatory functions specified in

the Ordinance to ensure that it can act effectively, fearlessly, and in a timely manner, in exercising those functions. The Policy Council believes that this will help to protect the reputation of the new Exchange and the public interest in the effective regulation of the Exchange.

Secondly, the practicalities of limitation of liability for the new Stock Exchange. It is important to point out that the limitation of liability granted by this Ordinance will only apply to specified regulatory functions of the new regulated company, Channel Islands Securities Exchange Authority Limited or CISEAL, which is named in the Ordinance. It does not in any way apply retrospectively to the old Exchange. Let me stress this Ordinance is not about some kind of blanket immunity.

To illustrate that, I will answer two important questions. How does the Ordinance limit the liability? The answer is that it only grants a limitation of liability in respect of anything done or omitted to be done in the discharge or purported discharge of the regulatory functions specified in the schedule in the Ordinance. It also excludes anything done or omitted to be done in bad faith.

Will this Ordinance allow the Exchange to avoid criminal or regulatory liability as well as civil liability? No, it will not. For the avoidance of doubt the Ordinance expressly does not apply to criminal liability and is without prejudice to the GFSC's regulatory powers and duties.

Next, the structure of the new Channel Islands Securities Exchange. I also think it will be helpful to explain the difference between the old and new structures of the Channel Islands Exchange in order to provide the fuller context of the change set out in the Ordinance. The old structure was a private company limited by guarantee, with both guarantee and shareholder members. Both the commercial and regulatory activity was undertaken within the same company with one board of directors. It was not, and never was, a Government entity.

The Policy Council held a non-participation share in the company, requiring Policy Council consent for a limited number of specified corporate actions such as a change to the company's name; or objects; its migration from Guernsey to another jurisdiction; or the establishment of a principal place of business outside of Guernsey. In essence the Policy Council's non-participating share was designed to protect Guernsey's interests in the Stock Exchange remaining in, and associated with Guernsey, given the economic benefits to the local economy.

The new Channel Islands Securities Exchange is also a private commercial undertaking. It is not a Government entity. There are two separate companies that form the new structure. The first, the Channel Islands Stock Exchange Limited (CISEL) undertakes the commercial business of the Exchange such as marketing the Exchange. The second, the Channel Islands Securities Exchange Authority Limited (CISEAL), undertakes the regulated activity of operating the Investment Exchange which includes being solely responsible for the Exchange's self-regulatory functions.

CISEL is a company limited by shares and has private investors. The States acting by and through the Policy Council hold a non-participating share in CISEL which replicates as closely as possible, given the different structure of the new Exchange, the effect of a non-participating share in the old Exchange. The States of Guernsey has no financial liability for the Exchange. CISEAL is also a company limited by shares and is a wholly owned subsidiary of CISEL. CISEL is therefore the only shareholder of CISEAL.

CISEAL is a separate legal entity to CISEL – I thought you would like this! (*Laughter*) It has its own board of directors who are responsible for the governance and oversight of the regulated entity, but not the commercial activity of the Exchange conducted by CISEL. The board are themselves subject to the oversight of the GFSC.

Now, the role of the GFSC – one final point is that none of this changes the role of the GFSC in this regard. The statutory framework in Guernsey requires the GFSC to oversee the operation of an investment exchange. This role for the GFSC will continue. Under the new Channel Islands Securities Exchange structure, CISEAL will have a clear front-line regulatory role, regulating the conduct of the members of the Exchange and acting as a listing authority for example.

In short, what the States is being asked to agree today is a step that will ensure that the governance of the new Channel Islands Securities Exchange is brought into line with regulatory best practice elsewhere. That is to say that it is fit for purpose and fully able to act in the best interests of our Island and the Channel Islands.

In my statement to the Assembly in October I said that the Channel Islands Stock Exchange and I quote, 'must reinforce, not undermine Guernsey's hard-won reputation as a good and stable place to do business'. This Ordinance is a very important step in that respect.

**The Bailiff:** Deputy Trott.

**Deputy Trott:** Sir, may I rise to ask on a matter of law, what is meant by the term 'bad faith'?

**The Bailiff:** Mr Procureur.

1150 **The Procureur:** Deputy Trott was kind enough to give me five to ten minutes' notice of that question, (Laughter) so I have looked it up and I can assure the Assembly that in legal concepts it has absolutely nothing to do with Mr Proust, as Wikipedia seems to think. It is actually, in law, acting in bad faith is taking an intentional or malicious action which you know to be wrong. Or equally it could be failing to do something when you know that the law requires you to do it and you intentionally omit to do that. It is often distinguished from simply negligence.

**The Bailiff:** Deputy Storey.

**Deputy Storey:** Thank you, sir.

1160 I have no problem with the providing of immunity for directors or the companies involved in this area in regard to listing or other matters of business that the Stock Exchange might undertake.

But my understanding of the background for this is really that the change in the structure of the operations and trying to split the business arm from the regulatory arm is in order to preserve financial reputation in Guernsey, and as such I have concerns about what is being proposed here. Because if we approve this Report, it seems to me that by implication we are approving the structure that is being adopted, and I am not sure that the structure that is being proposed to be adopted provides the appropriate division of responsibilities that perhaps we ought to be having.

In fact I find that the proposed structure flies in the face of good corporate governance, sir. What is being proposed is regulation of a company by its wholly-owned subsidiary.

1170 Now the duty of directors of any company is to serve the best interests of its members, its shareholders, and obviously within the bounds of the law, but that is the duty of the director, and if the directors of the subsidiary have the same owner as the company that they are trying to regulate, it seems to me that there is an inbuilt conflict of interest. In my experience it is common practice, sir, for a subsidiary which is dependent on its parent, especially when it is dependent on its parent from a financial perspective, to agree to matters which are expedient for its parent, due to that dependence on its parent for its financial viability.

1175 Sir, I am concerned about the structure that is being proposed here, because I do not think there is sufficient separation of responsibilities between the operating function and of the regulatory function. And at the moment, I do not think I am able to vote in favour of this Report, even though I am in favour of granting immunity to the directors, because I do not think that the structure is one that is going to provide that support for the financial reputation of the Island going forward.

So perhaps the Chief Minister could address that particular point when he replies to this debate, and hopefully he will be able to convince me that I am able to support the Report, but at the moment I feel that the potential conflict of interest between the company and its subsidiary is not satisfied by what is stated in the Report.

1185 Thank you, sir.

**The Bailiff:** Deputy Stewart and then Deputy Ogier.

1190 **Deputy Stewart:** Mr Bailiff, if I may just speak generally to put this Report into context just for a minute. In the world of international finance, I believe Guernsey is too often highlighted unfairly whether from within, by those who have some sort of grudge, or from outside from those who are either misinformed, jealous of our position as a well-regulated international finance centre, or have some form of axe to grind against us.

1195 If we look at the Libor scandal, then all the publicity is directed against those corporates involved in Libor, not the government where that was taking place. Or in large money-laundering cases, there is again the bank or institution identified, not the jurisdiction. However, in our case, Guernsey is always under the spotlight, which is why it is so important that we should be well regulated.

1200 Only last week I had to put a Dutch MEP right who clearly did not understand the supervision and regulation of our trusts, yet still declines to this day to meet with Guernsey Ministers who want to explain how our finance sector not only meets international standards but in most cases exceeds them.

However, no matter how well regulated a jurisdiction is, it is impossible to prevent criminality or incompetence and that is something that always will happen. Neither, more importantly can we prevent misinformation or mischief in the media, whether that is in the main media or in social media.

1205 Finance, as we are aware, is vital to our economy and the Channel Islands Securities Exchange is a large economic enabler for our corporate service providers here in the Bailiwick, sir. The restructuring which was as a result of a huge amount of work involving the Commerce and Employment's Financial Sector Development Unit, Law Officers and other officers makes this Exchange fit for 21st century corporate governance principles. And to remind everyone, the GFSC has overall regulatory oversight of the new entities and the regulatory part of the Exchange has only the regulatory duties concerning their rules and their listings – they are extremely narrow.

I want to give you a practical example of what might happen and why this immunity needs to be there. It costs about £5,000 to list on the Exchange so I will nip up there and I think I will register Kev's High Return Retirement Fund – something you would all like to invest in, I am sure. But the Exchange says to me, 'I do not think you meet our listing requirements.' I disagree with them, so I get my lawyer and I start legal proceedings against them, because I want Kev's High Return Retirement Fund on there, but the Exchange do not think I am fit and I do not meet their list of requirements, yet I start a legal case against them. Now this legal case I could bring, I would tell them my opportunity costs of not being able to list this fund is £50 million, £100 million. So for a £5,000 listing fee, the Exchange without this immunity, without being able to protect themselves, could see them open for a £50 million or £100 million legal case. If that is the case and they do not have the immunity, it is not commercially viable, therefore we will not have an Exchange.

The immunities, and I draw your attention to page 378 and 20, are extremely limited. It is just over their own rules and listings. It does not have anything in respect of anti-money laundering obligations or anything like that. It is really to stop this sort of thing happening.

Now, to come back to misinformation and misunderstanding, e-mails that have been flying around and Deputy Inglis has raised, I do not think it is right for 21st century corporate governance. When the Law Officers and I looked at this, we were absolutely determined to make sure that this did fulfil the high standards that Guernsey, because it is under the microscope, needs to be able to demonstrate that internationally and the new structure does that. They need immunity, it is extremely limited immunity, and I am still working very closely with the Exchange. In fact, I am there tomorrow.

I would, whilst standing, and hopefully I have brought some clarity to this, like to thank the officers at Policy Council, the Law Officers, Legislation Select Committee, all of whom worked extremely hard to enable a new fit for purpose Exchange to continue. It is vital for our finance sector, it creates a huge amount of opportunities and I do urge Members to support this Report.

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** Thank you, sir.

I think it is reasonable that the regulatory side be granted statutory limited liability in line with many other such regulators as Deputy Storey does, and as has been ably explained by Deputy Stewart. The timing can appear to be slightly awkward due to the publicity surrounding this entity over the recent period. I understand that.

Now the Tubby Report mentions inappropriate listings being made in the past, which may have lowered the reputation of the old Exchange as well as Guernsey in the round, and has resulted in significant restructuring. Those alleged errors have been made by the organisation, even while open to the possibility of action being taken, and many of the senior staff are the same. Yes some have gone, but four staff responsible for oversight of some of the findings of the Report remain in post. So I would like to ask when the possibility of action is removed for regulatory function. What guarantee does the States of Guernsey have that those errors will not continue to be made?

What has been done by States of Guernsey representatives to assure themselves the likelihood of these kinds of activities do not occur in future? Before we grant statutory limited liability what has changed? What are we granting limited liability to? What comfort would Deputy Le Tocq give this Assembly to help us through the concept of granting statutory limitation of liability to a body which has allegedly committed errors in the past? Which has had to be reorganised and which has many of the key senior responsible staff members in place. These questions may not normally be asked in such a format but this is being asked because the entity has been publicly under scrutiny recently. I think this Assembly has a duty to ask these questions on behalf of the population.

Why are securities which have been identified as inappropriate still listed? And will the fact that they are still listed affect the granting of statutory limitation? And I ask what contingent liabilities exist for CISEL? How has CISEL worked without this limitation so far, and how will it work for cases which have been listed since the restructuring in December?

I read in the States Report, and I quote, that:

'The States may by Ordinance provide that no liability should be incurred by the Committee [or the Commission], or by any other person or bodies specified in the Ordinance, in respect of anything done or omitted to be done after the commencement of the Ordinance...'

So we read that this limited liability shall come into place after the commencement of the Ordinance. So, this indicates to me, and will the Chief Minister agree, that for example many decisions which CISX made and are now the liability, or potential liabilities, of CISEL will not be granted a statutory limitation of liability? And can it be confirmed that action taken against CISEL in regard to regulatory errors made by CISX would not be subject to such statutory limitation of liability?

Would Deputy Le Tocq describe to us what would happen should action be taken in relation to any regulatory error made by CISEL before the granting of any statutory immunity? I presume in that case there would be no such limitation.

Now, we are told in paragraph 18 that the States may by Ordinance provide that no liabilities shall be incurred by the Committee, and paragraph 21 tells us:

‘It should be emphasised that the grant of immunity will only be in respect of things done, or omitted to be done, after the date of commencement of the Ordinance.’

Now, at first glance, it may appear that as the States have not passed such an Ordinance, immunity cannot therefore be in place. However, it is, I have been informed, due to the exercise of delegated powers. This is not made very clear in the Report and is referred to only in paragraph 25 where we are informed Legislation Select Committee have been asked to exercise their powers, but there is no conclusion of the results of that request.

Sir, it is probably a timing issue when the Report was drafted legislation had been asked to use their delegated powers and by the time we reached debate such powers had been exercised and limited liability is in place. However, I cannot help but feel we have been under informed on this. The Report makes it seem that we are being asked to put in place an Ordinance which, when agreed, will grant the requested limited liability this is what the Report states. However, as of today that limited liability has already been in place under exercised powers. Now I am not saying we have been misled but I think that point needs to be clarified, and will the Chief Minister explain the exact situation regarding the timings, the procedures, when and how this was put in place and how this affects any liabilities which may have accrued in the period which CISEL was operating?

Thank you.

**The Bailiff:** Deputy Trott and then Deputy Kuttelwascher.

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

Having asked the Procureur on that point of clarification earlier to define ‘bad faith’ and his answer in a nutshell was certain negligence, I rise to –

**The Procureur:** I am sorry, with respect, I am probably very unclear. My answer was very specifically to contrast negligence from bad faith. My answer was bad faith involves doing something intentionally and knowing that it is wrong.

**The Bailiff:** Deputy Trott.

**Deputy Trott:** Okay, well having done something intentionally, and knowing it is wrong, would you not be negligent, sir?

**The Bailiff:** I think I am being asked to answer that, but Mr Procureur, perhaps you should answer that.

**The Procureur:** Sorry, I was not –

**The Bailiff:** Having done something intentionally and knowingly wrong, would you not have been negligent, is the – ?

**The Procureur:** You would have been *more* than negligent –

**The Bailiff:** You would have been more, that is the point.

**The Procureur:** – you would have been dishonest, immoral, malicious, let us use all the nasty words that we can. The point is that bad faith connotes something much worse than negligence, much more culpable than negligence.

**The Bailiff:** Negligence is in the nature of carelessness; bad faith goes beyond.

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

The States is being asked to decide whether after consideration of the Report dated 13th January 2014 of the Policy Council they are of the opinion to grant statutory limitation of liability to Channel Islands Securities Exchange Authority Limited in respect of the regulatory function set out in that Report. That is

1325 what we are being asked to agree to, and I have a question, and the question is this: if we decide not to grant this statutory limitation what, if anything, will happen?

1330 It seems to me that the directors of that entity must have directors' and officers' insurance and PI insurance and the other indemnities that you would normally associate with any corporate structure. The fact is that it is up and running at the moment under the delegated authority that Deputy Scott Ogier referred to earlier. I repeat for clarity my question. If we do nothing today what actual effect or consequence will that have?

**The Bailiff:** Deputy Kuttelwascher.

1335 **Deputy Kuttelwascher:** Sir, I want to make a point which was touched on by Deputy Ogier, and it relates to paragraph 25 on page 380. As I understand it this Ordinance is already in effect. It came into effect on 20th January and what we have as a Proposition on page 381 is an opportunity to annul it. And that is rather an unusual situation. If you look at other Ordinances which are laid before us we do not have the opportunity to annul any of it unless somebody decides to stand up and make a point or whatever. But here we have an actual written opportunity to annul it. I am curious why on this occasion this is the case. Because if you look at the other Ordinances we have approved today we did not have the same opportunity to annul in writing. On page 381, it is basically asking us whether or not we want to annul an Ordinance which has been enacted and I just find it unusual.

Thank you.

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**The Bailiff:** Deputy Robert Jones, were you looking to stand? Deputy Jones.

**Deputy Robert Jones:** It is not unusual for the Legislation Select Committee to be asked to exercise its powers in the way that it has done on this one. On the basis that if we were to submit it to the Billet in the normal manner, this would not have come before the States until at least a couple of months beyond today's date, so I have not got the exact dates on me, I had hoped to have the letter before me, but... It is not unusual because expediency was required in this instance on the basis that, from 20th December to 20th January, the Exchange was operating without an immunity. So we often do exercise this and I think it is not entirely true, Deputy Kuttelwascher, to say that we do not have the means to annul. You obviously have to be aware of the Ordinances that are being laid. But there is a procedure to follow. I guess in this instance there will be a requirement to relax those rules in order to annul this particular Ordinance particularly because the States may or may not approve the Ordinance in this debate.

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**The Bailiff:** Does anyone else wish to speak in debate? No.  
Chief Minister will reply then.

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**The Chief Minister:** Thank you, sir.

I will just refer first of all to Deputy Storey's comments. They do overlap a little bit with what Deputy Scott Ogier was asking. And his comments were largely around the area of good governance, and overall I can assure this Assembly that what is being proposed in this is certainly a significant improvement in the governance. As to whether further changes will be necessary, as we well know that regulation improves and best practice changes over years, and I daresay there will be, as there have been with the GFSC, such changes that need to occur, but it is certainly a significant improvement on the past.

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But in terms of the Exchange being a private organisation with both commercial interests and self-regulatory functions, whilst the entity with the regulatory functions, CISEAL, is a wholly-owned subsidiary of the entity that undertakes the Exchange's commercial activity, CISEL, the key feature is that they are separate legal entities with separate boards of directors and that is where the significant improvement lies. The entity with regulatory functions is supervised, in any case, by the GFSC and has an independent board that is accountable for its governance and oversight. The new Exchange structure therefore has a much greater separation of commercial and regulatory functions than the old Exchange.

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Deputy Stewart asked a... Sorry, Deputy Ogier asked a number of questions. I thank Deputy Stewart for his examples and support. And I thank Deputy Ogier for his advance warning of some of these questions so I am going to treat them in the order in which they were given.

First of all, I cannot comment specifically on any detail of the Tubby Report, as I have not been given a copy. My understanding is that the Tubby Report was a draft internal report that was leaked before it had been validated by the old CISX Board. As I have said my focus, and that of the Policy Council, is to focus on ensuring that the new Channel Islands Securities Exchange structure is fit for purpose and prevents any occurrence which is detrimental to Guernsey's reputation. My understanding is that the changes that have been made as part of establishing the new structure have been made precisely for that reason. I do want to ensure that we remember that the Ordinance before us today is about looking forward, not looking back and

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ensuring that we have a Securities Exchange that is fit for purpose and reinforces our reputation as a good place to do business, and the one that meets the highest of standards. I would add, though, that the Policy Council's view is that this Ordinance will enable the Channel Islands Securities Exchange, the new structure, to be more robust in the way it deals with listings which it thinks are potentially inappropriate and that is a massive improvement on the past.

Deputy Ogier asked questions about the senior staff. The Channel Islands Securities Exchange is a commercial entity not a Government entity. It would be wholly inappropriate for me to comment on their staffing decisions, but I do know that the Commerce and Employment, as he mentioned, is meeting with some of the senior staff there tomorrow lunchtime, as well as being in regular contact with the Chairman, Mr Jon Moulton, and I know that this is a question that he will also raise.

The Channel Islands Securities Exchange is a commercial entity –

**The Bailiff:** Sorry, Deputy Ogier.

**Deputy Ogier:** Thank you. A point of order, maybe.

I wish to clarify a question that I asked at that point. The examples that I was using were an example of how maybe things have not changed and my question related to, as you say, needing to ensure it is fit for purpose. How have we ensured that it is fit for purpose? What has changed from where it was before to where it is now that ensures that this entity is fit for purpose?

**The Bailiff:** Deputy Le Tocq.

**The Chief Minister:** And my answer to that is that the structure that we have now is clearer, more transparent and more able to work in conjunction with the GFSC in order to manage its responsibilities, under the Law, and as a regulator and that structure is the improvement that makes that fit for purpose.

As I was saying, the Channel Islands Securities Exchange is a commercial entity not a Government entity and any litigation is solely a matter between the parties involved and the Courts. The Policy Council is not privy to those issues.

It should be remembered that a regulatory investigation undertaken by the GFSC is ongoing.

Deputy Ogier asked why are securities that have been identified as inappropriate still listed, and if they are still listed the effect of granting a statutory limitation, what continued liabilities exist.

If you believe securities which have been identified as inappropriate are still listed, then this is a matter which should be taken up, without delay, with the regulatory function of the new Exchange. I will gladly give you any support in doing that, and I know the same can be said of the Commerce and Employment Minister. Furthermore, if answers to your questions are not answered to your satisfaction, then Members can also raise them with the GFSC which oversees the whole operation.

Those short-term arrangements that have been put in place in terms of the – this is a question regarding the limitation and so far as how it will work for cases which have been listed since the restructuring since December. The short-term arrangements are a matter for the Channel Islands Securities Exchange. It is the view of the Policy Council that it is in the best medium- and long-term interests of Guernsey, and the viability of the Channel Islands Securities Exchange, for the limitation of liability set out in the Ordinance to be in place at this time.

Deputy Ogier asked in his questions regarding the Ordinance and its proposals being retrospective, and I have said already but I will underline the Ordinance is not retrospective so decisions made before the 20th January 2014 will not be covered by the Ordinance.

He asked if I could confirm that action taken against CISEAL in regard to registry errors made by CISX would not be subject to such statutory limitation of liability and I can confirm that. The Ordinance is not retrospective as I have said before, so decisions made prior to 20th January will not be covered by the Ordinance. This is looking forward at the new structure.

Sir, I believe I have made it clear this morning that the future of the Channel Islands Securities Exchange, this is what is laid before us at the moment today, it is the future not the previous structure. So to confirm the Ordinance is not retrospective, decisions made before 20th January will not be covered by the Ordinance.

And Deputy Ogier, a lot of his questions were relating to things that happened before that. There is an investigation ongoing. This is about the new structure being fit for purpose, but it would not be helpful or proper to discuss hypothetical regulatory investigations.

Deputy Trott asked what would happen if we decided not to grant statutory limitation and the answer is it would be a breach of best practise and we would be back to the situation that we were before, which we do not want to find ourselves in. This is an important thing because it affects Guernsey's reputation and so it would affect the manner and, one example that Deputy Stewart used, which individuals could take the Channel Islands Securities Exchange and they would be liable in a way that would be inappropriate and

very expensive, which in the end would be detrimental to our reputation and to the best practice of the Securities Exchange.

Thank you, sir.

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**Deputy Trott:** Sir.

**The Bailiff:** Deputy Trott.

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**Deputy Trott:** Sir, the Chief Minister sat down as I was going to intervene, sir. Am I able to address this matter? Because –

**The Chief Minister:** I will try and answer.

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**Deputy Trott:** Thank you, Mr Presiding Officer.

The question I asked is what would happen if the States failed to approve this resolution and the answer the Chief Minister gave suggested that there were issues surrounding negligence prior to 20th January, because at that time no such undertaking had been given by the Assembly. It was not until the Legislative Select Committee were asked to intervene at that time when the status changed. So it seemed to me that what the Chief Minister has suggested that there were negligent activities prior to 20th January as a result of the answer he gave and I want to give him the opportunity to reconsider that, in order that it is not misconstrued outside of this Assembly.

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**The Bailiff:** Deputy Le Tocq.

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**The Chief Minister:** I was not giving that implication. What I was saying is that this particular structure is an improvement on the previous structure. The Policy Council believes it is right and proper that this Government approves this structure for the future, so I am not making any comments except that this is an improvement on the previous structure.

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**The Bailiff:** Deputy Kuttelwascher, you were standing.

**Deputy Kuttelwascher:** Yes, I just want to confirm the point that this Ordinance was actually enacted on 20th January and is in place, which is fine. So what we are being given, if we do not support it is what – an opportunity to annul it? Or, which I presume is the case, and my point was that that is quite unusual to have that opportunity because normally with Ordinances they are not presented like this. But that is all, so it is in place already, so we just confirm it or otherwise?

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Thank you.

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**The Bailiff:** I think the Procureur would like to assist.

**The Procureur:** This all gets terribly technical but the bottom line is the States are today being asked, in this Proposition, to endorse a principle of a limited immunity for the CISEAL. That immunity is already in place by virtue of legislation. Even the States refusal to endorse the principle of it would not technically itself revoke that legislation. Ordinarily an Ordinance which has been made under the Reform Law powers by the Legislation Select Committee is laid before the States where it can be annulled and there is a procedure for giving notice of an intention to move that it be annulled. If the States were to not endorse this particular Proposition clearly one would have somewhat of a mismatch situation and I would suspect that a Member may very well move to suspend the Rules of Procedure regarding the giving notice of a motion to annul and such motion might then be moved. But if the States endorse this principle, then no such motion has been given and the legislation will remain in force.

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**The Bailiff:** Deputy Trott.

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**Deputy Trott:** May I direct a question to HM Procureur? If that is the case, if the States does not endorse this Proposition, does it in the interim period at least remain business as usual at the CISEAL?

**The Procureur:** If the States does not endorse this Proposition that does not in itself affect the immunity which has been in place since 20th January. Clearly that would be an inconsistent position and one which would have to be resolved. I did not say so but my thinking is that this Assembly would seek to put in place a mechanism for resolving the difficulty in the course of this very meeting.

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**The Bailiff:** Thank you, Mr Procureur. Well, Members we vote now on the Proposition, it is a single Proposition, it is on page 381 of Billet V. Those in favour; those against.

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*Members voted Pour.*

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

**The Protection of Investors (Limitation of Liability) (Bailiwick of Guernsey) Ordinance, 2014  
laid before the States**

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**The Bailiff:** Greffier, can we then lay the Ordinance before the States?

**The Senior Deputy Greffier:** Yes, sir. The Protection of Investors (Limitation of Liability) (Bailiwick of Guernsey) Ordinance, 2013.

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**The Bailiff:** And I have received no notice of any motion to annul the Ordinance. Is it 2013 or 2014, Greffier?

**The Senior Deputy Greffier:** 2014, sir, yes.

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**The Bailiff:** 2014. Thank you. So we move on to the next Item of business. Those who had left the Chamber have now returned.

**III. Policy Council –  
Miscellaneous Changes to Department and Committee Mandates –  
Debate commenced**

*Article III.*

*The States are asked to decide:*

*Whether, after consideration of the Report dated 27th January, 2014, of the Policy Council, they are of the opinion:*

*1. That the Mandate of the Culture and Leisure Department be amended as follows:*

- i) The first bullet point under paragraph (a) be amended to read “The promotion of the arts in Guernsey”;*
- ii) The third bullet point under paragraph (a) be amended to read “The States’ museums, galleries, objects of cultural or historical importance and historical and archaeological sites”*
- iii) The fourth bullet point under paragraph (a) be amended to read “Matters relating to civic celebrations and commemorations such as the Islands’ Liberation and other such events pursuant to the Department’s mandate;*
- iv) An additional bullet point in paragraph (a) be included, reading “The protection and improvement of the Island’s unique heritage and cultural identity, including the provision of financial assistance”;*
- v) An additional bullet point in paragraph (a) be included, reading “The preservation and promotion of Guernésiais”;*
- vi) Section a(ii) be amended to read “Liaison with, and oversight of, the various Commissions that are constituted by the States or the Department to assist in the discharge of its mandate;”*
- vii) An additional section a(vi) be included, stating “the ‘on island’ products necessary to support the visitor experience.”*

*2. That the Mandate of the Home Department be amended as follows:*

- i) Section (a)(iii), reference to the Financial Intelligence Service be removed and replaced with the Financial Intelligence Unit;*
- ii) Section a(vii) be repealed and replaced with “The provisions of community based sentencing options including the Community Service Scheme”;*
- iii) Section a(xiii) be amended to read The provision of administrative services to the Department’s panels and committees including the Parole Review Committee, Police Complaints Commission, Independent Custody Visitors, Independent Monitoring Panel and Appropriate Adult Scheme”*

iv) *An additional section be included, Section (a)(xv), stating “The Safeguarder Service and the provision of effective and efficient services to the Courts and others”;*

v) *The inclusion of an additional section, Section (a)(xvi), stating “The provision of an effective and efficient criminal records check service for employers.”*

3. *To approve the proposal that when Le Grand Courtil and La Nouvelle Maraitaine become operational that section (a)(ix) of the Mandate of the Housing Department be repealed and that “The provision of care and support services to the occupants of ‘extra care’ housing at Le Grand Courtil and La Nouvelle Maraitaine” be inserted in its place.*

4. *That the Mandate of the Public Services Department be amended as follows:*

i) *Section a(xvi) “The provision of corporate engineering and architectural services” be repealed;*

ii) *Section a(xviii) be amended to read “The provision and administration of a direct labour organisation and emergency works response team (States Works)”;*

iii) *The second point under paragraph (b) shall be renumbered as (ii).*

5. *That the Mandate of the Treasury and Resources Department be amended as follows:*

i) *Section a(x) be amended to read “Insurance of States activities and resources”;*

ii) *An additional section be included, Section (a)(xvi), stating “The provision of corporate engineering and architectural services.”*

6. *That in paragraph (a) of the Mandate of the Policy Council, after subparagraph (ix) “(x) Internal audit and risk management;” be inserted and that the existing sub-paragraphs (x) to (xvii) be renumbered as (xi) to (xviii).*

**The Senior Deputy Greffier:** Article III. Policy Council – Miscellaneous Changes to Department and Committee Mandates.

**The Bailiff:** Deputy Le Tocq, Chief Minister.

**The Chief Minister (Deputy Le Tocq):** Thank you, Mr Bailiff.

Sir, this Report seeks the States to agree to a number of minor miscellaneous changes to mandates of Departments and Committees, as set out within the Report.

When the States approved the Department and Committee mandates which would form a new Government structure from May 2004, there was an expectation that the mandates may require further revision once the machinery of Government changes had bedded in. Now, sir, following correspondence from the very wise Home Department, the Policy Council in its own wisdom considered it appropriate to write to all Departments requesting their consideration of their mandates. In making this request, Policy Council specifically requested that responses were limited to minor changes recognising that more significant or fundamental changes fall within the ongoing work of the States Review Committee.

The Departments responses have been incorporated within this Report and are self-explanatory, with Departments using this as an opportunity to ensure that their mandates are reflective of the practical changes and developments which have evolved since 2004.

Thank you, sir.

**The Bailiff:** Any debate? Deputy Soulsby, then Deputy Le Clerc.

**Deputy Fallaize:** Sir, is there not an amendment?

**The Bailiff:** Sorry, I have called Deputy Soulsby, she was on her feet first.

**Deputy Fallaize:** Sir, I think an amendment has been circulated.

**The Bailiff:** Oh, an amendment has been circulated – sorry, you are right. Actually, well I have not got a copy of it, it has been circulated – it has been circulated to everybody but me – but thank you very much. *(Laughter)* I now have it. It is an amendment proposed by Deputy Bebb, seconded by Deputy James.

Deputy Bebb.

*Amendment:*

*To insert a new Proposition 7 as follows:*

*"7. That the Mandate of every Department of the States of Deliberation, including the Policy Council, be amended to include a further provision as follows:*

*To be cognisant of any impact that its policies and procedures have on the health and wellbeing of the Island's population, and to be accountable to the States therefor."*

**Deputy Bebb:** Thank you, *Monsieur le Bailli*.

My apologies that it was not circulated to you in advance. To those Deputies who like their amendments circulated far in advance, I can only apologise, but this is something that I do feel was sufficiently important to move and I hope that, I beg your forgiveness for laying it so late in certain Deputies' minds.

However, last February we unanimously supported the Mental Health and Wellbeing Strategy and that strategy had envisaged within it that it came with no funding. And therefore it was essential for us to work differently, and when I look at the strategy and I look at it with the wording there, it asks how will this be achieved and I think, if you will permit me, I would just like to read that for you:

'It does need those resources to be employed differently and for there to be joined-up government that reinforces inter-agency partnership and collaboration. This will address the sometimes perverse incentives to work in isolation. In order for this to be successful, this strategy must be relevant at political, strategic, managerial and operational levels.'

As you will see from the amendment that is laid before you, this is a way of addressing that political question. Each and every Department of the States of Guernsey have a very real impact on mental health and wellbeing. There is not one Department that does not impact in a very real way.

Recently as a result of the strategy, the Housing Department for instance, being cognisant of the needs of mental health duly amended their criteria, eligibility criteria, in order to deal with a certain number of mental health sufferers and that has been incredibly successful, and I thank the Housing Department for undertaking that work.

But that is exactly the type of thing that is currently implicit within Departments and is not explicit. Every single Department have within their mandate a need to be cognisant of the use of public funds, but the actions that they take could well have an impact on the ultimate cost of Health and Social Services, and as we have heard in a statement this morning, those costs are significant, they are problematic.

We need each and every Department to think differently and what I am simply asking is that we make it explicit what we currently have as implicit within many peoples Departments. I recognise that some people will have some questions as to why we would not want to care about other things, but realistically other things are not impacted in the same great degree that mental health is impacted by.

I am grateful to Deputy James for seconding this amendment. Deputy James was the Chairwoman of the Mental Health Strategy Implementation until she left HSSD, which I am very grateful for her work there. And since she has left it has been taken on by me, and I can tell you that each and every person that I speak to talk of various problems that they have had with Departments in their correspondence. People are not thinking of people who suffer with mental health when writing to them. It is not a big thing but the impact on the individual can be substantial. That is exactly what I hoped would be addressed by this amendment, I do not believe that it is earth shatteringly huge, but I do believe that the impact could be, and I would sincerely hope that Members would support it.

Thank you.

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

**Deputy James:** I do, sir, thank you.

**The Bailiff:** Thank you. Does anybody wish to – ? Deputy Fallaize.

**Deputy Fallaize:** Thank you, sir.

I do not think this amendment causes too many problems. The mandates of States Departments and Committees are in a bit of a mess, quite frankly, and they need to be rewritten, probably irrespective of what the States resolve on the States Review Committee's proposals.

The only question I have, having looked at this amendment in the brief time that we have had since it was circulated, is that it is a direction to amend the mandate of every Department of the States, or it says 'every Department of the States of Deliberation' but anyway... This is the problem with this rather daft word 'Department', because we have Committees. For example, there is a Social Welfare Benefits Investigation Committee: now presumably Deputy Bebb would want that Committee to be cognisant of any impact that its policies and procedures had on health and wellbeing of the Island's population, but strictly under the wording of this amendment, it would not be necessary to add this extra bullet point to that particular Committee's mandate. So it seems to me that it would be sensible, if the States are going to add

this bullet point to all of the mandates, that it ought to read ‘to the mandate of every Committee of the States’ and not just ‘to every States Department’.

1615 Now if Deputy Bebb is prepared to amend the amendment slightly, then I would be happy to support it and I do it on behalf of the States Assembly and Constitution Committee which I suppose will effectively have to write it in to all of the mandates, I cannot see this being a problem on that proviso.

1620 **The Bailiff:** Well, before we have any further debate, do you wish to amend your amendment in that way so that everybody knows what amendment we are debating and whether it is the original amendment or the amended amendment?

1625 **Deputy Bebb:** I am quite content to amend it, because I had not thought of the Benefits Committee specifically, my thought when I was thinking of Committees were those of for instance PAC, Scrutiny, where the impact could be questionable and that is why I initially excluded, but Deputy Fallaize has raised a fair point and I think that there would be no harm if Deputy James is willing to second that amendment, I am willing to amend it thus.

1630 **The Bailiff:** HM Procureur wishes to say something.

**The Procureur:** Well, not to comment on that, but I rise with some trepidation, but since an amendment to an amendment has been proposed, may I just say this: that the entirety of Deputy Bebb’s proposing speech was related to mental health. The way in which the amendment is drafted is very much wider than that, and it was his words put before us, it refers to health and wellbeing. If this amendment is to be solely about mental health and wellbeing, well let us have that clearly stated.

It is really, I am afraid, quite difficult when these amendments are postulated at the last minute like this.

1640 **The Bailiff:** Right, well, can we just be clear what wording we are going forward with. Would it help if we just rose for five minutes and gave perhaps Deputy Bebb a chance to speak perhaps to HM Procureur? Policy Council have not discussed it.

**The Procureur:** Sir, I would appreciate that, I was trying to gain the views of Policy Council as this is their Report. If we had a five-minutes recess that would make it much easier.

1645 **The Bailiff:** Right, thank you. We will rise.

*The Assembly adjourned at 11.47 a.m.  
and resumed its sitting at 11.58 a.m.*

**III. Policy Council –  
Miscellaneous Changes to Department and Committee Mandates –  
Propositions 1-2 and 5-6 carried *nem. con.*; Proposition 3 carried**

**The Bailiff:** Deputy Bebb, do we now have some agreed wording?

1650 **Deputy Bebb:** *Monsieur le Bailli*, could I possibly ask that the amendment reads:

*‘That the mandate of every Committee of the States, including the Policy Council, be amended to include a further Proposition as follows:’ –*

1655 **The Bailiff:** ‘Every Committee of the States’, so delete ‘Department’ replace it with ‘Committee’, (**Deputy Bebb:** Yes.) take out the words ‘of Deliberation’. (**Deputy Bebb:** Yes.) So:

*‘That the mandate of every Committee of the States, including the Policy Council, be amended to include a further provision as follows:’.*

**Deputy Bebb:** Yes, and I believe that the Procureur’s questions are valid and I will address those in my response, if Members are content for me to do so.

1660 **The Bailiff:** Thank you. Right, Deputy Ogier, then Deputy Gollop and Deputy Duquemin.

**Deputy Ogier:** Thank you, sir.

I admire the aims of this amendment. I think it is something that we should look at, but I think what this morning has demonstrated is the danger of bringing these things to the House not necessarily at the last minute, but not properly thought out and not giving States Members the ability to think things properly through.

I will not be supporting the amendment; I do support its aims. If the amendment had asked for SACC to take this concept away and have a look at it and consider it in the fullness of time and in the round, I would support it, but as it is drafted, I am afraid I cannot.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, sir. I will support the amendment and the amended amendment.

When I first saw it about half an hour ago, my initial reaction was it sounds a bit like a politically correct gesture, just to make that as a statement. But having heard what Deputy Bebb said, I know he focused predominantly on mental health issues that do cross every Department and I think every Committee – although I am not sure PERRC really has a role in mental health, except for the clergy, but we will leave that aside. *(Laughter)* I know actually the Procureur intervened on grounds of clarity, but the amendment is phrased as it is and we have had a recess, and of course health and wellbeing should encompass holistically – one of my favourite words – mental health, physical health, emotional health, wellbeing and even perhaps prevention and health and safety, and in my role working with disabled people, I can see that one could almost amend the amended amendment and add ‘disability should be considered’. I am not going to do that, but it is implicit within the amendment Deputy Bebb has put that the rights of minorities of people with special needs, with conditions, with behaviours, should be regarded as a key priority, as best practice by every Department and significant Committee of the States, including the Policy Council.

Sir, I do hope despite the reservations of Deputy Ogier and others about its implications, I would hope that the States would give it the benefit of the doubt and support it.

On the wider question of mandates, there is a little bit of fiddling going on and I was intrigued –

**The Bailiff:** Are you speaking in general debate?

**Deputy Gollop:** Yes, should I do that?

**The Bailiff:** Shall we deal with the amendment and come to general debate later.  
Deputy Duquemin.

**Deputy Duquemin:** Thank you, Mr Bailiff.

It is unusual for me to stand up in this Assembly and talk about process. It is not a thing that I do often, I leave that to others. *(Laughter)* But I did have a brief chat with Deputy Fallaize during the recess, and reminded him of a speech that I had made when we were talking about the States Strategic Plan, and it is not coincidental... Well, it is coincidental but it is beneficial that I followed Deputy Gollop, because it was during that debate when Deputy Gollop wished to add a section to the States Strategic Plan about the arts, about one specific element and despite being someone that is very proud of the arts and very proactive as an Arts Commissioner, I stood up to speak against it. I do so again now with this amendment by Deputy Bebb, because for me it is already encompassed within each and every mandate within our Gold Book.

I refer to section (b):

‘To contribute to the achievement of strategic and corporate objectives, both departmentally and as part of the wider States organization by:’

and I move to (ii):

‘actively supporting and participating in cross-departmental working as part of the States Strategic Plan process and ensuring that public resources are used to best advantage, through co-operative and flexible working practices.’

I think Deputy Bebb’s obvious concern here is with the health and wellbeing of the Island’s population, and surely that is in the States Strategic aims, being the quality of life of Islanders so I would say that the quality of life of Islanders, the Island’s economic future, the Island’s environment, unique cultural identity and rich heritage, that should be in front of everybody, every mandate of the States and it is. What we are probably guilty of is not actually recognising every single day, but we should be. But for me this is an amendment too far, because it could open the flood gates to not just this one, but hundreds of other things that we should be doing which are encompassed by the SSP.

1715 Sir, I am afraid that despite supporting the ethos behind it, I cannot support this amendment. Thank you, sir.

**The Bailiff:** Deputy Hadley and Deputy Kuttelwascher.

1720 **Deputy Hadley:** I would like to support what the last speaker has said wholeheartedly. We far too often put motherhood and apple pie phrases into our legislation which will long afterwards be forgotten and I therefore will be voting against this amendment

**The Bailiff:** Deputy Kuttelwascher.

1725 **Deputy Kuttelwascher:** Sir, I will not be supporting the amendment and the reason is something Deputy Bebb said, which is all it does it makes explicit what is implicit. We all have a mandate and we are expected to follow it. Do we need to be instructed to follow that mandate? And do we have to be then told that we are accountable for our actions? Well, we know that. To me, it is completely pointless because it actually does not achieve anything. The particular area he referred to is already covered elsewhere, as Deputy Duquemin said. I really see that there is absolutely no point to it at all.

Thank you, sir.

**The Bailiff:** Deputy David Jones.

1735 **Deputy David Jones:** Sir, I agree with Deputy Scott Ogier, I think that the reasoning of putting this amendment forward is very laudable, but I think what prompted me to vote against it is the fact that Deputy Fallaize who is the Chairman of SACC has already said that SACC are looking in the future to look at all the mandates to see how they could be improved or tightened up, and I think that this going to SACC as a job of work is the proper place for it, to be honest.

1740 It is always very difficult when you get last minute amendments and we are trying to do government on the hoof again here, and it is not a good way. Policy Council met and we struggled with it because we have no real idea where the parameters of this are or what a lot of the meaning is in this amendment or where it will lead. So, it is very difficult for the Policy Council – I am doing the Chief Minister's job here, which I should not be, he will do it himself – but I think I am in favour of letting SACC look at these kinds of issues and seeing what they come back. They are the proper Committee to be looking at this, and I therefore cannot support the amendment, but I would support SACC having a look at it.

**The Bailiff:** Chief Minister, Deputy Le Tocq.

1750 **The Chief Minister:** Thank you, Mr Bailiff.

Sir, I will just remind Members of what the title of this Report is in the debate, and it is 'Miscellaneous Changes to Departmental and Committee Mandates'. The point being that actually we thought as Policy Council that we would just do a general tidy-up exercise, and the States Review Committee and obviously SACC are responsible for more particular things in that, and that work is ongoing. It is not for the Policy Council to do that.

1760 I think what this amendment suggests and the Policy Council to a man – I wish I could say to a man and woman, but obviously it is to a man – actually are totally sympathetic with the import and the direction, but as Deputy Duquemin has ably said, and Deputy Kuttelwascher and others, there are a number of other issues that you may also want to be explicit about, such as education, such as crime for example – crime *prevention*, that is – and all those sorts of things. (*Laughter*) You might want to be more explicit – well? – in putting them in mandates.

1765 The trouble is, as Policy Council discovered, what should have been just a short time tidying up has ended up being over a year and this is yet another demonstration where you start picking at something, it could end up being a mini debate on the States Strategic Plan. We ought not to do that.

I would suggest that we do not support this amendment as such, but we do support the concept that SACC look at this issue and the mandates overall as they work in conjunction with the States Review Committee in due course, and come back with proposals, as when the... This is not a miscellaneous thing. I think it is a very important issue and so that is what the Policy Council I think generally feel.

1770 Thank you.

**The Bailiff:** Deputy Fallaize.

1775 **Deputy Fallaize:** Thank you, sir. I spoke on the amendment but I am now going to speak on the amended amendment, if I may.

I just want to point out something in relation to the States Assembly and Constitution Committee's mandate. I do not think that there is anything in the mandate of the Committee which allows it to get involved in the mandates of other Committees of the States. I do not think that that is a role for the Committee. I am quite happy for that responsibility to be added to the Committee's mandate, if the Policy Council wants to, next time it has a miscellaneous change to Committees' mandates.

But what I would say today – I think the amendment is obviously going to lose given the nature of the debate – I would suggest to Deputy Bebb that he writes to the States Review Committee, and I would point out that the States Review Committee will report to the States, the intention is in mid-July, and at that time and if there is subsequently a second report, the mandates of any Committees, existing Committees, modified Committees, new Committees, will be set out extensively at that time, and if Deputy Bebb wishes to lay this kind of amendment in good time to change the mandates of all the Committees in this way, then he will have that opportunity. That is probably only a matter of weeks away, so I think it would be through the States Review Committee's report rather than through SACC, sir.

**The Bailiff:** Deputy Sherbourne.

**Deputy Sherbourne:** Thank you, sir, fellow Members.

Obviously I had not got anything prepared to say about this, because it was sprung on me as well, but what I would like to offer is the thought that every now and then we need to take stock of our direction – every single Committee. And there are some fundamental values, things that I call core values that should be central to the thinking of all Committees. Therefore I applaud Deputy Bebb's attempt to get this added to mandates of Committees. It might be last minute, it might open the flood gates, I understand all that, and I certainly take Deputy Fallaize's point with regard to perhaps an alternative procedure.

I will be voting actually for this amendment, but I do understand that I will be in a minority, probably in a minority. But I do applaud Deputy Bebb for bringing this forward. I think we do need from time to time to establish in our own minds what our core values are, and I think that this opens the door to perhaps long term possibility of establishing those as touch stones for our future deliberation.

Thank you.

**The Bailiff:** I see no one else rising. Deputy Bebb, do you wish to reply to the debate on the amendment?

**Deputy Bebb:** Thank you, *Monsieur le Bailli*.

Needless to say, I am fairly disappointed with some of the debate that we have actually had. The first point that was actually raised was in relation to health as opposed to mental health, but of course, that demonstrates that we do not have a good understanding of the implications. Mental ill health frequently leads to physical ill health. Physical health costs, as we have heard this morning, are one of the largest costs that this States have, and therefore I am fairly disappointed to hear people say, such as Deputy Kuttelwascher, 'why would we need to be accountable for health?' The truth is well, it is surprising –

**Deputy Kuttelwascher:** Sir, point of order.

I did not say we need to be accountable. I said we need not be reminded that we are accountable for our actions on Departments and Committees. I never said that at all.

**The Bailiff:** Deputy Bebb.

**Deputy Bebb:** Deputy Kuttelwascher's argument was about the fact of being needed to be reminded of what Departments are accountable for, and yet every single Department and Committee of the States have within their mandate explicitly the need to be accountable for finances. Even Legislation Select which has no finances. So I recognise the argument that is made that mandates do need to be revisited. I feel that the States Review Committee is maybe where we will end up debating this again, and I will lay the amendment in good time on that occasion.

But the question is that if we think of the finances of the States the largest cost comes by health, but we are not wanting to think of exactly the implications. So we have to be accountable for our spending but we do not have to be accountable for the actions that cause that spending. And that is the argument with regards to health actually being explicit. I have made my argument with regards to mental health but the truth is equally valid in relation to physical health. I believe that Deputy Fallaize addressed as to whether SACC is accountable with regard to Departments' mandates. If it were accountable for Departments' mandates, this Report would be laid by SACC and not the Policy Council, and evidently it is not. Therefore I think that that argument is moot.

With regard to questions of ‘disability’ added or any other floodgate, I am struggling to see a whole floodgate of amendments laid to this Report, and I have to say that, as I said, this is the one area that is of the greatest cost to the States and yet we seem to think that it is acceptable to have that within the SSP, rather than making it explicit within the mandates.

1840 The question that I would also say Deputy Duquemin was asking is what is the difference between having it in the SSP and including it within the mandate? And the answer is to make people accountable.

I faced two motions of no confidence from HSSD as a result of finances, primarily, and I think that that question of being accountable is fundamental. At the moment we are not accountable for the health costs that we incur. We simply berate HSSD for overspending, and that is why it is appropriate that each and every Department take this into account.

1845 I have made a reference with regard to Housing but each and every Department of the States has a major impact upon the health and wellbeing of people on this Island. That comes at a cost, if it is not thought of properly, and therefore whereas this amendment through various debate, I doubt that it will pass, but I would actually say that it will be to the detriment.

1850 We need to make these things explicit because if we do not, they fall by the wayside and that is what has been happening for such a long period of time – recently addressed with regard to the Mental Health and Wellbeing Strategy in some areas, but we need it to be addressed in more than just one area.

I would sincerely have hoped that more Members would be able to have supported. Evidently it is not supported. I will be making appropriate representations to the States Review Committee and I thank Deputy Sherbourne and Deputy Fallaize for their speeches.

1855 Thank you.

**The Bailiff:** Members, we vote on the amendment proposed by Deputy Bebb, seconded by Deputy James, the wording of which is:

‘That the mandate of every Committee of the States, including the Policy Council, be amended to include a further provision as follows:’

1860 And I quote:

‘To be cognisant of any impact that its policies and procedures have on the health and wellbeing of the Island’s population, and to be accountable to the States therefor.’

Those in favour; those against.

*Some Members voted Pour; other Members voted Contre.*

1865 **The Bailiff:** I declare it lost.

We move then to general debate and Deputy Soulsby caught my attention first.

1870 **Deputy Soulsby:** Sir, in the Public Accounts Committee’s report into financial controls relating to fraud, published in May last year, we stated that during our review, it had become evident to the Committee that the ownership and accountability of risk management within the States of Guernsey was not entirely transparent and questioned the logicity of it being the responsibility of Treasury and Resources. We therefore welcome the fact that the proposal, as set out in paragraph 3.7, supports our recommendation that responsibility for corporate risk management be transferred to the Policy Council.

1875 On a related note, the Committee is disappointed that nearly a year on from our report, a permanent Corporate Fraud Lead is still to be appointed, and that the head of assurance is still assuming this position on what was supposed to be an interim basis. We would therefore like confirmation from the Chief Minister that as a consequence of this transfer of responsibility to Policy Council the appointment of a permanent Corporate Fraud Lead will be expedited as soon as possible.

1880 **The Bailiff:** Deputy Gollop.

1885 **Deputy Gollop:** Yes, sir. In a way, this final Report was less extensive than some of us imagined it would be, but I notice that there is still a degree of reshuffling going on, perhaps with Public Services expanding the role of States Works to include emergency task force. But of course, we set up an Emergency Committee of the States, which was designed to act as a co-ordinator of workers across the States, and not specifically in PSD.

Also, we see the provision of Corporate Engineering and Architectural Services moving from Public Services to Treasury and Resources. Now again, historically, Public Services Department inherited much of the old Board of Administration which, as we know, had distinguished politicians serving on it, and the



1890 Corporate Engineering and Architectural Services is in a way a curious move, because I think when Public Services was first created in the days when the late Deputy Bill Bell was Minister, it was envisaged that the Committee at some point would be centralised and that it would be semi-commercialised to a degree that the central hub and the political board would have more of a hands-off approach. And as it turned out that was not the way it developed. But it would appear to me really more logical that Corporate Engineering and Architectural Services be within a board that is managed like a business rather than be put into a central resource, because that effectively means businesses talking to each other.

1895 My other issue is regarding the numerous changes made to Culture and Leisure and this comes at a time when there appears to be some changes with Culture and Leisure's management, and whether it has a long-term future in its present format. I am puzzled to see that the Arts and Crafts is renamed the Arts but loses its financial assistance, but the financial assistance pops up a few paragraphs later with overall Heritage and Cultural Activities. Now, I would not want the States' decision on what is a technocratic point to be seen as a future vote that we are specifically taking money away from the Arts, and I think that should be clear that that is not the intention of the exercise.

1905 **The Bailiff:** Deputy Le Clerc.

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

I am probably in danger of being told off by Sandra Perrin myself ! (*Laughter*) It is just I was preparing some notes last night for the 'extra care' paper and when I was looking at the mandate of Housing Department in relation to that, I noted actually on this Report that there are some planned changes to the mandate, changing... and it is on page 384, section D 3.4, and currently it says:

'Managing Maison Maritane and Longue Rue House',

and it should be revised to read:

1915 'The provision of care and support services to the occupants of "extra care" housing at Le Grand Courtil and La Nouvelle Maraitaine.'

I am concerned because in the next paper, it does talk about some of the care provision that is going to be required in Phase 2 of what we will be debating, and currently that is, I think, the care that is provided by Housing Department staff.

1920 However, with the extra care that is going to be required by the Phase 2 occupants of the premises, I am really concerned that this... Will it be nursing staff that will be required, because there may be some dispensing aspect of that care and that provision?

1925 Also this Report outlined that there should be... those regarding the transfer of significant functions is under the consideration of the States Review Committee, and I actually think this starts to encroach into significant changes, and significant changes in functions of the Housing Department. This is a bit chicken and egg, because we are being asked to approve a change in mandate without really having the opportunity to discuss what is required in the 'extra care' housing. Actually I would like to see this section deferred and perhaps brought back by the States Review Committee, after we have had full consideration of debating the 'extra care' housing paper.

Thank you.

1930 **The Bailiff:** Deputy Hadley.

1935 **Deputy Hadley:** The 'extra care' housing is something that I am quite passionate about and we are talking about this later, but it is an example of where the Housing Department and HSSD are working quite well together, because the Housing Department's main staff will be providing a level of care appropriate to the staff that we have got, and this is then taken on by the Health and Social Services Department when it needs more skilled professionals. I do not see in any way that there should be any problem with the amendment that is being proposed, as far as the Housing Department's mandate.

1940 **The Bailiff:** Deputy James.

1945 **Deputy James:** I had no intentions of contributing to this debate, but I really have to add my support and comments to Deputy Le Clerc. I do intend to talk on the 'extra care' housing issue, and to touch on this very issue of staffing. I do not want to go into great lengthy details at the moment but I really implore the Assembly to take on board what Deputy Le Clerc has said and look at potentially delaying this item.

**The Bailiff:** Does anyone else wish to contribute to the debate. No? Chief Minister to reply then.

**The Chief Minister:** Sir, I think there are only a few questions that were particularly aimed at me that have not been answered already.

1950 Just to confirm Deputy Soulsby said initially, asked a question about the permanency of the Corporate Fraud Lead, and I will certainly give an undertaking to ensure that is provided as soon as possible. I know that work is on the go at the moment in terms of setting up a more permanent structure, so that is something that we will ensure that happens.

1955 Deputy Gollop referred to the Corporate Engineering and Architectural Services, which have been undertaken by T&R since I was on T&R many, many years ago, and this is one of the reasons why these measures to tidy things up in the mandates needed to be done, because it has certainly been I think since 2006 that that has been the case.

1960 With regards to the issue mentioned of funding to the Arts there is a drafting error that occurred in the Report which does not make any difference to the final result of the mandate. It was only spotted at the last minute, that he is quite right in saying it sort of misses it out in one place and then comes back to it, it is there in the end. It will not affect the funding and the structure of that funding for the Arts in the final version.

1965 I think Deputy Le Clerc's questions and Deputy James' have been addressed by other Members, but I will just simply say that, as from my perspective, Phase 1 of the 'extra care' housing is already in place, and as a result of that this does tidy that up and makes it clear that the Housing Department is responsible for that part.

Thank you, sir.

1970 **The Bailiff:** Deputy David Jones.

**Deputy David Jones:** Sir, just on a point of information before we go to the vote.

1975 The Housing staff are providing care in Phase 1 and these are housing units; they are not hospital units, and if we did need any special help at all, we would do what we have always done and refer back to HSSD. That is how it has always worked in the care homes, but these are basically housing units.

But Phase 1 is opening this year, so we have to change the mandate to allow Housing staff which are predominantly carers – these are carers these are not medical, people working for HSSD should I say. Thank you. And they have always been carers.

1980 **The Bailiff:** Members, we vote now on the Propositions that are on page – Deputy Le Clerc.

**Deputy Le Clerc:** Sir, can we take Item 3 separately then please.

**The Bailiff:** Item 3?

1985 **Deputy Le Clerc:** Yes, Item 3, thank you.

1990 **The Bailiff:** Well, let us vote on – the Propositions are laid out on pages 388 and 389. What I will put to you are Items 1 and 2 then we will take 3 separately and then will deal with 4, 5 and 6. So what I am putting to you first are Items 1 and 2. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried. Item 3, those in favour; those against.

1995 *Members voted Pour.*

**The Bailiff:** I declare it carried. And 4, 5 and 6, those in favour; those against.

*Members voted Pour.*

2000 **The Bailiff:** I declare them carried.

**Procedural –  
Declaration of interest by the Bailiff**

**The Bailiff:** It is lunch time. Can I just raise one matter with you before lunch?

2005 There is nothing in the Rules that requires the Presiding Officer to declare an interest, but I imagine this afternoon we will get round to the need for debate on the Education Department's report on higher education funding, and I feel in the interests of transparency I should disclose the fact that I do have two children who are both in higher education, one in her first year at Cambridge University, the other in his fourth year as a medical student. If there is a general feeling that my presence presiding over that debate might in some way influence the debate, or inhibit, would you please let either me or the Secretary to the Bailiff know over the lunch hour? The Deputy Bailiff is available to preside if there is any objection to me doing so, but I raise that in advance.

We will recess now, return at 2.30.

*The Assembly adjourned at 12.28 p.m.  
and resumed its sitting at 2.30 p.m.*

## Billet d'État V

**IV. Housing Department –  
Provision of 'Extra Care' Housing at Le Grand Courtil and La Nouvelle Maraitaine – Phase 2 –  
Propositions carried *nem. con.***

*Article IV.*

*The States are asked to decide:*

*Whether, after consideration of the Report dated 24th December, 2014, of the Housing Department, they are of the opinion:*

- 1. To agree that a second phase of extra care housing be developed at Le Grand Courtil and La Nouvelle Maraitaine.*
- 2. To agree that a sum not to exceed £3.25 million be paid from the Corporate Housing Programme Fund to the Guernsey Housing Association to undertake the developments.*
- 3. To note the anticipated estimated increase in formula-led expenditure to be incurred by the Social Security Department from 2015/6, in respect of assisting tenants of Le Grand Courtil and La Nouvelle Maraitaine with the payment of rent and service charges, and their day-to-day living expenses.*
- 4. To direct the Treasury and Resources Department to take account of the financial implications of the second phase of extra care housing at Le Grand Courtil and La Nouvelle Maraitaine when recommending Cash Limits for the Health and Social Services Department for 2015 and subsequent years.*

2015 **The Senior Deputy Greffier:** Billet d'État V, Article IV – Housing Department – Provision of 'Extra Care' Housing at Le Grand Courtil and La Nouvelle Maraitaine – Phase 2.

**The Bailiff:** Before we start debate...

2020 **Deputy Stewart:** Am I allowed to take a 'selfie', Mr Bailiff?

*There was a pause in proceedings, during which official photographs were taken.*

2025 **The Bailiff:** Well, Members of the States, I think we can now start debate on the Housing Department Report on the provision of 'extra care' housing at Le Grand Courtil and La Nouvelle Maraitaine. Deputy Dave Jones, the Housing Minister, will open the debate.

**Deputy David Jones:** Thank you, Mr Bailiff, Members of the States.

Many of you would not have been present three years ago, when our plan to provide extra care housing on these two sites was first debated in this Chamber. I have vivid memories of that lengthy debate, which was a fairly lively event on the day, and the proposals were not without their critics.

2030 However, three years is a long time and although I expect some of the issues from 2011 will probably be resurrected today, I am hopeful that this debate will be much shorter and a lot more positive than the half-hearted support that we got from some of the Deputies who were sitting in the Chamber at that time – which is probably why they were all replaced, ‘he said quickly’.

2035 I know one thing, that if we had not forged ahead with the extra care proposals at that time we would still be sitting around a table talking about it, and with not a single brick coming out of the ground and the two care homes closed down for failing to meet modern standards in care home guidelines. But one thing that remained constant over that time is my resolve to ensure our elderly and vulnerable people are treated with dignity and respect, and provided with the same opportunities that we all take for granted to live our lives as we choose.

2040 Extra care housing is just one means of doing this, and I would be the first to acknowledge that there are other options, which the work on the Supported Living and Aging Well Strategy will no doubt identify in due course. But important though strategies are, sometimes you just need to get on with things – taking bold decisions to act, confident that in doing so you are not compromising the future, and that is what we did when we brought the original proposals to the States, and I am very glad we did so.

2045 You have entrusted the Housing Department to do everything it can to provide homes for all sections of this community, including older people and those with special needs. We take that job very seriously, and this is us getting on with it. All we need now is your support.

2050 If you go into either of our residential homes today, you will pick up a palpable sense of excitement and expectation from the residents about their impending move into the 117 flats that will be completed later this year. For those of you who have watched the DVD sent to you recently, you will know that this is mirrored by other individuals living in HSSD’s residential homes, and in the community at large. And community is what these projects are all about.

2055 The opportunity for at least 162 people to enhance or maintain their independence and wellbeing by receiving the care and support that they need, as and when they need it, in an environment purposely and sensitively designed to enable them to maximise their skills and abilities, however impaired some of those skills and abilities may be.

As I have already pointed out, 117 flats will be available later this year. You are asked today to enable us to finish the job which started three years ago, by giving the go-ahead to build the 45 flats that will complete these two developments.

2060 Of course, this requires money, and the price tag here is £3¼ million, but all too often in our FTP-dominated world, we focus on the easily measurable pounds and pence and ignore the less quantifiable benefits. But as a matter of interest – and I mean that literally – the Housing Department was recently informed that last year’s investment interest on the Corporate Housing Fund Programme was over £3.3 million. This of course is the last year that Housing will benefit from this interest, because following this reconfiguration, future interest will accrue to the Treasury.

2065 However, what it does mean is that the States’ contribution to the Phase 2 Project can be met entirely from the investment income, effectively making them ‘free’ schemes – we know in life nothing is free, but it is certainly even better value for money.

2070 How do you put a price on a middle-aged woman with a learning disability being given the opportunity to make her parents a cup of tea, after decades of living in an environment where that was not possible? Or the sense of peace and relief that elderly parents experience when they know that their disabled offspring cannot only live apart from them safely, but also without their quality of life being reduced? These are real-life examples of the changes that are already taking place because we are providing extra care housing, and they will be replicated many times over in the years to come. Of course, as I said HSSD will be emptying their residential homes and many of those people will be going into the extra care units, so we see that as a good positive move.

2075 So this debate is a chance to show Islanders that we can disprove the old adage of ‘knowing the price of everything but the value of nothing’. What I am trying to get over to you is that the proposals are about people’s lives. They are not just about buildings. They are about independence, not dependence. They are about choice, rather than being required to put up with the limited options currently on offer.

2080 Three years ago, I stood in crowded dining rooms in each of our residential homes and promised our residents and their families that they could stay in the same location, with the same care staff. They applauded that decision, which was a very humbling experience for me at the time.

2085 Since then, we have spent the time re-skilling care home residents and re-enabling them to live more independently, while at the same time transforming our residential care service into one of the most highly skilled care services in the Island. Residents who three years ago could not entertain the move are now really chomping at the bit to get into the new facilities. Care staff who at first were resistant to change are now completely on board. Some domestics have been retrained as carers, while all staff have acquired knowledge skills that they would never have done, had we taken the easy road and just closed down our old, tired, out-of-date care homes and walked away. We were never going to do that.

2090

By approving Phase 2, you will be letting more people benefit from the skilled workforce that we have created and from the facility that will be on offer.

2095 In closing, I would like to refer to a letter we received last week from a well-known local doctor. He wrote, that on viewing his new flat at one of the new schemes, his 94-year-old patient had told him that it made him feel like royalty. The elderly man went on to say that being treated to such accommodation at his age made him feel valued and proud to be in Guernsey – sentiments which the doctor was only too pleased to echo.

2100 These sentiments are not readily associated with debate in this Assembly, so let us give ourselves a chance to be proud for once, by voting through what appears to be a building project, but in fact, it is so much more. Please support the construction of Phase 2 of our ‘extra care’, so that we can get on quickly and provide these very much needed units.

Thank you, Mr Bailiff.

2105 **The Bailiff:** I believe there are no amendments, so we will go straight into debate. Who wishes to speak first?

Deputy James.

**Deputy James:** Thank you, sir.

2110 Can I start by thanking the Minister and the staff at Housing for putting together what, in my view, is an excellent document. As everyone knows I was not here for the debate three years ago, so I do not have any ‘baggage’ as far as that is concerned.

By and large, I am totally supportive of the document. There are two issues, however, that I would like to raise.

2115 One: I think that there has been, sadly, a missed opportunity for the care staff not to be employed by Health and Social Services, because ‘Health and Social Services’ – there is a clue in the name there. I think that continuing to expand the extra care housing and the staff employed by Housing, just for me – and some of you will have heard me make reference to this in the past – is that what we are doing is we are further creating additional unfairness, inequity in the way we employ staff.

2120 As you all know, we have public sector employers, nurses and midwives, civil servants, and it is ludicrous to be having two separate groups of staff, i.e. carers, some being employed by Health and Social Services and some being employed by Housing. To me, a *nonsense*, and I hope the powers that be – i.e. the Policy Council – will take my comments on board to move forward to a fair and equitable employment package.

2125 What further infuriates me, if you like, about this situation in terms of employment packages is that we will have existing Health and Social Services staff working down at the unit, running the day centre, The Meadows Centre, so you have got two similar groups of staff on different pay and terms and conditions. The quicker this Island evens out some of that inequity, the better for all of us.

The second issue I would like to raise, and it is at the top of page 419, under... it is the first paragraph, 2), and it talks about:

‘... extra care housing will free up capacity in HSSD’s community specialist support services to provide care for people presently placed off-Island. HSSD is currently reviewing the list of off-Island placements to identify those that can be repatriated into appropriate community settings.’

2130 Now, what I would say to the Assembly is that HSSD do not recklessly place people in off-Island placements. You are talking about something in the region of about £300,000 a year for off-Island placements, and more often than not – and hopefully the Minister from HSSD or his staff member will confirm what I am saying – is that by and large people who are placed off-Island for treatment are usually the most difficult and most challenging, sadly, of our patients. People with severe brain injuries, people

2135 with severe and challenging behaviour, and by and large they are placed off-Island because of the lack of the expertise of staff on-Island to deal with them.

So I would question that particular paragraph about that expecting to see huge savings by people being brought back on-Island, because by and large it is not the actual physical facilities we lack, as opposed to the expertise of the staff.

2140 Thank you.

**The Bailiff:** Deputy Green.

**Deputy Green:** Thank you, Mr Bailiff, Members of the Assembly.

2145 I rise too to support the recommendations in this Report. I do see the overall value of extra care housing to the community.

Speaking as a political representative for a newly formed group called Aging Well in the Bailiwick (AWB), I do want to set down some concerns that some of our membership have about certain aspects of this policy letter. As I say, I will vote for this today on a pragmatic basis, but it is clear that there is not exactly unanimity on the merits of this Billet in some parts of our community.

The first point of concern is highlighted actually in Deputy Dorey's letter, which appears at page 434 of the Billet, and it is a point that Deputy Jones will well know. We are being asked to make this decision on the next tranche of work before the Supported Living and Aging Well Strategy has been developed, and indeed before any real analysis of Phase 1 has actually been conducted.

Now, I am not somebody who necessarily feels that the States cannot do anything at all unless a strategy is in place, and a certain pragmatism certainly has served a number of States of Guernsey Departments very well in the past. However, in this area some people certainly feel that to proceed with Phase 2 before SLAWS is in place, and before a proper analysis of Phase 1 has been undertaken is quite simply to put the cart before the horse.

However, I do appreciate that a not insignificant saving will accrue by keeping the contractors on site to complete both Phases together. That does have to be acknowledged.

Secondly, we know that there is a certain level of demand for this second phase of extra care housing and we know it will meet some of the care and support needs that have been identified, but the key word for me there is 'some' – some of the needs. I would ask the question, where is the evidence that this project will address the most pressing needs in the sector? I hope the Minister will touch upon that when he responds.

Yes, of course, Housing can evidence a certain level of demand, but demand is not necessarily the same as need, and I would like to know what evidence of hierarchy of need has been considered, and indeed will this project meet the most pressing need, the most urgent need at the current time in our community?

The Department does quite rightly recognise that this project is not the whole solution and I am indeed grateful for that acceptance, but I suspect that this project will not address the most pressing needs at the current time.

Thirdly, I have been made aware of some concerns about the level of care that will be offered, and provided, and indeed what care will be provided after hours and at night and at weekends. Is it really 24 hour care by the onsite housing team or will it actually require community care backup as well, in reality? Again, perhaps the Minister can reassure me on that when he replies.

Fourthly, speaking in relation to community services, I think many of us would like to see greater investment in community health and social care services, in order to assist the individuals to stay in their own home for longer when the time comes, but I have a question here, which is this: if it is only four hours of care and support that is actually required to meet the criteria for extra care housing, then why could this not actually be provided for people in their own homes, just as effectively? Some people will move from HSSD care homes to extra care housing so this will obviously not apply to them, but many will be moving from their own homes to extra care housing and this certainly is an area of concern that wants to be satisfactorily addressed in due course by SLAWS, if people are to be given the choice that they really want.

Of course there are issues around the financial support that exists for people being cared for in residential or institutional settings, whereas that support is not always available for those in their own homes. Again, that is something else that SLAWS must deal with. Indeed, some would argue that the proposed financing of extra care housing through subsidised rents should involve some sort of financial criteria as well as a care criteria, and that is not... and indeed not to do so potentially distorts the allocation of scarce resources, possibly to the detriment of those facing the worst poverty in the Island. I wonder, again, whether the Minister could just touch on that when he replies.

The final point I want to make is in relation to Rosaire. The two proposed developments in the Billet are not dissimilar to the Rosaire site and some issues of concern have been raised with me about Rosaire that no doubt the Department is aware of. I know that some residents there have made complaints of social isolation and a lack of assessment of care needs, and other issues. Indeed, what I have been told is that some residential homes have had to deal with the fallout of some of those issues, because of an apparent insufficient level of care on offer. All I would say really on that is that I certainly hope that any lessons that have spun out from that, lessons will be learned from that experience, and I would not want to see those kind of issues reproduced in the new facilities.

In conclusion, the policy letter will provide additional facilities and accommodation that are most definitely required and will be needed in any event in the future. I can certainly see the business case benefits of it, and I will on balance support this policy letter on a pragmatic basis today.

I think we all recognise that this project is not the start and end of the whole issue. We do need to see the SLAWS strategy in good time. That must be the real priority for the States in this political term.

I am not sure that anybody would necessarily start from where we are today if a blank sheet of paper was available, which of course it is not. Ideally SLAWS would be in place before any construction of new facilities were started. But we are not in that place in reality.

I should make it plain, however, that Aging Well in the Bailiwick does not support these proposals at the current time, for many of the reasons that I have mentioned earlier. Notwithstanding that, I certainly, personally, can see the force in Housing's case and I will be voting for this policy letter.

2210 Thank you, very much.

**The Bailiff:** Deputy Adam.

**Deputy Adam:** Thank you, sir.

2215 I rise firstly to fully endorse Deputy James's comments concerning care. I strongly believe that care in the community, whether it is extra care housing or in your own house, etc should be taken over by one Department (**A Member:** Hear, hear.) and not split to other different Departments providing it. That makes it better, easier to organise, easier to provide the exact amount of care, easier to assess and know what to put in. And I hope that will be covered by SLAWS, when SLAWS come along.

2220 So the Supported Living and Aging Well Strategy: Deputy Le Lièvre and I know well about this because, as Deputy Jones said, that was one of the main problems when the first issue concerning extra care housing came along. Unfortunately we still have not got an Aging Well Strategy or a Supported Living Strategy.

2225 I am actually on that Committee, along with other Members from both Health and Social Services, Housing, SSD and a T&R representative. It is going to take some time to develop that, because we are talking about supported living from the age of 18 into old age. As Deputy Green said, it is essential we get that, but it is also essential that we continue with the development at the two sites where extra care housing has been developed, because it is, I consider, an essential part of providing a wider range of housing for those people who do not want to be institutionalised in a residential home, and for that reason I urge you all to support this policy letter.

2230 I know people talk about the costs, and if you read that e-mail from HSSD, you have seen that working out one way it would appear more, or slightly more, expensive than residential care. Yet just by putting everything in pounds and pence, you forget about what the wishes are. If you remember, there was a survey done of anyone over the age of 60, several years ago, and the majority wanted independence and their own front door. That was one of the main planks on which the first policy letter came forward.

2235 We had a visit to Bristol and saw the various aspects and hopefully they have got it slightly better than the ones in Guernsey, by not doing the mistakes that they told us that they felt they had done in some of the units in the UK.

2240 As far as the point mentioned by Deputy James about bringing people back from the UK, in actual fact there is a new build down at a property that is no longer there, called The Oaks, which is down near St Sampson's, which is to be purpose built for people coming back from the UK – again, by the Guernsey Housing Association at some point. I do not know how many years down the road, but it has been available for the last three or four years.

2245 So SLAWS, the whole aspect about SLAWS – it looks at the social aspects and financial aspects, but the bottom line unfortunately is it must be affordable. It must be sustainable and we must accept that we cannot have everything we want.

2250 So please, as I say, accept this. It is a sensible move. It is cost effective because it is saving money as they are staying on the site and it is a necessity for our community to have such types of housing available for them. And yes Deputy Le Lièvre, I agree with you, maybe we should have the Aging Well aspect of this sorted out probably before we started, but we are where we are. Let us continue in this project.

Thank you, sir.

**The Bailiff:** Deputy Fallaize.

2255 **Deputy Fallaize:** Thank you, sir.

Deputy Jones said, when he opened, that in 2011 there was half-hearted support from some Members. There was not half-hearted support from me. There was outright opposition (*Laughter*) to the proposals that were being put forward by Housing. I think there were 15 or 16 Members who voted against it – Deputy Le Lièvre, Deputy Spruce, Deputy Dorey. I remember that debate well.

2260 I did not support the proposals of May 2011 for three reasons, really. First of all, I was sceptical about the case for extra care housing, generally. Secondly, there was no certainty, no proposals at all, about how the long-term revenue consequences of the project would be funded – nothing whatsoever. And thirdly, at a time of very considerable challenges in the housing market – trying to match supply and demand, and we have been discussing some of that this morning – I was not sure that this was a particularly sensible way of spending £25 million out of the Housing Department's Corporate Housing Fund.

2265 Actually, I have all of those same feelings today. I am still sceptical about the case for extra care. There is still no certainty about the long-term financial consequences and how care will be paid for. And I am still

not sure that this is the best way of investing another large chunk of money from the Corporate Housing Programme.

2270 But I will support these proposals. The reason is because we had the debate in May 2011 about whether to proceed with extra care and I have to accept that I was in a minority. The States at that time resolved to pursue extra care housing, and given that was the decision, it would now be absolutely ridiculous for the States to renege on Phase 2. We knew Phase 2 was coming. If we signed up for Phase 1, we knew Phase 2 was coming. And clearly Deputy Jones's Department has made a very good case, that now we are  
2275 committed to extra care housing on these sites, it makes perfect sense to carry out Phase 2 following straight on from Phase 1, rather than having a break and then having to re-engage contractors and get back on to the site. So I am sceptical about the case for extra care, but I was in a minority, the States supported it in the last term, and I now think we have to see through that commitment and I will vote for the Housing Department's proposals.

2280 However, the long-term financial problems or challenges really cannot be underestimated. The Billet, paragraph 11.1 says:

'A substantial part of the May 2011 States Report dealt with the financial implications for departments and individuals of building Phase 1 of the extra care housing schemes [...] This brought into sharp focus the differences in the manner in which long-term care was funded in residential homes compared with extra care housing; in particular, questions were raised as to whether extra care housing should be funded through the Long-term Care Insurance Scheme rather than via General Revenue.'

The next paragraph says:

'While, regrettably, this fundamental issue remains unresolved...'

2285 Now, sir, this has gone on for years and years. It is a huge failure. I keep hearing about this thing called SLAWS. I know that the two are tied in. I am not so fussed about SLAWS. I tend to agree with Deputy Green and others who have said in the past – and indeed, Deputy Jones when he opened debate – that sometimes we just have to get on with things. If we waited for every strategy to be aligned with every other strategy, we would never do anything. So I accept that argument entirely. I am not so fussed about whatever 'SLAWS' stands for, the strategy.

2290 I am, though, very concerned about the long-term sustainability of the Long-Term Care Insurance Scheme, because I am just about old enough to remember the debates running up to the introduction of that scheme and the problems that the introduction of that scheme resolved were huge. It is very easy to forget now, 15 years on, the very significant challenges that families faced in Guernsey, trying to pay for long-term care. The States at the time – and it had been started, I think Deputy Perrot in his first period in the  
2295 States had a hand in provoking what became the Long-Term Care Insurance Scheme. I think the late Eric Walters did as well. It is very easy to forget all of that, but it was a major, major advance, the setting up of this insurance scheme to pay for long-term care.

Pursuing extra care in this way, without having in place a proper understanding of how long-term care will be paid for in the future, drives a coach and horses through the sustainability of the Long-Term Care Insurance Fund. I do not think that that is something can just be cavalier about. I do not want to see this  
2300 scheme made unsustainable. I do not want to see a coach and horses driven through it.

I hear all sorts of speculation about ways in which Departments might try and resolve this funding gap in the future, returning to something similar to the era which the Long-Term Care Insurance Scheme tried to resolve. Taking into account the value of family homes when calculating Long-Term Care Insurance costs. Now that is the very thing which the Long-Term Care Insurance Scheme was designed to avoid.  
2305

I think this scheme *is* sustainable – not entirely in its present form, but it *is* sustainable – if we have the courage to deal with the insurance contribution rate, and also to match the criteria for demand with what the fund can actually support. I want to see those options laid before the States.

2310 I do not want to see, because this fund is going to... We talk about the pension problems, that the Guernsey Insurance Fund, the Long-Term Care Insurance Scheme is going to run out. I know Deputy Langlois is nervous when Sates Members use phrases like that, but it less sustainable in its present form than the Guernsey Insurance Fund is. The Guernsey Insurance Fund, if you look at the graph, the problems we are trying to resolve are some years in the future. The Long-Term Care Insurance Fund problems could affect, if not the next States, certainly the States after that.

2315 I do not want to have a gun placed to my head or placed to the heads of our successors that we have to accept a particular and unpalatable outcome in sustaining the Long-Term Care Insurance Fund because we have left it so long to deal with, and that is the major problem. It is not really a problem for the Housing Department in a way. I do not believe Deputy Jones's Department for getting on and providing extra care housing. They have an obligation to provide housing. That is what they are doing in bringing this policy  
2320 letter to the States.



But over successive States, there has been a major, major failure to deal with the long-term unsustainability of this insurance scheme, which was when it started, and still is, a major, major social advance in the Island, and I do not want to be a part of the States which undermines that social advance.

2325 So I would ask the Ministers of the relevant Departments when they speak in this debate to provide some reassurance about when and how the sustainability of the Long-Term Care Insurance Fund will be secured.

Thank you, sir.

2330 **The Bailiff:** Deputy Soulsby, you would be looking to speak?

**Deputy Soulsby:** Yes, getting used to where I am!

Sir, I believe this Report is well written and totally understand that moving directly from one phase to the other without delay makes logical sense from a cost point of view. The case of voting for the Propositions is also strengthened by the excellent track record of Guernsey Housing Association.

2335 On the above basis I am happy to support the Report.

However, I would just like to raise a general point in relation to the level of financial information we should reasonably expect in order to make an informed decision in this Assembly. It is often the case, as in this Report, that the costs are well documented and understood in monetary terms. This is understandable, given it is the costs we are asked to approve to enable a capital project to progress.

2340 However, ongoing financial savings as a consequence of a project are less well understood. We have an example here. Whilst the word 'significant' is used six times in the report to state the level of recurring benefits and savings that will arise, nowhere are these significant savings or benefits quantified.

In this instance, a particular problem in stating that evidence from other jurisdictions is that extra care housing is cheaper than residential care, and that housing those with a learning disability and those currently in off-Island placements will lead to significant savings, is that all these assumptions are based on numerous factors that have not been analysed, and indeed, Deputy James has raised an issue in relation to off Island placements today, and Deputy Fallaize has also touched on this from the angle of the sustainability of the Long-Term Care Fund.

2350 We are provided with capital cost figures and usually the qualitative ongoing benefits, such as in this case the advantages of extra care housing for those with a learning disability. But we are frequently being asked to make decisions where the ongoing financial benefits, and costs for that matter, are not quantified. As such, we do not have the full picture. So whilst it is pretty clear what will be saved by moving from one phase to another without delay – and on that basis I support this Report – I would ask all Departments when submitting reports to this Assembly to centre their financial analysis less on the process and focus more on the outcomes.

2355

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Thank you, Mr Bailiff.

2360 The Health and Social Services Department supports development of extra care housing. We are pleased with the progress that has been made so far on Phase 1 and in particular that this development has been used to provide opportunities to live more independently for adults of all ages, rather than just being limited to older adults only. The benefits of extra care housing are evidenced. This kind of housing ensures that people continue to live an independent life, with safe and appropriate levels of care and support.

2365 The delivery inclusion of community services and extra care home developments means that we should also benefit people living in their own homes and surrounding area. HSSD will continue to work with Housing to develop plans to maximise the benefits of the community hubs.

As the States Report shows, the development of extra care housing is well aligned to the 2020 Vision for health and social care in the Islands, which aim to ensure that all Islanders can live lives that are as healthy and as independent as possible. Extra care housing should promote health and wellbeing and could improve outcomes for people who are currently living in more institutional settings and would welcome the chance to move into a home of their own. But HSSD remains concerned that this work is progressing in the absence of the agreed Supported and Living and Aging Well Strategy.

2375 Extra care housing in itself is undoubtedly part of the spectrum of accommodation options for people who need care. The justification for proceeding with Phase 2 immediately as the most cost-effective option is reasonable, so HSSD will be supporting this. The decision was effectively made when the previous Assembly supported Phase 1, with the facilities designed for the additional flats in Phase 2.

2380 However, the absence of a strategy means that we as a Government are not seeing the level of need of other forms of supported accommodation in our community, including more specialist care. We are not measuring these needs, or the consequences of not meeting them, and prioritising our investment of time and resources accordingly. We do not have an overall view of the gaps in the States provision and we are

not able to inform the private care sector, so that they can meet and respond to the emerging needs. We do not have a grasp of the appropriate balance between building-based care services, the care and support in the community, so we cannot shape our services accordingly.

I am member of the current working party on the Supported Living and Aging Well Strategy on behalf of HSSD and I am fully aware of the breadth and difficulty the work has to do but we are committed to returning to this Assembly with a strategy.

I should just sound a note of caution in respect of financial benefits, which previous speakers mentioned, which extra care housing may bring for HSSD. We are working with the FTP team on validating the figures for the Department so I cannot confirm the sums at present. But it appears that the immediate financial benefits of the project will be much lower than the £825,000 cited in the Business Case, and that is referred to in... if you look on page 394 in the footnote, No. 7, it says:

‘The Business Case estimated the Phase 1 savings for HSSD to be £825,000.’

So we are still working on it and we have not been able to reach a conclusion in time for this debate.

This reflects the fact that HSSD will need to carry on providing its whole range of specialist care and support services for adults with learning disabilities and mental health conditions. Although extra care housing will reduce the need for HSSD to provide facilities for non-specialist care and support, and there may perhaps be further benefits at a later stage.

HSSD will continue to work with the Housing Department on the development of extra care housing to maximise the benefit, both to the people who are currently using HSSD services, or live in HSSD’s accommodation, and to the Island as a whole, in line with HSSD’s commitment to enable Islanders to live lives that are as healthy and independent as possible. HSSD continues to participate fully with the development of the Supported Living and Aging Well Strategy and to ensure that it remains as a top priority for the States.

I would also like to refer back to the 2011 debate and a note of caution also about the costs of this type of housing. It has been mentioned earlier that there was a visit to Bristol which was organised by Housing. I went along as the SSD Minister as the Housing and the HSSD Minister also went as well. I make no apologies for repeating what I said at that debate. One charity that we visited who were involved in all types of care, ranging from renting accommodation to older people, to community care, sheltered housing, extra care housing, residential homes and nursing homes, said that extra care housing that we visited was a Rolls-Royce solution (*Interjection*) and they will not be repeating. They were only able to build this Rolls-Royce solution because they had received a mixture of local government and central government grants – not unlike this accommodation, where there is a considerable grant coming from the Corporate Housing Fund. That is the danger of grants. They result in a solution that is not necessarily the correct solution.

When asked what they would now build, he said they would be sheltered houses, with some very limited community facilities managed by tenants.

I think, again, the previous speaker referred to page 392, where it says there is evidence from other jurisdictions that the cost of delivering extra care housing is less than residential care.

States Members who saw the reply that I have from Deputy Jones, which was e-mailed, I think, to all States Members, will see that the rent for one-bedroom accommodation, if there was no grant and no land going in, would have been £395 a week.

In the original report, the draft report which we received at HSSD, there was a different Appendix F and that – and this is Housing’s one – says:

‘The Housing Department has determined that the cost of extra care services will equate to approximately £15,000 per flat per annum, or £288.61 per flat per week. This includes the cost of employing a team of care and support staff, administrative and managerial expenses, and other miscellaneous expenditure such as medical supplies etc.’

So if you add that £288 to £395 and then the person needs to have living expenses for food and like that... and I have not included the service costs because that included water and fuel which you would expect to be covered by supplementary benefit level. So if somebody was going in with no income, they would always have supplementary benefit, which would mean the cost would be £850 a week. If you compare that to residential care, the Long-Term Care Fund pays, in 2014, just £414. The co-payment is just under £187, so it is £601 and somebody living in that can also claim a personal allowance from supplementary benefit, which is another £29 which takes it up to £630.

The message I am just simply saying is that this is an expensive type of housing. I am saying it is good quality housing but it is expensive, and when we face the demographics and the financial problems we have, we have to seriously think about whether it is the right solution.

The other point I am concerned about is effectively we have subsidised housing with no means test going in. When Housing Department has housing, they have a means test but these will not have a means test.

So as I said, I say a note of caution about the cost of providing that. I worked those figures out on a one-bedroom one. You could also do them on a two-bedroom one. They come out slightly different.

Just to conclude, I agree with Deputy James about staff. I think they are care workers, and I think that is something that SLAWS and Housing and HSSD needs to consider about the right place for the Department that care workers should be working for.

I will support this proposal. As I said before, effectively we made the decision when we voted for Phase 1 and I do not see there is any sense in not going ahead with Phase 2. But again I say a note of caution that this is an expensive type of housing and I do not know how repeatable it is, and if it can be funded by the public sector to the extent that it is now.

But I would say from HSSD, we do recognise the value to some of our existing residents in our community houses, and I thank Housing Department for increasing the number of those type of residents that they are housing in extra care housing.

Thank you.

**The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Thank you, sir.

Sir, when I was outside of this Assembly campaigning for six years trying to attain a seat, *(Laughter)* I often criticised Housing, because I thought they were not doing enough for our young families, our senior citizens, or our fellow Islanders in need of care. But since being elected, almost two years ago, I have come to realise just how much work Deputy Jones and his Housing Department have actually done, and are continuing to do. *(Interjections and laughter)*

Several of my colleagues and I were given a tour of Nouvelle Maraitaine recently, and after that tour I stayed behind and I spoke to the project manager. I was impressed when he explained the recent, the current and the future programme of works to me. Eighty units have recently been handed over at Le Grand Bouet, 24 units were handed over at Clos Barbier, St Martin's, not so long ago, and Nouvelle Maraitaine and Grand Courtil will eventually realise 117 units. Metivier House in St Martin's, Clos L'Ecole in Brock Road and Cour du Parc will all be finished this year and those three developments will realise a combined total of 104 units.

So I am convinced Housing are doing everything they possibly can to address the housing shortage, and in my view, sir, it would be absolute madness to reject these proposals. The contractors are already on site and the money is already in place. Paragraph 8.6 on page 411 tells us that there are sufficient monies within the CHP fund to fund these additional developments.

So the message that comes across loud and clear from reading this Report is the sooner the developments are complete, the better. And there are several reasons highlighted in the Report to prove that speed is of the essence, and I just want to focus on a couple of those reasons that I find particularly pleasing – apart from the fact that we will save an estimated £450,000 of taxpayers' money by carrying straight on with the development.

Deputy James briefly touched on one of my main reasons. Sir, if Members turn to page 392, they will see that paragraph 1.14 tells us it is expected that relocating Islanders with a learning disability into accommodation to be made available in Phases 1 and 2 will lead to a significant reduction in HSSD's general revenue budget, because savings will be made when some Islanders who are currently placed in care off-Island can be brought back home to be cared for here on-Island.

Reference is also made to this on page 404, where paragraph 6.7 tells us that the completion of these projects will enable HSSD to reconfigure their services which will allow for some Islanders currently in care off-Island to return to their Island home.

And once again on page 406, bullet point 3 tells us that the completion of the projects will result in a potential to bring some off-Island placements back home, with benefits for all the individuals concerned.

Those benefits, of course, sir, will not be exclusively financial, because as much as we need to focus on balance sheets, we of course also need to focus on eliminating stress, trauma, and heartache from the lives of our fellow Islanders. And we can do all of those by bringing some of our fellow Islanders back home, because family members will no longer have to endure the stress and trauma of travelling to the UK to visit their loved ones and they will no longer have to endure the heartache of being separated from them.

I do realise, as Deputy James has already said, that a lot of our fellow Islanders in care off-Island simply cannot be cared for here on Island. I do not have the exact figures to hand, but I think I am right in saying it costs approximately £8 million a year to fund our fellow Islanders in care off-Island.

I also realise that it can cost as much as £300,000 to keep one Islander in care off-Island. But they do not all cost that much. And if we could even bring two or three of our fellow Islanders back home who are at the lower end of the funding scale, we could still realise savings of several hundreds of thousand of pounds, and at the same time relieve some families of the stress, trauma and heartache they have to endure by their loved ones being in care off-Island.

Also on page 406, sir, Members will see that the first bullet point tells us that the intention is to eventually sell two properties, Jessant and Beauville, which will result in significant revenue and capital savings to the States.

2500 I had the pleasure many years ago of working as a carer at Beauville. As enjoyable and as fulfilling as that was, I remember thinking at the time that some of the residents simply did not have the opportunity to realise their full potential. So I take great comfort from paragraph 6.2 on page 403, which tells us it has been established that 19 of our fellow Islanders currently living in Jessant and Beauville would benefit from independent living in extra care housing.

2505 So the message again, sir, is the sooner we can move into Nouvelle Maraitaine and Grand Courtil, the better.

Deputy Fallaize focused on funding, but we had the opportunity to increase social security contributions for employers and employees recently, and very few of us voted in favour of either. So there seems to be a blend of reluctance, denial and burying our heads in the sand, which results in something of a financial dilemma that no one in this Assembly seems to know how to resolve, and that concerns me greatly. I would even hope that someone in this Assembly who has the financial knowledge and expertise comes up with a solution to that dilemma at some stage in the not-too-distant future.

2510 To conclude, sir, I cannot think of a single reason to not support these proposals and as I said earlier, I think it would be absolute madness to reject them. Let us not hinder Housing. Let us give Housing as much support as we can, and let us stop criticising Housing. It is not their fault, they cannot build enough developments. It is our fault – it is your fault, it is my fault. We do not recognise the obvious. We fail to recognise the obvious. In order to build houses, you need land and it is up to us all to find that land.

So, I urge my colleagues to vote in favour of these proposals, and let Housing complete these much-needed developments as soon as possible.

2520 Thank you, sir.

**The Bailiff:** Thank you. Deputy Gollop, then Deputy Hadley.

2525 **Deputy Gollop:** Well, in a way sir, I do not think it is my fault, but (*Laughter*) probably my colleague could find a reason. Actually, there is quite a lot in what Deputy Lester Queripel said that I can support.

He made the point that before he became a Member, he was canvassing as a fairly well-informed individual, and he did not know the work of the Housing Department and the workstreams and what the officers and politicians were doing. Now, some of us missed their presentations, but I think the point is that is that I do not think the people do know fully and there is definitely a need, I think, for more public meetings and communication workshops to explain where we are heading with SLAWS and the wider issues.

2530 Deputy James and Deputy Queripel amongst others have alluded to being so financially conscious that you know the cost of everything and the value of nothing, and that the sheer benefit of older people and younger people who need these facilities is a telling argument in its favour from the start.

2535 Now, I of course, as the Disabled People's Champion, will entirely support those views, but I think if I say them too often at the Social Security Board table, my Minister will disagree because there is ultimately a budgetary process that these have to go down, and I think Deputy Fallaize warned us, you cannot just spend money... I would not call it a Rolls Royce solution, or gold plated, but I do feel, I felt from the start that this particular model has been *incredibly* expensive. The figure of £34 million or £35 million does not factor in the cost of staff time or the cost of the land, and I am sure most developers in the private sector would not have gone down this particular route.

2540 So, my humanitarian side is chastened a bit by the financial sums, if only because we could be benefiting more people if we had a more resilient financial model. I know the former Chairman of Age Concern made the point quite often in the Scrutiny Committee, that extra care, if it meant anything at all, was about sustaining and improving independence for many older people in the community and people with special needs, and not just 17. We are actually picking out 17 very worthy cases – and I will not say that is a lottery because there is a process of selection here, but there will be borderline cases who are not getting included at this stage or for the foreseeable future.

2550 I have to say I support this, but like other Members I have got a few concerns to raise. The first is on page 392, where it is stated in paragraph 1.12 that:

'The Guernsey Housing Association (GHA) has identified an opportunity to reduce the cost of constructing Phase 2 of the schemes – by an estimated £450,000 – by commencing the second phase of development [...] This cost reduction arises because some landscaping and finishing off works associated with Phase 1 can be avoided...'

Well, I hope that those works were not crucial because I think the ecological context and the environment for the community has always been a selling point for this scheme.

And I entirely endorse and am impressed by the message that one saw in the presentation and throughout this report of respect and growing interdependence and the States' duty to help people, which in a way is new, because that is not what we heard 10 years ago. But I just wonder if we have fully thought through the resources necessary to deliver that strategy, and too, if we have moved from a overly dependent residential home model to an independence model with not enough variation in between, because I do not believe in a 'one size fits all' strategy.

On page 396 we see collectively, these strategies – Older People's Strategies, of course the Disability Strategy, Supported Housing Strategy – aim to develop health, social care, and accommodation services in a person-centred manner, and in a way that was financially sustainable in light of the Island's ageing population. But, of course, the 2020 Vision – I will not say it has died, but it has changed shape and from we have heard earlier today, whether it will return in its old format is not clear, and of course, the Supported Living and Aging Well Strategy has changed.

And then, of course, it goes into SLAWS territory with the Island's population puzzle. The graph on page 402, the plan, very much draws distinctions between low needs – community care, supported housing – moving to medium needs – extra care – to very high needs – nursing care. Now this continuum of care only goes to show the wisdom of Deputy Sandra James' point of getting an integrated approach, preferably through one Ministry, and you are also utilising – as Deputy Le Tocq has said for many moons now – the third sector in a helpful partnership. But it implies surely that there is a degree of care and financial and social support to everybody, and at the moment at the lower end of the scale there is really only fragmented voluntary services, and piecemeal Government services now and then. So, I think that, ironically, this is a specific project that had to meet a need of the homes that has gradually mutated into a policy strategy on the hoof without a full development of that.

I am also a bit worried about – I mean, I like the Christmas spirit and all the rest of it – but we have within our pack a letter from Deputy Dorey dated Christmas Eve, in which he implies that there was not total political engagement between HSSD and the Housing Board at that time, and I think things have moved on since then, but we are still hearing two or three different voices, with different emphasis. I think work needs to be very much done on those areas.

I wish this model well, but I think it needs significantly more resources, building a more streamlined, quicker approach for the future which is not only cheaper per capita but embraces a much larger number of people because, as we know from the disability survey, there are 3,000, maybe more, people within the generic category, plus of course older people, and other categories, and perhaps the saddest aspect of this Report is that we do read the reality that some of the places were not taken up due to people needing extra enhanced care, or sadly passing out of this world. That only goes to show we need to up the speed and maintain the pressure on delivering a more sustainable and global strategy for the future, and as far as it goes, we are where we are, and we must support this phase.

**The Bailiff:** Deputy Hadley.

**Deputy Hadley:** Mr Bailiff, I was not on the Housing Board when the extra care proposals first came before the States, though throughout my career as a community pharmacist and politician people have always made it clear to me that they want to stop in their own homes as long as possible. All too often people with a low care need were being dumped in residential homes because there is no other way to meet with their needs.

It might surprise Members of the Assembly that somebody as young as I should know some geriatricians reasonably well, (*Laughter*) over the years, and one in particular, and I do know that the geriatricians fully support the level of care that we intend to give, so unlike Deputy Fallaize I did not need convincing that this development needed to go ahead.

Again those of us that were in the Assembly last time that went and saw the care home realised that even if we had not gone ahead with the extra care proposals we would have had to spend millions extending the life of the two homes that we have. So, if people think this is a project that has been rushed before the SLAWS strategy was developed, we were really forced into it by the deteriorating state of the properties that we have got.

In his opening speech, Deputy Jones did his best to convey that these projects are about more than just housing and I want to continue that theme – though unless you have seen them for yourselves, and I went as recently as yesterday, it is hard to put in words the magnitude of the changes that these projects have set in motion. As they near completion, Phase 1 has already developed more than housing, more than opportunities for the vulnerable and older people to live more independently with dignity and choice. It has changed the Island's housing care and support landscape completely. It has changed relationships, changed skills, changed attitudes, changed possibilities, changed futures.

And so let us just list some of things that we should celebrate. First, the introduction of partial ownership for older and vulnerable people anticipates what we anticipate will fast become the norm, and

that is the need for a range of housing with care packages for both retired Islanders and younger adults with disabilities. Now, who would have thought in our sometimes paternalistic society, that an adult with a learning disability would be able to become a homeowner? Well, one of them will be in one of the partial ownership schemes in a few months' time and I hope that person will be the first of many more.

And secondly, at a time when there is all sorts of criticism about how effectively States Departments can work together the joint working between the staff of Housing and HSSD staff at senior and operational level on these projects is a beacon of light, and shows just what can be achieved with will and determination.

I know Deputy James has expressed a desire that all of the staff should be employed at HSSD, but with the situation which we have, which is one that has evolved, I am convinced having been there yesterday that the level of support given by the Housing staff, moving to HSSD staff where appropriate, at least will fulfil the needs of the people for the time being.

And more than that, both Departments have worked closely with staff at the GHA. So rarely can there have been projects involving such close joint working between two States' Departments, let alone two Departments and a third sector developer.

And thirdly, the two schemes have created opportunities for other third sector partnerships. A clear objective of the new Chief Minister and a key part of the social policy plan. St John's have already signed up to provide their aids and adaptations for Grand Courtil and Housing and HSSD staff are in active negotiations with one other charitable organisation about the possibilities which the communal areas present to establish service hubs for the wider community.

There are other benefits for the Health and Social Services Department. Firstly, we are providing the opportunity for HSSD to relocate their specialist dementia services to a purpose-built day centre at La Nouvelle Maraitaine, and secondly we are providing the opportunity for HSSD to hit one of its FTP targets by diversifying its catering service into a commercial operation, by running the restaurant service on each site. Thirdly, extra care housing has provided the capital for HSSD to begin the reconfiguration of its residential services for a wider range of Islanders with physical and mental health problems.

Now, for example renting an extra care flat for many in our community will prevent an expensive crisis response, often involving long and inappropriate hospital stays and a referral into institutional care. Residential or nursing home care for people who do not need 24-hour care will be more expensive than extra care, despite what Deputy Dorey has suggested. Indeed to think about this, one of the flats in our new developments will cost about £200 a week. Contrast that with the cost of a hospital bed for £2,100 a week or a residential home at over £1,000 a week.

Another example is that learning disabled residents transferring from HSSD's group homes will now have care packages, generally in the medium cost range, delivered by Housing's specially trained carers, rather than expensive 24-hour HSSD care, currently provided through specialist nurses. This in turn frees up resources for some disabled Islanders to come back to Guernsey.

Now, I would say to Deputy Jones that when I went to meet the HSSD Board, I do not think he was there on the occasion, with the Chief Officer of Housing, it was an HSSD senior member of staff who told us that they were hoping to save £180,000 with just one patient being brought back to the Island – a patient who needed a large wheelchair which could not go into any existing accommodation on Island, and that was just one patient where the Department hoped to make that saving.

So, Phase 1 has therefore been about win, wins for everyone – for individuals, for Departments, for voluntary groups and for budgets and FTP savings. Although I have heard it disputed, our understanding is that HSSD will save £850,000 or so a year.

So before they have even opened, these two projects have changed Guernsey's social care landscape in many ways. As I have tried to illustrate, Phase 2 will enable all these benefits to be experienced by even more Islanders, and all of the facilities will already be in place, so why deny 45 more Islanders the opportunity to benefit from them?

On Monday night, along with South East Deputies, I visited the St Martin Douzaine and some concerns were expressed by one or two Douzeniers regarding the new development. Though I have been visiting Longue Rue House for some six years now, these concerns did not strike a chord with me.

So as I have said, I visited Le Grand Courtil again yesterday, and it soon became known to me that everyone was really excited about the development. I tried to meet everybody that I could that was in there and there were only two people that expressed a few reservations. Most people were overjoyed about the thought of having their own flat again.

So, I am sure that my Minister will deal with these points much better than I, but I will say that the Deputy Green question, whether or not if people need low levels of care it would be better dealt with in their own homes, but of course the point is here we would be delivering low levels of care to a number of people on the same site, so it will be a much more efficient way of doing things.

I would also say that yesterday it was made clear to me that they are currently monitoring the number of visits from doctors and so forth and so on, so that when the new development comes on stream this

2675 monitoring will go on, so before we do any further developments the information will be there. Members can be assured that we will know exactly how successful they have been and the reason why I am sure you will think this is just the start of many more developments of this type.

So, I urge Members to support this Report.

2680 **The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Point of correction.

I said in my speech, it appears that the immediate financial benefits of the project will be much lower than the £825,000 cited in the business case, which is the footnote on page 824. I think Deputy Hadley also mentioned about £1,000 for residential care. In the Long-Term Care Fund, it is just over £600.

**The Bailiff:** Deputy Le Tocq.

**The Chief Minister (Deputy Le Tocq):** Thank you, sir.

2690 Members will note that on page 440, the Policy Council supports the recommendations contained in this Report, so I am going to do nothing more at that level than to reiterate that. I will, however, add my support and personally just make a few comments.

My own experience – our experience, my wife and I – of looking after my parents at home for seven years obviously means that I am very conscious of the increasing need there will be, as the population ages, for an initiative such as this. I think there is a danger, sir, for us to think that what is before us today in terms of the second phase for Le Grand Courtil and La Nouvelle Maraitaine will actually be a panacea to solve the issues of the future. That is not what is being proposed.

Our issues will continue to be complex, not least in the funding arena which Deputy Fallaize has mentioned, but also with regard to the complexity of people's needs and adults with care needs. As they grow and develop, as they change, as they age, that will change. And as Deputy James mentioned the issues regarding community care, nursing care, how that is managed, how that is delivered, how that is accessed, that will need to be continued to be looked at.

Family involvement with care, the involvement of the third sector has been very good so far. I am very encouraged by what I have seen, but that will need to develop. And of course all of these things fit within the Supported Living and Aging Well Strategy.

I am pleased to say that that policy sub-group of the Social Policy Group has started work and I have asked Deputy Harwood, who had already begun to chair that working party, to continue to chair that working party, so that it can continue to have the momentum, direction and focus on these complex issues and it is vital that this Assembly has an opportunity to make decisions on the direction in which we go forward. We cannot afford to slow our decision making in that area, as our demographic time bomb changes, but also because we owe it to the people that we are discussing here.

So I would urge this Assembly to support the proposals in front of us, on the basis that we have started something, we have got to complete that, but also to note that there will be many more decisions to make in the future, touching on many of these issues for people within our community who deserve our attention, and appropriate care, in many different ways, in some complex ways in the future, and that SLAWS strategy will come before this Assembly.

Thank you.

**The Bailiff:** Deputy Laurie Queripel.

2720 **Deputy Laurie Queripel:** Thank you, sir.

Sir, I am going to support this report, but with some reservations, and to a certain extent I agree with Deputy Fallaize. It is a bit like what you might call the Magnus Magnusson syndrome, 'I've started so I'll finish.' *(Laughter)* So I do not wish today for the Queripel brothers to sound like chalk and cheese or bearing in mind the first letter of our surname, 'qualk and queese', but I do have some concerns about this development, sir. And I think they are practical concerns, I hope that they will be seen that way.

I am, concerned about what you might call, or what I am calling anyway, a vacuum in care, those that slip between extra care and nursing home. Sir, I wonder if Deputy Jones can assure me on this, or reassure me on this, what provision will there be, or will they be enough provision across the Island in regard to residential care, sir? Where will tenants go? Because we are all getting older, sir, and including the tenants of the extra care facilities, they will be getting older as well. They may go into these facilities quite able to live independently and to care for themselves, but there will come a time when they cannot do that, and I know there are going to be tailored care packages and I know there are certain criteria they will have to meet in order to qualify to live independently, but there will come a time when they cannot live independently, sir. But they are not ready for nursing home, so I am just wondering will there be a

sufficient residential care on Island to take care of those people or to accommodate those people who might slip between the cracks between extra care and nursing homes.

I am also concerning about, in relation to that, sir, I am also concerned about elderly folk who think they can look after themselves, who think they can cook for themselves who can bath and shower themselves, and actually it turns out they are not able to, and they might have accidents, sir. They might have accidents in the kitchen or accidents in the bathroom, and I am really concerned that there might be some people who seem that they are able to look after themselves, but they have accidents in this way in the kitchens and in bathrooms and I am concerned about them.

I also have a concern, sir, regarding access for emergency vehicles to these complexes. At the moment, if there is an accident at, say, Maison Maritaine the ambulance will go immediately to the main entrance to Maison Maritaine and the patient who is in need of care and attention will be located quite quickly. If that patient lives in number 26 on the second floor of the complex, sir, how easily, how quickly will the ambulance staff be able to identify where they live and to locate them? That could be crucial – that time slip, that time delay could be crucial, sir.

And also, sir, I remember, I worked on the – I appreciate that it is a different model, a different style of complex – but I worked on the Blanc Bois complex, sir. That complex was designed to contain on-site or on-location amenities. It had a shop, I think it had a hairdresser. It had a number of different on-site amenities and the theory was that the residents of Blanc Bois could access those amenities – could go and do their shopping, could have their hair done, etc. Sir, within a very short time all those amenities were closed because they were not considered to be viable. So none of those services were offered on site. It was a bit like an amenity ghost town, as it were. So I am just wondering what will be different about this complex. How would the businesses and the services offered on site, sir, on location be viable, so that they will continue into the future?

So, I think those are practical concerns, sir, and I hope that the Housing Minister can assure me that they will be addressed. Just as Deputy Gollop does, sir, I wish this project well and I hope it succeeds but I do have those concerns.

Thank you, sir.

**The Bailiff:** Deputy Harwood.

**Deputy Harwood:** Mr Bailiff, Members of the Assembly, as somebody has already said, it would be madness to reject this Report. I would also use another colloquialism, that this is absolutely a no-brainer because if you look at paragraph 9.2 – if anybody has any doubts as to the justification for this Report, look at paragraph 9.2 on page 412. That actually summarises precisely the reason for this Report:

- ‘the need for such accommodation is high;
- the land is available for development without constraint;
- planning permission has already been obtained;
- a development partner in the GHA is in place;
- contractors are working on the sites at present;
- the development of further extra care housing will offer a continued supply of work for the construction industry, bringing economic benefits for the Island at a time when order books are less full; and
- there will be revenue savings for HSSD through some of its service users being accommodated in extra care housing sooner rather than later.’

Add to that, sir, as has already been alluded to by previous speakers, the enthusiasm of the residents within the existing residential homes to be able to move into accommodation which actually offers them a greater independence than they enjoy at present.

One of the points that I would also draw to the attention of the Assembly is paragraph 3.2, on page 393, because one of the reasons why this type of accommodation is so important is because it enables people to ‘age in place’, which is a horrible phrase, but it means that the accommodation is already adapted for the needs of people as they grow older. While the issues and the desire to maintain people’s independence in their own accommodation is that often comes at a very large cost because of the work that has to be done in order to change the accommodation in order to make it suitable for them. But the benefit of this particular style of accommodation is it already does provide for aging in place.

So, I would urge all States Members to thoroughly endorse this Report.

If I may say the Chief Minister has already made reference to my continued involvement with the SLAWS working party, and I am delighted to have that opportunity to do so. It is one of the important initiatives that I recognise, and other Members of Policy Council recognise, towards the end of last year in particular, was that we had to get on with SLAWS. SLAWS has been worked out and it has already been said, I think at officer level between the various Departments has been very good liaison, very good working, but we need to put together a political input into that, and I was delighted to be able to undertake the initiative to get the SLAWS working party together. We have representatives from... as Deputy Hunter



Adam has already mentioned, he is on that, Deputy Dorey is already on that, Deputy Sandra James is already on that representing SSD and we also have Deputy Jones representing Housing. We have those Departments – the key Departments that are critical and crucial to the development of a Supported Living and Wellbeing Strategy. They are involved politically as well as at officer level. We will make progress.

The only plea I would make is to my former colleague, the Treasury and Resources Minister, we will need some resource in order to be able to move that (*Laughter*) strategy forward. If we can get that resource, then we should be in a position to bring a report back to this Assembly, hopefully by no later than the last quarter of next year. And that will also address the funding issues that Deputy Fallaize has already mentioned.

But more important than that, also as part of that SLAWS, we need to look at the whole menu the whole gamut of resources that are available and this comes back to Deputy Laurie Queripel's point, where he is saying he is looking for reassurances that there are other resources that can fill up the vacuums that he has already identified. That will be a key feature for the SLAWS working party to identify, firstly what the needs are going to be, secondly what is available within the Island, and how best can we fill the gaps between the two.

As part of that also, and I think with the SLAWS working party, we will need to work also input into the Environment Department is planning issues. He mentioned, for example, sheltered housing. Do we have the right use categories to recognise that type of development? So that is another area where Policy Council, and Ministers on Policy Council, need to work very closely together. And of course the funding issue is important.

SLAWS will also be looking at – and I think this is an important point to make – the issue about carers, because we have identified both within the Mental Health Wellbeing, we have identified within the Disability and Inclusion Strategy and other strategies, with a need to recognise the needs of carers. And that will also be an important part of the work that the SLAWS strategy will be looking to address.

So, I would ask all Members of the Assembly to wholeheartedly support the Report and to assure them that we are working hard and continue to work hard on developing a SLAWS strategy.

Thank you, sir.

**The Bailiff:** Deputy Le Lièvre – oh sorry, Deputy Bebb.

**Deputy Bebb:** Thank you, *Monsieur le Bailli*.

I would like to add my voice to those concerns which have been raised in relation to the appropriate funding for this scheme. I think those have been well aired now and I will not actually repeat the points that have been made.

I would like to address a few questions about the savings that will be made to HSSD I think that it is important that we are quite clear on some of the problems that we face. I have the privilege of meeting with a group of carers of adult disability needs once every two months, and those needs are quite significant. We are not currently meeting the needs within our community and this will ease some of the burden. It will actually assist HSSD to move into a better place in order to provide some of the needs that we currently do not meet amongst adult disability carers.

I am very heartened to hear the comments that Deputy Harwood just made in relation to carers in SLAWS. I think that is an area that has been lacking for some time.

But I think we also need to realise that we talk of cost benefits and we heard Deputy Lester Queripel talk of the benefits of moving people back on Island. We need to be aware that those people are off-Island because their needs are greater than currently what can be provided on Island. Bringing them on-Island means a need to upskill our staff, or to employ more staff to care for them. It is not a case that if it costs, for round figures, £200,000 to care for someone off-Island, bringing them on Island gives you a sudden of almost £180,000 – it simply is not the case. The need to upskill, the need to employ more people in order to deal with those extra needs, those higher needs, will be significant, and therefore I think that the note of caution that Deputy Dorey made in relation to HSSD should really be heard here.

The savings are the right thing to do. There is no reason for Members not to vote against this Report. I simply do not want Members leaving this Assembly thinking that the figures of savings will be as significant as in the Report. I simply do not see it happening. But it is the right thing to do. There will be savings. All the things are right. It is just that I *do* want people to be aware that there will be issues.

There are also some points that have been made in debate with regard to the anguish and the problems of having people off-Island. We have to accept that people are sent off-Island because that is the right thing to do, and we must always be aware that there *will* be the needs that simply cannot be met on-Island, and therefore it is the right thing to do on occasions to send people off-Island, and we really should acknowledge that. Sometimes I feel that discussion does not actually centre on the needs and ensure of caring for the need of that service user. It goes into an emotive argument about other issues. The primary concern is always the needs or the clinical needs of that service user. Thank you.

**The Bailiff:** Deputy Le Lièvre.

**Deputy Le Lièvre:** Thank you, sir, Members of the Assembly.

I wish Housing well – and I suspect at this stage, Deputy Jones would like me to sit down. (*Laughter*) I am not going to, but I have no criticism of this Report at all.

Before I say anything I should declare an interest in the rapid approval of this project and in its rapid progress, not for me – it is an indirect declaration of interest – but for my mother, my aged mother, who will be 100 years old on 30th June. (*Interjections and applause*) She is not there yet! (*Laughter*) We have got 13 weeks to go. She lives on the edge.

But she has been reviewing her long-term future (*Laughter*) and in so doing thought it might be wise if she applied for or looked at residential care – not extra care, but residential care, and she was interviewed by a very nice lady from HSSD who was very thoughtful and interviewed my mum really well. I was there. I was very pleased with the manner in which she was dealt with. Her application was duly considered by the needs assessment panel and there was none so happier when her application was rejected, on the grounds that she is too well. (*Laughter*) She does not want to go into residential care, extra care or anywhere else for that matter. But nevertheless, my brother and I thought it might be wise if we took out... assessed her ability to actually access such care.

And in her letter of rejection, which as I said she was very pleased to receive, there was a little... it was not a proper application form for extra care, and my brother has obtained a form and has completed it on my mother's behalf and indeed, I think on Monday of last week, Christopher and myself and my mother visited the building site, the Phase 1 which is still a building site and my mother was invited to put on a hard hat and a high-viz jacket which I declined on her behalf, because it might have confused her as to where she was. But nevertheless, she was quite happy to go round. We were shown round by a very helpful person from Housing and we will have to wait and see what happens.

But I have told her that extra care is well and truly oversubscribed, that she might not get in, although she is very hopeful but again will not be particular bothered if she is turned down.

Now, the reason I mention this is that here we have a 100-year-old lady – she is just shy of it at the moment – who has not succeeded, and is very pleased she has not succeeded, in obtaining residential care. She has applied for extra care and could well, because it is over subscribed and because of her age, not make it.

Now, where is our Older People's Strategy? Where is our older people's support and whatever strategy? Where is the Supported Living and Aging Well Strategy? We now have a 100-year-old who is betwixt and between. At the moment she is supported at home by her family, she does not need a great deal of support. I take her to church, I pick her up from Maison Maritane where she is looked after very well one day a week and my brother does the rest, and the family do all her shopping, so she is well supported. But that will not be the case in all cases, and we need this supported Living and Aging Well Strategy like yesterday.

I was really heartened, very much heartened by what I heard Deputy Harwood say. I would stress that the need – though, the one thing that concerns me about this policy letter is that we must have SLAWS and its report and the funding of long-term care in particular – we must have that like yesterday. We cannot await it any longer.

When I was on Health... and I had to leave Health because I was one of the people that led the revolt against the extra care in the first place. Deputy Jones did not name me, which was very kind of him, but this letter from Housing made reference to the fact that this process started in 2006, that this Housing paper went to Health in 2008. It made reference to the Older People's Strategy coming to the States in September 2009 and today, I have heard from Deputy Hunter Adam that it is going to take some time, and from the Chief Minister that he is going to inject some momentum into it. Well, this process has had the momentum of a three-toed sloth! (*Laughter*) It has not progressed at all. It is hopeless, absolutely hopeless!

So I was pleased to hear what Deputy Harwood said but, for the elderly of this Island, for people like my mother who have grown ancient – she was at 92 when this process started in 2000; she is now 100 and there is still no end to the story – will she ever make it? Will she ever hear of what SLAWS actually has in store for her? We hear now it might the last quarter of 2015. Well, she will be 101½ by then. We really cannot delay any longer. We have key issues for the elderly of this Island – the demographic time bomb, the funding of long-term care, care in the community. These are absolutely key.

So I will support this because I realise possibly maybe I was wrong in the past – I do not think I was, but nevertheless I will support this policy letter – but I would plead with Deputy Harwood and everybody on the Policy Council to lift the importance of SLAWS from where it is at the moment to an even higher position, because the Deputy Minister, when he listed his priorities today did not list SLAWS. It was one of those items that was not mentioned. The way the States works or the way the States is constructed was mentioned but not the care of our elderly, and it is essential, in my mind at least, that we revitalise, we provide the momentum which has not existed up until now, we support Deputy Harwood, we get in the staff to do the work that is so vitally necessary and we get down and let us have the report by mid-2015 and not

2910 towards the end. Because the tendency has been with this particular project for it to go on and on and on and it is handed from one States Committee to another to the Policy Council to the Policy subgroup to a new committee. We cannot afford to go down this road any longer, it has to be sorted.

And I will support Housing because I want this to work. I will support anything that SLAWS comes forward with but we must make sure that our elderly are well cared for and free of any worry and constraint  
2915 with who is going to look after them in their very old age. (**Several Members:** Hear, hear.)  
Thank you.

**The Bailiff:** Deputy Langlois.

2920 **Deputy Langlois:** Thank you, sir.

Sir, this Report is exactly what it says on the cover, exactly what it says on the tin. It is Phase 2 of a project we have already committed to, and that is what we are here to discuss today, and not unnaturally, discussion has been broadened and it has been broadened into some bigger concerns.

Deputy Dorey has drawn attention to the costs of the model, and he is right to do so – absolutely right to  
2925 do so. As the person whose Department looks after the bank account on that one, we have concerns.

There have inevitably been references to SLAWS and to the Long-Term Care Fund and, unusually, there is very little of what Deputy Le Lièvre said that you can disagree with. It is not a common occurrence in my case. But, he is right in a lot of what he says.

I apologise that my top three priority was not the same as his top three priority, but whichever one I  
2930 dropped out I would have offended somebody so that is fine.

But sir, I think, on these sort of occasions, we do have to be really cautious about causing undue alarm or concern by speculating on what may need to be done to build sustainability into this type of issue. The Chief Minister and Deputy Harwood have given assurances about the SLAWS model. The Personal Tax, Benefits and Pensions Review has got a time horizon which is now homed in on a transition period through  
2935 to about 2025, as a landmark time by which many of the new models must have evolved. And I am sorry to say I think we are developing a slightly dangerous habit, whether it is in this Assembly, or more publicly, of setting a long-term planning task in train, and then immediately taking the risk of derailing it by spreading alarm and despondency about solutions that *might* be proposed.

Another speaker earlier referred to having heard rumours that such and such a solution was being  
2940 discussed. Well, that is fine. If you have been in this Assembly for six years and you listen to every single rumour that you hear, you are on a very slippery slope. So can we just keep in proportion that these two longer-term planning projects are underway? We are receiving assurances on SLAWS. The Treasury Minister and myself are trying to get assurances on the Personal Tax, Benefits and Pensions Review. Those two projects have been designed to get these things right, and I think in this particular case it is extremely  
2945 important that we note the concerns that have been expressed, we allow the SLAWS and Personal Tax, Benefits and Pensions Review to get on with their difficult tasks of producing integrated, medium-to-long-term plans.

No, of course we cannot delay. We cannot delay any longer than is necessary, but neither can we afford  
for either of those two strategies to not get it right.

2950 **The Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Thank you very much, Mr Bailiff.

It is interesting that in small communities, we tend to revisit the same things time and time again. We go  
2955 round in circles. (*Interjections*) Yes, well exactly. My brother once said to me that the reason train tracks went round in circles is that the person who invented them lived in a Martello tower and I was quite some age before I realised that was not actually the truth!

But we do, we tend to go round in circles and revisit the same things all the time, and I think also, in  
2960 doing that, we ignore the lessons of history. We tend to say we are where we are, and we do not like to think for very long how we got here.

Now when the Housing Department started with the GHA, when they started working with the Housing Association, Maison Maritaine and Longue Rue were not their priority. That clearly was not a priority. The political priority was, for example, demolish Le Bouet and doing so created huge demand Island-wide, because in demolishing Le Bouet, you had to first move people out so then the vacant properties you had,  
2965 you moved these people into and created a demand. Also, the other priorities they had were the Grand Marais, the properties at the top – and I was a Member of the Housing Board at the time by the way – and the priorities were houses at the top of the Rue de la Ronde Cheminee, around that area.

So when I was taken round the Longue Rue and Maison Maritaine some years later, with the Housing Department saying, ‘Look how decrepit these places are, look how awful, look how wretched they are for

the people that live here' – in other words, they were saying, 'We have not invested in these properties for years'. They had never been a priority and actually now this is what they look like.'

And when I came to the last debate, which was over funding and was in absence of SLAWS, we were painted into a corner, we were told that, 'You have to invest in these properties now, because they are not fit for purpose.' Properties not being fit for purpose – that does not happen over night. It is not an accident. It was a conscious decision to prioritise other workstreams, either through the Housing Department itself or through the GHA. That is why the Maison Maritane and the Longue Rue were in the condition that they were at that time.

Now, the ultimate demand out there in the community for this type of housing is not actually known or understood. It is not really known. It has not been measured. It has not been fathomed out what demand there is, what depth there is in the community for this need, but we are going to press ahead. So the reason, the compelling logic today is we will press ahead with this because there is a bird in the hand, because you save a given sum of money.

But if we make a mistake now, and we are not going to because we are going to support this, but the situation we are in again is you have to go, you have to press ahead now because there is a saving in real time, real money today. What will that saving look like in 10 or 15 years, when it was the wrong decision, when we had the wrong model, and we were not reaching members of the community we need to reach? How many people are out there with Down's syndrome with relatives of a certain age that will need to come in? Do we have a figure for that? Do we know? That is just one example. How many people with muscular conditions, degenerative conditions, are out there that may need this housing? We do not know. But yet we are saying, 'Do this and you had better do it, because if you do not then you are writing huge sums of money off.'

But again, I implore you to think, what will this saving look like some years down the line when we have got the model absolutely wrong?

I need to declare an interest sir, because I have two family members that work within the Maison Maritane and Longue Rue. Neither of my sisters are 100 years old yet, I have to say – no definitely not. But there is an issue. There is a significant issue. It is not about them specifically, but is about clear definitions of the role of a carer and a cleaner. Now, the Housing Department has just... There has been voluntary severance and they have let go, I think, 10 or 11 cleaners. So that means that carers now have an obligation to clean as well. Sir, if this is old person/people-focused care, if it is honest and if it genuine, it says there is a care need there, that is your priority. What it actually says now is bath that person, get them into their flats, then go and mop the floor, clean out the bath, put the towels away, wipe the shower down, do the cleaning, and do the caring. I do not like that. I think it crosses boundaries. I think if the person is at the centre of care, care for them first and cleaning considerations come a little bit later and could possibly be done by someone else other than the carer.

I share Deputy Christopher Green's concerns regarding four hours' care and support. It is a very low level of support, the qualifying period, and you do wonder whether, with the growth in what we call the rapid response team, with occupational therapy, whether people could be kept in their homes a little bit longer and avoid that expense.

Now, Deputy Fallaize said earlier today, and it is something that I could never say without being attacked in a vile manner on a particular blog, but Deputy Fallaize said we have a housing crisis and the Minister of Housing nodded his head and agreed, yes we have a housing crisis.

Now, what concerns me is the morphing of roles here because you could not distinguish between Deputy Jones possibly being Minister of Housing and the role of Deputy Dorey. Now, I know you want to believe for all the right reasons that is the right thing, that this will be indivisible, that we are working tightly closely together. But I believe passionately, strongly that you can do two things, that you can do this type of model, you can do the extra care provision *and* you can do parallel development of social housing because we have housing target areas. We have a vinery that is a housing target area that we have renewed a lease on, which means it cannot be a housing target area for some time yet. So, I think you can do both. You can do both of these things. You can do extra care housing. We know there are people living, as I keep saying, we know that there are people living in emergency accommodation for 18 months that will be there tomorrow and the day after, when these developments are finished.

Now, Members again – and we will support these proposals because we like the direction of travel, that has been clear, and I will support them – but actually we know that there is no real element of choice in here today. Just like the last time we have been painted into a corner, no real clarity on funding, no real understanding of future demand. That is not really understood. There is no strategy yet in place and yet we are told it complies to all six principles of good governance. I mean, how can that be the case? If we have this in Billets and say it complies, let us not put it in, because it is meaningless. Only start putting something in, when it clearly does not comply.

3030 I will support these proposals but have concerns yet again that we have drifted into this situation, rather than done the intelligent thing, taken time and done the right thing that may have taken a little bit longer. Thank you.

**The Bailiff:** Does anyone else wish to speak?  
Deputy Lowe.

3035

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

3040 I can concur to a certain extent to what Deputy Barry Brehaut has actually said, because we were rushed into it last time. We were Members of the HSSD who were supposed to be working closely with Housing over this and, as much as we asked to attend meetings and indeed asked for Social Security to be involved, that did not materialise, and we had 48 hours to say that this was a joint States' Report, of which Deputy Adam was the Minister at the time.

3045 However, we were assured that lessons would be learnt, and that in future for the next Phase, everybody would work together. But actually when you look at this Report, and you read the letter from HSSD, it turns out that that was not the case. They have not. And this is where I am concerned about it, because this is almost a case of, 'Forget where we are with FTP, where we have to make sure that we have good governance, we know exactly how we are going to spend money and how we are going to raise money.' This reminds me of how some have portrayed of the States before the FTP – 'Just write a cheque and we'll sort it out some other time', because here we have no idea yet how the funding is going to take place. We still do not have that strategy.

3050 We are still reading in a States' Report here of a letter dated 24th December from HSSD, where they recognise that officers of the two Departments have worked together well on the extra care housing developments at an operational level, the Health and Social Services Department Board were very disappointed that consultation of the political Members of the Department was left until such a late stage in the project and then presented as a matter of urgency. So here we are a couple of years later and it is still an emergency. You have *not* worked with the Departments (*Interjections*) because this is actually, it is here in black and white HSSD have said it and we have seen the reply in the letter that you sent as well – that you sent to everybody for us to see, that is Deputy Dorey. I just do not see that this is good governance. I just see this as I hear what you are saying, this is something that is really needed. Well, if it is really needed, why are we using some for partial ownership because we have got such a waiting list for extra care? Surely the priority should be extra care and not partial ownership. That is for another day. This is this site that is supposed to be for extra care. But that is not the case. That is not the case at all, from what you are proposing in here.

3065 We have not tried and tested the first thing first and learnt by it. So we have got here a report that I have to say is probably one of the worst reports that I have seen, and I know everybody is going with it because that's the thing to do, because you are now in a corner, the builders are on site, so we will continue.

3070 It does not matter if we do not know how it is going to be funded. It does not matter that actually these are now going to be tenants, whereas they were going to go into residential care. It does not matter that it is still only four hours per week that these people need and really it would be far more cost effective to take the care into their home, rather than build a £20-odd million building and extensions to these buildings and other parts. That all does not matter. We are in a corner now and we have to go with it, because that is what we are being told. Well, if this is part of the good governance that we see here in this Assembly today, I do not wish to be a part of it.

Thank you very much.

3075 **The Bailiff:** Deputy Storey.

**Deputy Storey:** Thank you, sir.

3080 Sir, this is a project that I am proud to be associated with. I think that this is a project which is essential for the wellbeing of the community, and I am really pleased that I had an opportunity to be involved in bringing it forward to the States today.

I think it has been already said, but it is worth repeating that if we waited for SLAWS and other strategies that need to be produced, as a relative matter of urgency – as Deputy Fallaize has commented on already – if we had waited for those, where would we be now?

3085 Sir, it is all very well for people to be negative and say well, we should have done this, we should have done that, but at the end of the day, the Housing is needed – not just in this area; throughout. There is a housing need in all categories on this Island, but we cannot tackle all of them at once and this is a fairly high priority and let us get on with it. That is my attitude. We can see that there is a need for it because of the oversubscription for places in these two developments.

And carrying on now, as has been already said does save money in that the contractors are already on site, and there are certain works that will not need to be done between phases of the project. So again, let us get on with it, and get the job finished.

Now, there have been comments about the fact that the extra care housing is only providing a certain amount of care. I agree, I think it was never envisaged that this type of housing would be a panacea for all types of assisted living on the Island. It fills a particular need, along a continuum.

I personally am very, very keen on helping people to continue their lives in their own homes, but unfortunately, there comes a time when that becomes difficult or dangerous for them, to be on their own where there is nobody looking in on them except perhaps every morning, just to check that they have managed to get up and get dressed and washed. That is very well, and it suits people in a certain condition, but it does not suit all.

But the people who come into extra care housing, it has been repeatedly said, they get in because they need four hours' care a day and that is not enough to warrant being in extra care housing. But the point is that is the whole business behind extra care housing is that under that pattern of delivery, the amount of care can be adjusted for what is required by the individual person. It is not a 'one size fits all' solution.

So, yes there may be some people who at the moment might only need the four hours but the assessment shows that fairly soon they are going to need rather more, so why move them more than once? To me, that is in a way, they have moved to a new home and they are still getting care at home. It just happens to be that their home is in the extra care housing facility, and for me that is an ideal situation.

But we do need other facilities. The Oaks was mentioned for severely disabled people. That for me has dragged on far too long. That is an essential development that ought to be going hand in hand with the extra care housing, but for various reasons it has been delayed, and again that is something that we must not neglect. Just because we are doing extra care housing, we should not be neglecting the other needs in other areas, and we need to be putting more effort into providing this range of facilities that are going to suit people at the different stages as they travel along the continuum. Not everybody is going to be happily living on their own at 100! There are a lot of people whose health does not permit that at quite an earlier age.

The other point, I think, which has been neglected in the comments today, is that we are short of housing throughout the Island, in all areas. I know the initial population of these two facilities is going to be largely people who are already in the Housing homes, but as time goes on people are going to be moving into this facility from HSSD homes, from their own homes, and from social housing elsewhere on the Island.

There are a lot of houses that are under occupied at the moment, and by providing a really good quality extra care housing facility means that people in many instances are going to be keen to move from the house that they are currently living in to an extra care housing flat, and that frees up housing for a different type of person – a small family or whatever – so that we increase not just the extra care housing provision, but we also increase the general housing provision either in social housing or elsewhere.

So, I do not think that we should be overly concerned about the savings specific to moving people from where they are now into extra care housing, in the same way as we do not particularly concern ourselves about what the cost is going to be by providing some additional social housing on a new site. Obviously we get the housing done to the appropriate standard for as little as we can, but at the end of the day this is the equivalent to creating additional houses elsewhere on the Island.

Now, the one thing that I would agree with, that I do not think is right at the moment, it needs a bit more work, and that is the co-ordination of the work between the Housing staff and HSSD staff in the provision of the support to people within this extra care housing. I think there is work needs to be done on that in the very near future, because we are getting to the point where people are going to be moving in and we are going to have to deliver that care and we have not got it sorted yet, and it needs to be sorted. So, I hope that that can be sorted out before these people move in to these new facilities.

So, I shall certainly support this, I think it is a great project and as I said at the beginning, I am glad to be associated with its implementation.

Thank you.

**The Bailiff:** Does anyone else wish to speak? No?  
In that case, Deputy Jones will reply to the debate.

**Deputy David Jones:** Thank you, Mr Bailiff, Members of States.

It has been a very good debate. I was pleasantly surprised. I thought it might have been shorter than 2011, but I think it has actually been about the same length.

Starting with Deputy James – we had lunch with together and discussed certain aspects of extra care housing – I thank her because of her comments about the document itself, and she is saying it is a missed opportunity for having staff all work under the same umbrella. We are not precious about that. We have

never been precious about that and that is something for the Policy Council to get together and decide whether that is what they want.

But the clue is in the title: it is extra care housing. We have always supplied housing staff, who are the carers even in the residential homes, who have always supplied the caring side of that facility, and I do not see any difference in the future.

But again, as I say, we are not... It is something that SLAWS will look at and the Policy Council can take a view on, but we are not going to die in a trench over it. We are dealing with a situation that we have at the moment. And so we are happy, Deputy James, for the Policy Council to look at that.

You made one other point. I cannot read my Chief Officer's writing. (*Laughter*) No, sorry, there is no suggestion either that the placements in these are just a reckless decision, I think was what you were saying – that it needs to be carefully thought out who goes in there, was I think the other point that you made.

**The Bailiff:** Deputy James.

**Deputy James:** Could I make a point of correction, sir?

For Deputy Jones' information, the second point that I was making was that the document seemed to imply that huge savings could be made –

**Deputy David Jones:** Alright, yes, the savings, sorry.

**Deputy James:** – by bringing people back off-Island, (**Deputy David Jones:** Yes.) and my comment in terms of reckless expenditure was that HSSD did not make the decision lightly to take people off-Island.

**Deputy David Jones:** And we accept that, Mr Bailiff, and of course, it is on the recommendation of some of your staff in HSSD that have made the point that actually it may allow some people to come back to the Island, which is going to save HSSD money. I think that is the point we were trying to make.

Deputy Green was next out of the trap and I think, we never said, Deputy Green, that extra care was a panacea. I know that you are fully aligned with the group that you just joined and I have to say, there is probably some vested interest also in that group for the kind of care facilities that they would wish to provide to the community that may not be the extra care model. But we are interested in the level of care and, of course, this was always at the very beginning about moving our residents from residential care into a different form of housing, where they regained their independence and we make no apologies for that.

The staff actually – you asked a question about the staff – will be on site 24 hours a day. I think in picking up a couple of points, I will get to Deputy Queripel later, is that the residents will get the care packages that they need. So each care package has been worked out for the resident of each flat, so if they only need a few hours in the morning to help them get dressed or washed and a couple of hours in the evening, that is the package they will get. Residential care provides everybody with 24/7 care whether they actually need it or not. And it is not efficient. So, the new care packages will address those, and I will get to Deputy Queripel's later on.

I think he also made the point about the four hours seemed very low, but again this is about housing predominantly, and it is about people who need help with their housing. You can have all kinds of models. You can have sheltered housing. You can have warden controlled housing. You can have extra care housing. You can have straight residential care. But our job predominantly as a Housing Department is to provide housing, with a care element for people who may need it, and we try to find the balance between the residential care, where they get 24/7, and the individual care packages that we are trying to give these residents.

But there has to be a starting point. You do not want to take people who do not need any care, and you have got to remember that as they move into extra care, the amount of hours that they may need in the future is likely to go up from four hours, not likely to go down, but there has to be a starting point.

Sometimes the homes, people say and Deputy Lowe mentioned it, well surely they would be better off being taken care of. Some of the people's homes are quite dangerous for them. Because you can get a perfectly reasonably healthy person who is quite capable of doing many things, but may be unsteady on their feet on occasion. It is a balance and the assessment, the people who are doing the assessment are professional people, and they will make sure that that is covered.

You also mentioned about the funding. The funding is an important issue, but look where we are. Deputy Andrew Le Lièvre, I did have some trepidation when he got to his feet, because he is usually fairly forensic, and he was not any different today, but he made a valid point. This has been passed from States to States for too long. I absolutely applaud the decision to keep Deputy Peter Harwood as the Chair of that Group, because he has a passion for this that I have not seen before. He tells me off at some of the meetings if I waffle on too long, but he (*Laughter*) shows a passion for wanting to progress things and get

this thing moving, and get some tangible results that we can use in the future to decide on where we go forward with care for the elderly. So I am really pleased about that.

He then raised about Rosaire Court. Well interestingly, Rosaire Court is managed by HSSD staff, not by Housing staff, so if there are any problems with Housing 21, we will not be getting complaints about that which is why I looked at you a bit odd when you said that there had been several complaints, because those complaints will not be coming to us at Housing. They will be going to HSSD and I am surprised HSSD has not told us about it. So, HSSD are responsible for running the care issues there.

We moved on then next to Deputy Adam. He believes passionately in care in the community and so do we, but he wants it provided by HSSD and not by Housing. Again I say to you, this is predominantly housing. These are flats. These are extra care housing. They are a housing complex with help for people who are going to move into them.

He mentioned the Bristol visit. Now, I went on the Bristol visit – I hate visits. I never go off the Island. Some people do. They go off and... I cannot abide it. I have learnt very little from – (*Laughter and interjection*) Sorry. I have learnt very little actually from ever going and visiting anywhere else and seeing what a mess they have made of things. But the Bristol trip actually was quite interesting, because the one thing I have always said since we went on that trip – we looked at the extra care and we looked at all kinds of models – was we learnt more about what not to do, than about what they have done by looking at what they have done.

Now, Deputy Dorey says that it was a Rolls-Royce model. One complex we went in was. They had spent millions unnecessarily. They put internal streets inside, all covered in glass, with beautiful seating areas. When I spoke to an elderly resident in one of the flats, she said, ‘Well, we don’t sit out there in the summer because it is too hot, and we don’t go out there in the winter because it is too cold.’ A complete and utter waste, complete with hanging street lights and baskets – it was a complete and utter waste of money. So the Bristol visit showed us what we were not going to do and we learnt much from that.

Deputy Dorey remained particularly unimpressed for most of the visit, for reasons that he has made clear here today, but I think we learnt a lot from that, and it was good to go and see how some of this extra care housing was working.

Deputy Fallaize was actually opposed to the whole concept of extra care housing in 2011, but I did get the feeling today, and not necessarily from him particularly but from Deputy Lowe and some others, that we are really fighting a battle that was lost in 2011. Deputy Fallaize had the good grace to say that he accepted that that was the case, but he did bring up again the funding issues, and we cannot get away from that. But do you know what, Housing is mandated by you, as I said in my speech in the beginning, to provide housing. We cannot sit around for years waiting for other Departments to get their act together on funding issues. We just simply cannot. You would have thrown us out. We would have had more votes of no confidence over the last few years if we had done that, and you would have said, ‘Well, why are you waiting? Why are you not getting on with things?’ As I say, extra care is another form of housing.

But I will extend an opportunity to Deputy Fallaize, because he has always been consistent with this. He said in his speech that he does not understand quite yet in his own mind how this thing is going to hang together and how it is going to work. So, I would like to extend a... to go on a visit, to Deputy Fallaize, to visit the two schemes talk to the staff and talk to some of the residents and see if he can get more information from a hands-on visit to the two...

Again, he talked about SLAWS and I agree with him. Because the SLAWS thing was first started by a Committee headed up, I believe it was by Deputy Parkinson, who was then doing the cost-benefit analysis of what we were doing, and Treasury as that time under his came back and gave us a clean bill of health. But, I know that Deputy Le Lièvre who was on that Committee at the time was still saying that there was a lot more work that needed to be done, and he has been proved, as he always is, to be right, and hopefully the SLAWS will come back and get on with that. But again, the funding is a key part of SLAWS.

I am going to try and rattle through these a bit quicker, because we will be here all...

Sir, T&R and SSD are the stakeholders in much of this, working out how this is going to be funded, and we agree with others we would urge them to crack on with it.

Deputy Heidi Soulsby was very supportive. I was very pleased because I am always worried when a Chairman of a Scrutiny Committee gets to their feet, because you never quite know what is coming down the track at you, but I think what she did was she gave us, all the Departments, a generic slap on the wrist to say look, if you are going to put in cost savings in a Billet, can you please work harder and show better where they are identified and what they are. So, we will take that on board and we accept the savings have been... They have been unable to be quantified exactly, but we believe that those savings will be significant. Steady...

My good friend the Minister of Health, Deputy Dorey, he supports these proposals and he is concerned again about SLAWS and so are we. We agree with him with the point made about the defects of the current position and we welcome his support. The financial benefits, we noted that he has made the point about £825,000 in the notes and we have noted that.



3270 But we do not agree that it is a Rolls-Royce solution at all. We think that what we saw in Bristol was a Rolls-Royce solution and of course that is not what we had any intention of doing in Guernsey, and we think that when you finally all go round and see these new developments, which we hope you will, you will recognise that to be the case.

3275 The letter to Deputy Dorey refers to the letter sent from HSSD but our letter to Deputy Dorey covered the points that he brought up. It is very difficult to compare types of care and reach a conclusion. We have never said that extra care was the only solution. We have said it is part of the housing solution and a care package for older people.

3280 What else? It is incorrect to say that these people will not have some sort of means test, because they will. We will be looking into people's finances, and they will be directed towards partial ownership if they can afford that, and/or rental as appropriate. So we are going to be looking at the people who are trying to access extra care. And, of course, we are providing sheltered housing as well, at the rear of the site at St Martin's.

3285 Deputy Gollop, and I cover Deputy Lowe in this, because Deputy Lowe made the... and Deputy Gollop also made the point about liaison between Housing and HSSD. Now, HSSD has been a partner in the extra care projects going all the way back to 2010. So, it says something actually about their own internal communications system if the first they knew about Phase 2 was when the draft States Report was presented to them for their views.

3290 I can tell you that HSSD has had senior officers on the project team throughout and at the time when the draft of this Report was presented to HSSD Board, that project team had no fewer than 65 meetings, and Phase 2 had been a feature in those meetings since last summer. So, I do not know what is going on inside with the internal communications system of HSSD, but that is a fact.

**Deputy Brehaut:** A point of correction please, sir.

3295 This point when Deputy Hadley – yes, there is – when Deputy Hadley came to the HSSD Board it was said then by the Chief Officer in his presence that there had been 65 meetings with senior staff. The Chief Officer of HSSD, the acting Chief Officer said, 'You are not telling me that that is 65 meetings at senior level, are you?', and the response was no, 65 meetings with staff generally. So that could be staff at any level within HSSD.

3300 **The Bailiff:** Deputy Jones.

3305 **Deputy David Jones:** Sir, I am not sure the point Deputy Brehaut is trying to make. What I am saying is there have been 65 meetings between Housing and HSSD staff and then for Members of that Board to stand up here today and say, 'Well, it has all been a bit of a surprise and we did not know this was coming at us, and the draft report is the last minute, last.com issue' is just simply not true. And we have got the minutes and notes of those meetings to back it up.

But I am, however, pleased that HSSD has acknowledged that the officers of our two Departments have worked together on these projects extremely well, which they have done. That is a point that they have made.

3310 I move on to Deputy Lester Queripel –

**The Bailiff:** Deputy Dorey.

3315 **Deputy Dorey:** Sir, there is a difference between a staff situation and a political situation, and what we are commenting on is that at the political level, there has not been any communication from Housing to HSSD and we saw that Report at a very late stage, and we were asked to bring our comments back. What I believe, and I think this applies to other processes as well, I think if Departments are talking staff to staff, it is not necessarily that the conversations get to the political level. I think that Boards should make sure that there is discussion at a political level as well.

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**The Bailiff:** Deputy Jones.

3325 **Deputy David Jones:** Well, I am sorry but I find that astonishing, because I know that when our staff at Housing meet other Departments such as Environment and many other Departments, and Treasury, and the staff come to the Board and give the Board Members a full report about what has been discussed. You do not have staff wandering off to meetings without letting the political Board know what is going on! So, I am surprised. We will move on.

Maybe we will not move on. (*Laughter*)

3330 **The Bailiff:** Deputy Lowe.

**Deputy Lowe:** I think you are missing the point that I was trying to make. (*Interjection*) The meeting that we had previously, where it was brought to our attention that we had the 48 hours to make this decision, and we were given assurances that political meetings would take place in future and we would not be in that situation, which I believe is exactly the same as Deputy Dorey is trying to say. So, as Minister of Housing, you maybe should be asking yourself why we have not got meetings with HSSD at this stage, at political level.

**Deputy David Jones:** Because, as I said to you earlier, we are not going to fight the 2011 battle all over again. The States decided in that debate that extra care housing was going forward and so we are not going to re-meet HSSD staff to discuss whether extra care housing is a good idea. We have done that. We brought it to the States. The States decided it was and we move on. I do not have all day to spend in meetings discussing issues that have already been passed by the States.

But Phase 2, the staff should certainly have made HSSD Members aware.

Deputy Queripel congratulated Housing, which I am grateful for, and as a champion of older people, he appreciated the extra care and what it is designed to do.

For some reason, I have come back to Deputy Gollop. Oh, I know what it was – yes, sorry, Deputy Gollop did make some other points. Public engagement is a key part of the SLAWS development and we know that Deputy Harwood is consulting widely on the SLAWS Committee with all kinds of NGOs and other people to make sure that the information that we get back is factual, and it is something that will help the Committee move forward. He thinks that the model is expensive. You said you thought the model was expensive, and the private sector would not do it – well, exactly why the States has to do it.

The private sector, I am afraid, would build residential and care homes rather for profit. Now I have to say this because it is very true, rather than the individual personal needs of the people who want to use them. We are trying to give extra care housing to reskill people, older people, people like Deputy Lièvre's mother who is 100, who still wants to do and look after herself as much as she can. And that is not what the private sector want to build. The private sector want a heavily controlled care home environment, which is heavily staffed, which they charge significant amounts of money to the residents for to occupy.

But I agree with the points you made. You said that we need a range of options and we agree with that. We support an integrated approach, a one-voice approach and hopefully that again is a job that SLAWS will do.

The Chief Minister I thank him for his support and his speech. And he said in his speech that there is a danger that this is being seen as a panacea and we agree it is not. It is part of a jigsaw of care in this community, of which extra care housing is only one part of that jigsaw.

Now Deputy Queripel – the other Deputy Queripel, my good neighbour – made several points about the level of care that people might need between extra care and then having to go into nursing care. Well, the individual extra care packages will allow people to stay in their flats for ever, if they want, or until the point that they do need nursing care, and at which point, another stage in their life will start because they will have to go into a different kind of environment.

But as I say, at the moment, we have a system where we provide 24/7 care for everybody whether they need it or not. These care packages will give people as much care and attention as they need to live a proper inclusive life, so if they need 10 or 12 hours a day, that is what they will get. The safety features you are worried, they are in more danger actually in the care homes because the rooms are very tiny, if they fell over. The new homes have proper technology in them that allows people to get to the flats quickly if somebody falls over, and it is no different for people living in their own home but who do not have the sanctity of staff around them if something does go wrong. At least in extra care housing, they can have that independence back and if there is a problem and they fall over, or they hurt themselves, care is there immediately, and they have got the red triangle pull cords in every unit to summon staff if that is what they need.

As far as the services go, the emergency services, the extra care facilities comply completely with those, and do not forget, you have got staff in the building 24 hours a day, in the extra care housing, so if there is a problem and they need an ambulance, it will be the staff who will answer that emergency call from the tenant and they will be in there straight away sorting that out. But as I say, lots of modern technology going in there as well.

You made another point – it was about marketing and catering, wasn't it? Yes, well, there are subsidies for the catering. We understand that. That has been built into the model and it has been agreed and approved by Treasury and Resources, and we are hoping that the hubs are going to develop as community hubs, and the catering services will come more into their own as that hub develops. But this is pioneering stuff for us. We are not saying it is not. It is a different form of care than we have been used to and we are learning what we need to do, and putting in place what we think the community will need, as this care develops. But it has been included in T&R, the viability plan of these extra care schemes.

Now, Deputy Bebb – he has gone – but he has confirmed that a Member of the Board of Health will confirm that the extra care schemes are going to help with the overall care of older people.

3395 We move then to Deputy Andrew Le Lièvre. He wished us well and I am pleased with that. He had a lot to say in 2011 and as I say, some of the things he said... I have to say that his criticism and Deputy Fallaize's criticism at that time were not to do with the housing element of the scheme. They were to do with putting the proper funding in place to make sure that the people were properly supported. They wanted to know where the money was coming from and whether the insurance scheme would be instated. That is perfectly reasonable and hopefully now the next time that needs to be answered, it will be Deputy Peter Harwood on his feet as the Chairman of SLAWS being able to give those answers, along with Deputy 3400 Langlois and Deputy Gavin St Pier from T&R.

Deputy Brehaut, well what can I say? We rejected the allegations about allowing the care homes to fall into disrepair at the time. They had clearly gone past their sell by date. You cannot say that when a toilet is too small, you have allowed it to fall into disrepair – it was just the way it was built. When you had residents queuing up to use the loos and a lift at St Martin's that was always breaking down, that is not 3405 neglect. That is just general wear and tear, so we make no apologies for saying that we want to tear them down and reconfigure the way that housing is offered to older people. And I would do it again tomorrow if I had to.

He said that demand is not understood, and I think in many ways that is right. People are going into residential homes every day, who would prefer to live independently and in extra care, and the extra care 3410 provides that opportunity.

But you talked about files and records, if you want files, then why, as a Member of HSSD, do you not have them? Your Department is just as easily able to collate the files of people who need this care as we are. In fact, I would argue it is more your job than it is ours. So, it is no good standing up and saying, 'Well you should do this, and you should have files, and you should have numbers on the people who need this 3415 kind of help.' We suggest that HSSD should have done that a long time ago, and why have you not got these files and this information?

You talked about the carers and the cleaners providing support. We believe that we had a very good person in charge of the Older People's Strategy in Lois King who has worked out not only the care packages for the tenants, but the way that the staff should be allocated and what kind of staff we are going 3420 to need. I would much rather, in all due respect to you Deputy Brehaut, trust her judgement rather than yours.

You are saying that the housing crisis is being side-lined. We do not believe it is being side-lined. We are trying to provide housing with care and support options as part of solving the housing problem. Extra care housing is part of the housing problem, and we are doing what we can. If you would come back to this 3425 States and we could get the property rationalisation scheme resurrected and get it off the ground and we could find some more brownfield sites, we will build some more social housing and all kinds of other facilities in a heart beat, but it has not happened and the HGAs you are saying we are not working. We are working with them. We were having meetings at this time with Environment about the HGAs. So, I refute that allegation too.

3430 Deputy Lowe, I have already covered the issue about meetings, but you said that we rushed in to this in 2011. Rushed in to it! The older people in this Island would not agree with you, and nor would Deputy Le Lièvre. He said that his mother was 92 when this first started; she is now 100 years old. I do not think anybody has been rushing, do you? (*Laughter*) So –

3435 **The Bailiff:** Can comments be directed through the Chair. I tried to raise that earlier –

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

**The Bailiff:** – but can we not have this banter across the Chamber?

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

**Deputy David Jones:** I apologise.

3445 **Deputy Lowe:** Thank you, sir.

I appreciate that, because if Deputy Jones had listened to my speech I said the HSSD Board had 48 hours to rush into a decision, not that we are still waiting for a long-term strategy and everything else because we have moved the goalposts since.

3450 **The Bailiff:** Deputy Jones.

**Deputy David Jones:** What can I say? Forty-eight hours is a long time in politics. (*Laughter*)

He talked about extra care and partial ownership. This is a housing project. The extra care bit is a service, so it is a housing project with a service built in. So of course we are going to look at things like partial ownership. These are flats. This is not a care home. It is a different concept altogether, so of course we are going to look at partial ownership to help these projects wash their face.

I think I have pretty much covered everything, sir. I hope Members support this Report. It is a well-needed Phase 2 of this project and what else can I say? Thank you.

**The Bailiff:** Members, there are four Propositions on page 440. I put all four Propositions to you together. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried.

## Billet d'État VII

### IV. Education Department – The Future of Higher Education: An Education Department Perspective – Debate commenced

*Article IV.*

*The States are asked to decide:*

*Whether, after consideration of the Report dated 28th January, 2014, of the Education Department, they are of the opinion:*

- 1. To note the content of that Report and that the Education Department will not be seeking additional funding for higher education in 2014.*
- 2. To direct the Treasury and Resources Department to take into account the potential increases in expenditure if student numbers and/or tuition fees increase beyond current budgeted levels when recommending the 2015-18 Cash Limit for Education - Higher and Advanced Education.*
- 3. To note that the Education Department will return to the States of Deliberation in 2017 with further proposals on higher education funding from 2018 onwards and in particular to report on the level of budget required thereafter.*

**The Senior Deputy Greffier:** Billet d'État VII, Article IV. Education Department – The Future of Higher Education: An Education Department Perspective.

**The Bailiff:** Deputy Sillars, the Minister, will open debate.

**Deputy Sillars:** Thank you, sir.

Whilst interests are being declared, I hope to have a son going to university in the next couple of years.

**The Bailiff:** Incidentally, nobody has objected to me presiding so I am continuing.

**Deputy Sillars:** Sorry, good. I will continue then. (*Laughter*)

The value of higher education lies not just in the economic and social benefits to individuals but to have benefits which are brought to the Bailiwick of Guernsey as a whole. Higher education improves opportunities and life chances for individuals, and in so doing it creates related benefits for community cohesion and social inclusion. In short, higher education has a significant role to play in improving social mobility.

These are not new concepts and they have been around for a long time. In 1963, the Robbins Report stated that the four main objectives of UK higher education should be: (1) instruction in skills; (2) promotion of general powers of the mind so as to produce not mere specialists, but rather cultivated men and women; (3) to maintain research and balance in teaching; and (4) to transmit a common culture and common standards of citizenship.

Well, that was then. What about now, some 50 years later?

The UK Commission for Employment and Skills (UKCES) has published reports on future skills needs drawn from employers. These reports show significant future demand for corporate managers, science, technology, engineering, mathematics professionals, teaching and research professionals, and business and public service professionals. Most relevant to the Bailiwick of Guernsey.

These roles employ high proportions of graduates: 86% of professionals are graduates according to UKCES research. That same research estimates that over 80% of new jobs created by 2020 will be occupations with high concentrations of graduates. Therefore, as other countries strengthen their relative competitiveness in both economic and financial terms, it is vital that our capacity to compete and innovate is at least sustained or enhanced.

The contribution made by Island graduates and other higher education learners have many different levels. Vital to the Bailiwick's economy and its continued prosperity are the high-level skills these students gain and have with them when they return back to our Islands.

Given that we know all these things, there would be a significant risk to the Bailiwick's continued economic prosperity, if future demand for employers for highly skilled individuals could not be met internally from our own population.

I am therefore pleased to be here today and present this Report to the States, which still very much holds Education's vision and core values – namely, that we should continue to maintain the system which promotes opportunity for all, and that students should be given every opportunity we can afford them to enable them to choose the course and institution of their choice, based on personal preference, not individual economic necessity.

The current system, I believe, achieves this. We retain our core principles in that any student wishing to benefit from a university place for a first degree should not be denied States' support, if the institution has accepted them, and a student's choice of course and university should not be unduly influenced by the personal cost to them.

The Report points out, of course, that there is a balance between demand and what we can sensibly afford. Public finances are not unlimited. (*Laughter*) Despite these changes, I believe that we have managed to attain that balance, with those least able to meet the cost of university education being given more support, and in some cases full support, whereas those assessed as having a greater ability to pay will pay comparatively more.

The Department has had to strike a balance against the backdrop of needing to reduce States' expenditure as a whole. The changes in parental contribution levels referred to in paragraph 27 of the Report arise from the Department having to consider its expenditure limits under the FTP, rather than any external factors.

However, this Report is concerned with more than just money. The world of higher education is changing rapidly. The Report explores some of the changes on the near horizon, and how these might affect us all in the future. The traditional model of learning, where we see a student go off to university for three years or so and then return with a degree, now faces a number of challenges.

There is, as the Report points out, likely to be a blurring between work and learning in future and much more flexibility in terms of how students learn and where they learn. The emergence of these alternative routes to learning, and indeed developments in terms of greater opportunities to study on Island, will require greater flexibility in how we fund and assess our students needs going forward, as shown in paragraph 45.

Universities now have much more freedom to set charges to students who are not classified as home students. Despite the emergence of what is effectively a free market for tuition fees, due to the Department's hard work has been largely successful in agreeing a fee rate for the universities which replicate previous agreements. It is largely thanks to this fact that we can maintain our current system.

However – there is always a 'however' – there is a note of caution in the Report. We are confident through our discussions with the agencies in the UK that nothing much will change now, ahead of the general elections in May 2015. The £9,000 Home Fee appears to be fixed at least until the elections.

However, after the elections in the UK, depending on who takes power, whether it is a majority Government in office or a coalition mix of various persuasions, radical changes may take place. Therefore, somewhere in the middle of our proposed timescale of returning to the States in 2017, the higher education landscape may change dramatically. There is some resilience at the moment if these changes impact negatively in terms of our budget, but it will depend on the nature of any changes, their speed of implementation, and how successful we can remain getting the best deal we can for Guernsey.

Therefore, as a final note, I would just like to assure my States colleagues that Education Department remains committed to getting the very best deal it can for Guernsey, its students and the taxpayer.

Thank you.

**The Bailiff:** Deputy De Lisle.

**Deputy De Lisle:** I very much support this Report, and in fact enjoyed reading it, and I agree with some of the comments that have been put forward by the Minister with regard to higher education and providing opportunity for all, and States support.

My appeal, sir, to the Department, is that we cling on to the means-tested grants system, and thereby not put young people in the very difficult position of debt for years after university, as is the case reported in the United Kingdom and the United States.

This Report from Education should provide some comfort to parents in the near and medium term – the next five years or so – that the current funding model will remain largely intact, and the means-tested grant scheme will continue in 2014 and beyond, and in many ways that is no mean feat.

We have been threatened by student loans in the recent past. The Higher Education Working Party of the Department last term worked hard to avoid burdensome loans being placed on students attending university, by containing expenditure, despite the UK decision to increase tuition fees from 2012.

But we cannot be complacent over the longer term, as the Minister has indicated. In fact, his Report shows a budget reduction now and a contribution of almost £1 million to the Financial Transformation Programme in savings to the higher education budget. It has largely been achieved by increasing the maximum contribution to fees parents will pay in the future.

So we are vulnerable in the future if the increase in numbers of students increases along the lines that the UK University Minister Willets predicts. He has predicting enrolments to grow 100,000 more than now, up to 460,000 a year in the UK, and the possibility of the UK institutions charging more, and then we have also got the event that we are unable to secure Home Fee rates for Channel Islands students in any future round of fee hikes. But hopefully by then, there will be more opportunity and support for students to study on the Island, which could lower the total cost of higher education, especially with the adoption of on-line courses and the introduction of University of the Channel Islands in Guernsey.

So, I strongly support the belief that is placed in this document that high quality higher education is central to the future of Guernsey, and that T&R need to take account of the potential increases in expenditure, if student numbers, or tuition fees, increase beyond the current budgeted levels, when recommending the 2015-18 cash limit for higher education.

Now, I note the comments on page 48 relating to flexibility in the current financial model. But I sincerely hope that every effort is made, when the Department returns to the States in 2017, with further proposals on higher education funding from 2018 onwards, and reports on budgetary requirements, that the grant system remains intact, and that every effort is made to prevent burdening future students with student loans.

Thank you, sir.

**The Bailiff:** Deputy Trott.

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

I rise early to pose a question which I will direct to all Members of the Education Department and not just the Minister, and it is this. If higher and further education is central to the future of our community, and I am certain that it is, sir, is it appropriate for the Guernsey taxpayer to fund the university education of a person who does not return to this Island within a defined period of time? Because it may be an uncomfortable message to give, but after all if our community is unable to benefit from such higher or further education, how on earth can it remain central to the future of our community?

Thank you, sir.

**The Bailiff:** Deputy Fallaize, and then Deputy Langlois.

**Deputy Fallaize:** Thank you, sir.

The answer to that question obviously is yes, because what is the alternative? You say to students, 'We will only support you financially if you are going to return to the Island.' That would result in all sorts of perverse decisions being made by people for completely the wrong reasons.

In the previous debate, we considered – Deputy Trott is standing, so I immediately give way –

*(Laughter)*

**Deputy Trott:** I am grateful to my friend, sir.

One of the most successful nations on earth is Canada, and that is precisely the policy that they deploy.

**Deputy Fallaize:** An even more successful one is Sweden, sir, and I am happy to discuss that one with Deputy Trott after this meeting. But I answered Deputy Trott's question before he answered it himself.

Now, in the previous debate we considered an issue, the funding of long-term care, which has been a major failure in the sense that the States have been very slow to respond to the challenges, and we still have

delay upon delay. But here the Education Department are presenting an area of policy which is a major success and which the States should celebrate.

3615 The Department's higher education budget has remained at the same cash level, £6.5 million, since 2005. For the last nine years Guernsey has been able to continue to support students, without the need of introduction of student loans, and the budget has stayed the same in cash terms. That is a major success for which we ought to commend the Education Department. (**A Member:** Hear, hear.)

And so much so that those of us who fought... In fact there is a bit of historical revisionism in the Education Department's Report which I need to point out, because in paragraph 28, it talks about student loans and it says:

This system will not work in Guernsey and in May 2008 the States rejected the notion of student loans...

3620 Actually what happened is the Education Department proposed student loans. It was accepted by the States, and then in September 2008 there was a Requête which the Education Department, of which I was a Member, fought against, but they lost, and we managed to kick student loans into the long grass. So obviously I do not point that out to highlight the success of the Requête, but merely to emphasise that the Department's Report is not strictly accurate in that sense.

3625 But it does go on to say:

'The Department, therefore, has no plans to resurrect earlier proposals, even with modifications.'

Extending the point that Deputy De Lisle has made, I think that is something to be celebrated.

3630 We are here – what is it now? – six years nearly, since the States actually approved a student loan scheme that would have plunged students into debt, because we were told the scheme was totally unsustainable. Six years on and clearly not only has the scheme not been unsustainable but the Education Department has been able to reduce expenditure without introducing student loans. I think that is a major success for the States and I commend the Education Department – and I particularly commend their commitment to retain the present funding system for the foreseeable future.

**The Bailiff:** Deputy Langlois.

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**Deputy Langlois:** Yes, thank you sir.

If only the Island was as good at recycling as we are at recycling debates, as we have this afternoon, then Deputy Luxon would be hitting all the targets he needs to.

3640 Sir, out of nine years on Education, the last one as Deputy Minister, and a large part of that time very much involved with the higher education end of that, I also join in the congratulations to the Department on the whole process that we have got in front of us. We only have to note the Report so I want to keep this brief.

3645 In particular, I commend the Board for resisting any temptation, in this time of financial constraint, to go down the 'you can only do a degree if you do accountancy' type route, which would be totally and utterly ridiculous. It would be destructive to the Island in the long term. There are young people, when they go to university, generally are not at a stage – many of them – to have made firm decisions about their long-term future, and fewer academic subjects must be protected and must continue to be protected.

3650 The other thing is that there are some hints of saying, well, maybe in the long run we will have to look at different delivery methods and so on, or maybe just because different delivery methods are there, they should be used. Well, around this Assembly, sir, I know of a number of people who made decisions many, many years ago, not to go to university and to earn earlier, to then become qualified and to work out their career in that way, and others who went away to university and then decided on their profession afterwards. There must still be space for that choice. The big benefit that we can give young people here is that choice, and that choice must remain in place.

3655 Finally, sir, I think this debate, we must, absolutely must, record our congratulations to the staff team. I do mention the staff team because by and large politicians do not have much to do with this bit of the work. If you had said to me when I left Education four, five years ago, that they would have successfully negotiated with all but three universities to maintain home levels of fees – down to two now – I think that is what the signal from the Deputy Education Minister meant. (*Laughter*) We are down to two now who are charging more than Home Fees. If you had said to me that that was going to be achieved, then I do not think I or the previous two speakers who were on the Board at the same time would have believed you, and I congratulate the staff team on that work.

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**The Bailiff:** Deputy Stewart.

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**Deputy Stewart:** Mr Bailiff, I thank the Education Department for their Report on higher education. The link between education and the economy is one that is extremely important, and one that we really must focus on – not just higher education but general education. The better the education, the better turnout for the economy.

3670        Though I do slightly disagree with Deputy Langlois and looking at page 568, Treasury and Resources  
have drawn your attention to it in the third paragraph down, which is at some point we do have either  
diminishing financial resources and in the future we will have less young people on this Island, supporting a  
much older population and maybe we do not want to go quite as far as Deputy Trott suggests, but we do  
3675        need to find ways of encouraging young people to study degrees to enable them to return to the Island, to  
find jobs here in the Island, and jobs that will create as much wealth for this economy as possible. So, while  
at the moment I have an open mind in terms of do we only give fees for certain types of courses, I do think  
that what we do need to do with our young people is to encourage them to set that bar high, and to also try  
to get them into degrees where we can reasonably foresee there will be jobs for them in the future in their  
home Island.

3680        Thank you, sir.

**The Bailiff:** Can I just have some indication of how many more people wish to speak in this debate?  
Oh, there are quite a few. I think we will rise and come back tomorrow morning. I had wondered whether  
we might finish it today, but I do not think we will.

*The Assembly adjourned at 5.30 p.m.*