



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Friday, 26th September 2014

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Present:

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

Law Officers

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller)

People's Deputies

St. Peter Port South

Deputies J. Kuttelwascher, B. L. Brehaut,
R. Domaille, A. H. Langlois, R. A. Jones

St. Peter Port North

Deputies M. K. Le Clerc, J. A. B. Gollop, P. A. Sherbourne,
R. Conder, M. J. Storey, L. C. Queripel

St. Sampson

Deputies G. A. St Pier, K. A. Stewart, P. L. Gillson,
P. R. Le Pelley, S. J. Ogier, L. S. Trott

The Vale

Deputies M. J. Fallaize, D. B. Jones, L. B. Queripel, M. M. Lowe,
A. R. Le Lièvre, A. Spruce, G. M. Collins

The Castel

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,
J. P. Le Tocq, S. A. James, M. B. E., A. H. Adam

The West

Deputies R. A. Perrot, A. H. Brouard, A. M. Wilkie,
D. de G. De Lisle, Y. Burford, D. A. Inglis

The South-East

Deputies H. J. R. Soulsby, R. W. Sillars, P. A. Luxon,
M. G. O'Hara, F. W. Quin, M. P. J. Hadley

Representatives of the Island of Alderney

Alderney Representatives L. E. Jean and R. N. Harvey

The Clerk to the States of Deliberation

S. M. D. Ross, Esq. (H.M. Senior Deputy Greffier)

Absent at the Evocation

H. E. Roberts Esq., Q.C. (H.M. Procureur);
Deputy P. A. Harwood (*relevé à 10h 52*); Deputy E. G. Bebb, (*relevé à 10h 30*);
Deputy B. J. E. Paint (*indisposé*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Senior Deputy Greffier

EVOCATION

Billet d'État XX

CULTURE & LEISURE DEPARTMENT

XIII. Channel Islands Lottery – Administration Arrangements, Forfeited Prize Account and 2011-13 Reports and Accounts – Propositions carried

Article XIII.

The States are asked to decide:

Whether, after consideration of the Report dated 12th May, 2014, of the Culture and Leisure Department, they are of the opinion:

- 1. To agree that the proceeds from the annual Christmas Draw be donated to registered, local charitable bodies as authorised by the Treasury and Resources Department upon the recommendation of the Culture and Leisure Department.*
- 2. To confirm the annual proceeds of the Channel Islands Lottery, aside from the annual Christmas Draw, continue to be transferred to the Beau Séjour Centre up to the level of the Centre's operating deficit for that same calendar year.*
- 3. To direct any Channel Islands Lottery proceeds exceeding the operating deficit of the Beau Séjour Centre, excluding the Christmas Draw, to be retained within the Appropriation Account to be used either for major projects that will enhance the Department's properties or for the funding of events which have a particularly special significance to the Island's heritage and unique cultural identity.*
- 4. To delegate authority to the Treasury and Resources Department to approve use of the Appropriation Account.*
- 5. To approve the closure of the Forfeited Prizes Account, with effect from 1st January 2014 and for its balance as of 31st December 2013 to be distributed proportionately to the Association of Guernsey Charities, Alderney, Sark and the Appropriation Account.*
- 6. To direct the preparation of an Ordinance under the Gambling (Guernsey) Law, 1971 to enable additional public lotteries to be conducted by the Culture and Leisure Department in support of such community, sporting or other events, or such public purposes for the benefit of Guernsey and its inhabitants, as the Department may determine with the approval of the Treasury and Resources Department, without necessitating the involvement of the States of Jersey and the banner of the Channel Islands Lottery.*
- 7. To direct that the operating surplus from any such additional public lotteries be transferred to the Appropriation Account.*
- 8. To direct the Culture and Leisure Department to continue to work closely with the Home Department in respect of initiatives designed to help and support individuals experiencing gambling problems locally and that any required funding for those initiatives may be met from operating surpluses.*
- 9. To direct the amendment of the Gambling (Channel Islands Lottery) (Bailiwick of Guernsey) to extend the deadline by which a report on the Channel Islands Lottery must be submitted to the States to the 30th June in each year.*

The Senior Deputy Greffier: Billet d'État XX, Article XIII – Culture & Leisure Department – Channel Islands Lottery – Administration Arrangements, Forfeited Prize Account and 2011-13 Reports and Accounts.

5 **The Bailiff:** The Minister of the Culture & Leisure Department, Deputy O'Hara will open the debate.

Deputy O'Hara: Thank you, sir.

Mr Bailiff, Members of the States, the Report that we are going to debate today is technically all about accounts, transfer of funds and a whole lot of detail about administration arrangements. In reality, what this
10 Report is all about is three simple things: first, continuing to give hundreds of thousands of pounds to local charities each year; secondly, continuing to support Beau Séjour as an inclusive recreation centre that opens its doors to more than 600,000 people each year; and thirdly, to support major projects that promote the Island's culture and heritage.

15 While those happen to be three of my favourite subjects, I am not going to speak for too long, but I do want to take this opportunity to highlight a few key points.

Let us first talk about charity. The Channel Islands Lottery has enabled around £200,000 a year in recent times to be donated to local charities – more than £1.6 million since the Culture & Leisure Department took over the Lottery 10 years ago.

20 While I would love to take the credit for that, the credit must go to the Association of Guernsey Charities. They are an amazing team of people who the States have worked in partnership with for 25 years to ensure that the proceeds of the Christmas Lottery are distributed wisely.

25 The Association has nearly 300 member charities, any of which can apply for funding. That is reflected in the huge range of support that has been given over the last 25 years. I am obviously not going to run through them all, and you can find lots more detail in the Report, but what is so impressive about what the Association of Guernsey Charities do is the diversity of causes that they support. Just last year: musical instruments for the Scouts; utility bills for the Cheshire Home; a pony for horse-riding to be enjoyed by the disabled; a counsellor for Relate – I could go on and on, but my real point is that many thousands of Islanders have benefited from those funds, from all walks of life, young and old. Today, you will be asked to vote to ensure that the brilliant work to date can continue for years to come.

30 I cannot let this moment grow without congratulating the Association of Guernsey Charities on their 30th anniversary and I would like to thank publicly Malcolm Woodlands, whom we have dealt with in a constructive way to the benefit of the charities over that period of time.

35 So on to my second favourite subject – Beau Séjour. '*Beau séjour*' – do you know what that means? It means 'good place to be'. Well, how appropriate is that! How many of you have burst with pride watching your children and grandchildren swimming in the fantastic pool? Some of you will be young enough to have had your first swimming lesson there yourself. How many of you have got suited and booted to attend the stunning celebration that is the Awards for Achievement or laughed your socks off watching GADOC's Christmas pantomime?

40 I hope none of you need to make use of the Life Fit programme, assisting people to rehabilitate after major illness and surgery. Maybe you have used the activity club to keep your children out of your hair during the summer holidays, or maybe you have won your first sporting accolade on the tennis courts. Again, I could go on and on, but Beau Séjour really is a good place to be for so many Islanders, from all walks of life, young and old.

45 There is that theme again: from all walks of life, young and old. Beau Séjour is not an exclusive health club or a grand civic hall – but that is the whole point. Yes, we have got some of their best and latest gym equipment available. Yes, we have got the best Island venue for swimming competitions – a few millimetres short maybe, but we will get that sorted.

50 Yes, the David Ferguson Hall can compete with some of the top event venues in London, once the events teams perform their magic. But Beau Séjour brings accessibility. Our facilities are accessible to everyone, regardless of income or social standing. We are inclusive, not exclusive, and a good place to be for everyone.

55 And there is the problem. For Beau Séjour to remain inclusive for all, the fact is, it needs to be subsidised. The good news is that the level of subsidy required has been reducing year on year. In 1998, the subsidy required to allow Beau Séjour to break even was £707,000. In 2012, it had dropped to £676,000. That figure in real terms, taking account of RPI increases, would have been more than £1 million without the incredible efficiencies that the Department has made over the years. Beau Séjour is a great example of where we are doing more with less – *much* more with *much* less.

60 But despite all of that, a subsidy is still needed, and today, the majority of that subsidy comes from the proceeds of the Lottery. The Lottery and Beau Séjour have been intrinsically linked for about 40 years now, and you will be asked to vote yesterday... *yes, today (Laughter)* to maintain that link – it was almost yesterday!

You will be asked to vote yes today to make that link and to continue to allow some of the proceeds from the lottery to subsidise Beau Séjour and all that it does.

65 Sir, that brings me to my third point. I mentioned earlier that the subsidy required by Beau Séjour has been reducing year on year. I also mentioned that the proceeds from the lottery have been increasing year on year. Now, it may be that the point will come in the not-too-distant future where the proceeds available from the Lottery – not including the Christmas draw, of course, because I hope that you will agree today that that money should continue to go to charity – but where the rest of the proceeds will be more than the amount that is required to support Beau Séjour, if that becomes the case, then you are being asked today to
70 vote to ensure that that money, rather than being sucked into General Revenue, can be set aside in a separate account to be used to invest in special projects and initiatives – projects that have real significance to our heritage and unique identity.

Now, I cannot say for sure right now what those projects would be, but they would only be used to enhance sports, arts and heritage initiatives that the Department would otherwise not be able to provide
75 without asking for more money from General Revenue or the States' reserves. I am asking you to vote yes today to give the opportunity for the community to benefit from the additional funds – with T&R's approval, of course – and to assist in ensuring that our culture and heritage is given a fighting chance in these tough economic times.

In a similar way, this States' Report also asks you to allow us to change the legislation, so that we can
80 hold special lotteries, again in support of significant cultural events. These will not be frequent and we would work with the Home Department to ensure that the public are not swamped with extra lotteries, but these could provide a real effective way of getting the public involved in fundraising for specific things.

You remember how Guernsey got behind the Island Games when they were held here in 2003. Imagine
85 if we could harness all that goodwill and excitement about the Island Games when we prepare to host it again here. A lottery aimed specifically at raising money to support another Guernsey Island Games would be great and would provide a useful source of alternative funding.

So, as I said at the start, this debate is all about deciding whether this Assembly is willing to continue to allow the public, via the Channel Islands Lottery, to make significant contributions to our culture and rich
90 heritage that can have such a positive effect on so many Islanders. I urge you to vote yes.

Thank you, sir.

The Bailiff: Deputy De Lisle and then Deputy Duquemin.

Deputy De Lisle: Sir, I find this Report lacks business acumen. It sounds like charity first and the
95 business of Beau Séjour second.

Beau Séjour is running a deficit of nearly £700,000 funded from General Revenue, because funds from the Lottery are going first to charity. Surely the Department should square its business books first at Beau Séjour, and residual monies go to charity following that. The Minister has surely has a responsibility of running a business at Beau Séjour, not a charity, and I can see now see why many wanted a change in
100 management at Beau Séjour. At a time when we are running a deficit across the States in the region of £27 million, we ought not to be funding from General Revenue Beau Séjour, sir.

On another issue, there is wide support amongst a number of people in this Island for access to the National Lottery and concern that people are being denied opportunity of access. It may not be generally known that the UK Government passed enabling legislation that would allow the National Lottery to be
105 extended to the Channel Islands. The Islands were advised by HM Treasury that the duty levied on the sale of National Lottery tickets – currently 12% – would be retained by the UK, regardless of where the tickets were sold and, with additional tax retention, we are told that this would amount to in the region of 25% of the monies from sales.

But, sir, surely we would get the money back in increased sales from Lottery spend and the National
110 Lottery would give back substantial monies to charities that we would have a share in. People with UK connections are doing it anyway, so we are losing money as a result of not participating. Everyone is a winner, as I see it, as Guernsey opts into a bigger pot of money.

It appears to me that decisions have been made internally, behind closed doors, and the Department has not been open and transparent in coming to the States for a decision to be made on the National Lottery. I
115 would like the National Lottery to be considered by the States as a whole, and not by one small Department, and a policy letter brought to this Assembly on this matter. Perhaps the Minister can give the Assembly assurances that while there is no resolution on the National Lottery in this policy letter, he will bring it to the States for an immediate and democratic decision.

Thank you, sir.

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The Bailiff: Deputy Duquemin.

Deputy Duquemin: Thank you, Mr Bailiff.

125 I would like to start with two quotes: one from a policy letter in a Billet and one taken from a speech during debate in this Assembly. The quote from the Billet first. It reads:

‘There are those who favour that monies from a lottery should be placed into the General Revenue account of the States. There are those who favour profits from a lottery being devoted to the provision of special projects for the benefit of the community which, because of the heavy capital commitments facing the States are unlikely to be realised from General Revenue in the foreseeable future. We favour the latter of these two views.’

Now the quote from a debate on the lottery, when a Deputy said this:

‘Here we have the opportunity to get away from talks of deficits, overspending, borrowing, heavy capital commitments and other similar expressions that we hear all too often.’

Sir, the thrust of these two quotes appear so topical, they could have appeared in today’s Billet and today’s debate. In fact, they both come from 1970, before I was even born.

130 The Billet policy letter was submitted by the States Lottery Investigation Committee and the quote is from Deputy Reuben Dorey’s speech from the debate on Thursday, 25th June 1970, when a Guernsey Lottery was given the go-ahead. Sir, there was no *Hansard* in 1970, but we did not need one back then, because the *Guernsey Evening Press and Star* appeared to quote verbatim virtually every speech, including this one by Deputy Dorey. I wonder if perhaps the new Editor of the *Press* could be encouraged to do that again. (**Several Members:** Hear, hear.) We could dispense with *Hansard* and we could realise another FTP saving. (*Laughter*) I will refer to the FTP very briefly later on.

135 Mr Bailiff, this policy letter could be billed as being ‘back to the future’. Yes, where shaping the future of the lottery, but we are achieving it by being remarkably faithful to all of the original intentions of our predecessors in this Assembly back in 1970 that are, as illustrated by the two quotes, still as relevant today as they were over 40 years ago.

140 Sir, I will keep this speech as brief as possible because, as a Member of Culture & Leisure, I have been comforted by the support of fellow Deputies towards the proposals, both during one-on-one discussions that I have had with colleagues and the more formal briefing that the Department provided, but I do want to use this opportunity to race through the recommendations and answer some of the questions that have been raised, and also, equally importantly, shine a light on aspects of the policy letter and housekeeping recommendations that are, it must be stressed, a really positive good news story. I assure you I will be brief,

145 no more than a sentence or two on each.

Proposition 1 seeks to secure the proceeds of the annual Christmas draw for charity. At the moment, there is a States’ Resolution that says ‘the proceeds from one draw’. It is not specific. It just says one draw will go to charity, but this resolution will make certain that it is the bumper proceeds from the bumper

150 Christmas draw that will continue to go to charity as they have done since 1989.

Proposition 2 confirms that the proceeds of all other draws – the regular scratchcard games – will go towards Beau Séjour. Sir, I hope that I do not need to waste any time whatsoever convincing colleagues of the contribution to Island life made by Beau Séjour. In many ways it is just that: the centre of Island life.

155 And the back to the future aspect of this 2014 Report is that it seeks to cement this intrinsic relationship, as mentioned by the Minister in his speech, between Beau Séjour and the Lottery. The 1970 Billet referred in its appendix to the link between four regions and the Jersey lottery that was already in existence. In 1972, the States of Guernsey passed a resolution that if it was built – the go-ahead did not happen until 1974 – Beau Séjour would receive lottery funding towards its running costs, as opposed to a subsidy from General Revenue. The States reaffirmed this philosophy in 1998.

160 Proposition 3 seeks to direct any lottery proceeds over and above the subsidy required for Beau Séjour to breakeven, to be retained in an Appropriation Account to be used, and I quote:

‘either for major projects that will enhance the Department’s properties or for funding of events which have particularly special significance to the Island’s heritage and unique cultural identity.’

Back to the future again.

I repeat part of the extract from 1970. It made the case for:

‘profits from a lottery being devoted to the provision of special projects that are of benefit to the community.’

165 And the so-called States of Guernsey Lottery Fund was set up to keep it distinct from the States of Guernsey General Revenue administered by Advisory & Finance.

I think similarly, more than 40 years later, we owe it to Islanders to keep lottery proceeds distinct from General Revenue now administered by Treasury & Resources.

Proposition 4 does, importantly, ask for T&R to have delegated authority to approve use of the Appropriation Account. Sir, it should not be in C&L’s gift to just use this account as it sees fit. T&R

170 approval would be required. Four-eyes philosophy, two signatures on the cheque – whatever way you want to describe it, T&R approval & signoff is appropriate governance.

So will there be any money to transfer to an Appropriation Account over and above the subsidy to Beau Séjour any time soon? Well, as the chart beneath paragraph 3.4.4 on page 2195 of the Billet shows, C&L is well on the way to turning what was once the dream of one Recreation Committee President into a reality.
 175 Through a lot of hard work of the Department and a special task force that has been set up, Beau Séjour's operating deficit, the subsidy required, is coming down and at the same time, proceeds from the lottery are going up. So the answer is yes.

This provides me with the perfect opportunity to highlight the successful partnership with Scientific Games International who have breathed new life into our local lottery with their global expertise.

180 What could the money in the Appropriation Account be used for? Paragraph 3.4.6, on the same page and overleaf, provides:

'disabled access to the problematic areas at Castle Cornet'

as just one example.

Sir, I will submit that this is exactly the sort of special project that our predecessors in 1970 predicted would benefit Islanders, but would unlikely be realised from General Revenue. As I said, 'back to the
 185 future'.

Proposition 5 asks for the States to approve the closure of the Forfeited Prizes Account. An existing States resolution currently restricts use of the money into the account to bolstering the prize funds for future draws, moving away from fortnightly draws to instant-win scratchcards and the fact that even the Christmas Draw's initial guaranteed prizes are *de facto* underwritten by agents who commit to buying a minimum
 190 amount of tickets, means that this account now serves no purpose whatsoever. Their third of the funds – the £308,000 balance – is transferred *pro rata* according to the sales to the Appropriation Account, the Association of Guernsey Charities, and also Alderney and Sark, so the money can start delivering benefits to Islanders.

Proposition 6 seeks to enable Guernsey-only lotteries to take place. Sir, in their letter of comment, T&R refers to this as 'innovative'. The truth, sir, is that imitation is the greatest form of flattery, and there is no such thing as an original idea.

The UK Lottery created special London 2012 Olympics scratchcards where people could win £2,012 if they scratched off three gold medals. Simply, we could create special Guernsey 2025 Island Games scratchcards, where people could win £2,025 if they scratched off three gold medals, whilst at the same
 200 time raising money for the event that will not need to come from General Revenue.

Proposition 7 seeks simply to direct proceeds from any Guernsey-only lottery to the aforementioned Appropriation Account, but it should be meant made clear that if people bought tickets for an Island Games draw or a special Liberation Anniversary draw, the money should and would be ring-fenced and directed to these causes.

Proposition 8 directs C&L to:

'continue to work closely with the Home Department in respect of initiatives designed to help support individuals experiencing gambling problems locally and that any required funding for these initiatives may be met from operating surpluses.'

205 Sir, whilst all data and the opinions of local experts and professionals point to both lottery tickets and scratchcards having a significantly lower prevalence of problem gambling than other forms, it would be irresponsible if C&L did not seek to promote responsible gambling by Islanders. (A Member: Hear, hear.) This policy letter and Proposition 8 makes clear our intent.

Sir, at this point I would also like to highlight the benefit of Deputy Quin being a member of both C&L
 210 and the Home Department. This has been very useful.

And lastly Proposition 9. Annual lottery reports should be produced for this Assembly to consider at its March sitting. This housekeeping Proposition seeks to extend this deadline to enable accurate and achievable reporting of the whole year, including the Christmas Draw.

Mr Bailiff, I did say earlier that I would return, albeit very briefly, to the FTP. The reason I do is this
 215 policy letter on the Lottery has coincided with some Members raising concerns as to whether or not an increase in revenue from the Lottery and hence a reduction in C&L's General Revenue cash limit should be classified as an FTP contribution. I have my own view. I have listened to the views of others, but the FTP and Lottery issue is a discussion, a debate for another day and should not confuse this debate or the unrelated Propositions that are before us today.

220 What today is about, sir, is, as I have said, a good-news, back-to-the-future policy letter. Not only is our local lottery a way of funding our heritage, but our local lottery is part of our heritage, and that is one area where I do move away from the comments already made by Deputy David De Lisle. We already have our

own National Lottery and it is a Guernsey lottery. We all remember Super Fred. Perhaps we should even bring him back. (**Severall Members:** Hear, hear.)

225 Sir, when this States voted for the introduction of a lottery on Thursday, 25th June 1970, the *Guernsey Evening Press and Star's* front page headline the following day was: 'Lottery voted in amid cheers'. The newspaper also reported that Deputy Reuben Dorey's speech was 'greeted with the warmest applause the House had heard or a long time'.

230 On Friday, 26th September 2014, I am sure that you would put a smile on Deputy O'Hara's face (*Laughter*) if the Minister's summing-up speech is greeted with even modest applause. But seriously, and more importantly, and this is a serious point, you will put the smile on the faces of thousands of Islanders, the charities that get a windfall from the Christmas Draw, the Islanders that benefit from everything that Beau Séjour is able to offer, the crowds of people that truly value Liberation Day, and maybe even those with a disability that might gain access to Castle Cornet for the first time, and even those that simply enjoy playing a game of Euchre so that they can win a local lottery ticket. You will put a smile on the faces of
235 thousands of Islanders.

Mr Bailiff, to end I will repeat the two quotes from 1970 that I began with, because they are, as I have already said, equally topical today. Here we have the opportunity to get away from the talk of deficits, overspending, borrowing, heavily capital commitments and other similar expressions. Favour profits from a lottery being devoted to the provision of special projects for the benefit of the community which, because of
240 the heavy capital commitments facing the States, are unlikely to be realised from General Revenue.

Please, let us all go back to the future and vote for all nine Propositions.

Thank you, sir. (*Applause*)

245 **The Bailiff:** Deputy James.

Deputy James: Thank you, sir.

Whilst I welcome the Minister's information on the decreasing deficit of Beau Séjour, I somehow think that I am going to be very much a lone voice in what I am going to say, and I certainly do not anticipate any degree of applause.
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But the one thing that does concern me, sir, is that, whilst I appreciate very much that the proceeds from the Christmas lottery go towards charities, I think in these times of austerity we are all aware of how many of our local charities are in fact suffering. It was only earlier this week that a representative from the Cheshire Homes, who does not receive any States grant from us, was saying how much they are struggling.
255 I looked up last night, the States currently spend or allocate over £28 million to both local charities and other organisations. Whilst that seems a phenomenal amount, I still do not think it is enough to keep some of our local charities going. I am thinking – I am mindful, sir – of organisations like Cheshire Homes, like the Hospice, that do not get any grants.

So my view, sir, quite strongly, is if there are any additional funds raised from lotteries, I would like to see those additional funds go to towards some of our *vital* services which are provided by some of our charities.
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Sir, I do understand that the Policy Council are reviewing the States grants and I think I have been making enquiries, certainly for more than a year, about looking at what is happening in terms of the distribution of these funds whilst I am not actually going to be posing a question to the Chief Minister, because I have not given him notice of that, sir, I would like this Assembly to be given an update in the not-too-distant future on the management of the current allocation.
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So as a consequence, sir, at this point, I would request that item 3 be taken as a separate vote.

Thank you.

270 **The Bailiff:** Thank you. Deputy Gollop.

Deputy Gollop: Thank you, Mr Presiding Officer, sir.

I was interested to hear Deputy De Lisle's speech about the National Lottery. Of course, if you look at page 2202 of the Report, as my colleague to the right has pointed out, it does make the point that Culture & Leisure have looked at it, but in view of the popularity of scratchcards currently, we seem to be doing much better than Jersey, which is interesting, which suggests that our community cohesion and marketing panache in that respect is rather stronger than our sister isle.
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There are issues with the National Lottery. The first point is that technically gambling is not controlled by Culture & Leisure, but by the Home Department. The second point is the National Lottery, as it says on the tin almost, is a British, United Kingdom, or English in a way, National Lottery and there would be a few constitutional issues to overcome and not necessarily what the UK Government is saying, 'Ah well, Guernsey, you can get your fair share of the BBC licence fee, you are not one of the least affluent parts of the British Isles' – which clearly we are not. So I think that is really to look at for another day. I would not
280

rule it out entirely, as it might help Deputy Sandra James's concerns about charitable funding, but I think it is something to postpone.

I was a member of Culture & Leisure, which was a relatively happy period under Deputy Mike O'Hara. Although we were 'Ministry of Fun', we also did a lot of serious work as well, whether it be encouraging tourism in supporting sport, in developing the works of the Arts Commission and, of course, seeing the Guernsey language through a difficult period to a new type of structure.

One thing that was apparent during our period on the board was that we were under a degree of financial pressure because the last term coincided with the relative global dip, and indeed Treasury & Resources, rather sternly, were encouraging us in no uncertain terms to save money. Culture & Leisure actually went beyond the mile. One looks at the huge Departments, like HSSD and Education, and they have had enormous pressures, but Culture & Leisure has lost the equivalent of 20% or 25% of its budget and we are still delivering results. In some areas, the Capita FTP team were urging us to do things and we actually exceeded expectations. So I think the small Department should be commended for that.

What is an interesting side issue at Culture & Leisure if one thinks of it... I do not know, what is one's perception of Culture & Leisure? About the shows, about Liberation Day, about *Vins d'Honneurs*, about Castle Cornet, but in fact it is involved, in one way or another, in a lot of work with vulnerable people and disabled people, whether it be appreciation of the arts, learning and access through the Museum, a degree of motivational talks, work with memory, sports, gymnastics and all those kind of things. As the list of charities supported by the Lottery shows, there is significant input into the disabled community there.

Now, one of the projects that I know we put on the radar, but we did not entirely succeed in achieving, was disability access to all of the sites, and that is flagged up at least twice in the Report: the urgent need to make Castle Cornet more accessible, amongst other places. I think that is a special project that we should be spearheading – as is the 70th anniversary of the Liberation Day celebrations, which may well be the last big event for many people who really merit consideration with connections to that era. And indeed the prospect of maybe the Island Games returning to Guernsey one day, or other prestigious sporting events.

I think all of that is contained within the Report and I do support it.

We do not know the final outcome yet of the reshaping of Government, but of course, Culture & Leisure may find itself within a revised Department or within a bigger Department of some kind and clearly, support for the leisure centre and these projects needs to continue.

The decision has been made to keep Beau Séjour running more or less in its current state, rather than being commercialised, privatised or outsourced. On balance I think that is the right way forward, although I do see some emerging commercial opportunities at Beau Séjour which I think are being looked at and will continue to be looked at. Certainly it would be great if there was perhaps improvements to retail and catering facilities and so on there.

I think it is interesting: Deputy Duquemin gave us a history lesson about Beau Séjour. I remember the sterling work that people like Deputy Martel – of course, Conseiller and Deputy Tony Bran, the late Conseiller Martel and the late Conseiller de Putron, as well as more modern figures like Mr Owen Le Vallée, and Ivan Rihoy. They have all contributed a lot to the centre and its success.

But the climate in the 1970's was far from supportive of Beau Séjour in this Assembly. Elections were won and lost on the issue. People did lose their seats. There was a significant minority of this Assembly who were prophets of doom – and in fact some of them continued to serve until very recent times – about the centre. They believed it would never be profitable. They were partially right, because in good times it has been, but not when you consider the level of capital investment needed. But clearly, the results are supportive of the Department, through a combination of improved lottery sales and real savings, having made in real terms the centre much more viable than it was in the 1990's. One can see that it has improved its financial performance very significantly.

So, I do support the policy letter. However, I have got to add one intriguing political observation. It does seem to me that the Treasury & Resources Department is slightly optimistic in thinking that the surplus funds generated would not only be enough to support cultural and leisure type of projects, but those of other Departments as well.

I also think that maybe Deputy O'Hara is a miracle worker in a way, but he has certainly got the sun to shine on him from the Policy Council and the Treasury people because, leaving aside our support for sports, arts, museums and the projects, what is this? This is hypothecation. This is taking certain players from revenue and donating it to one Department, and the comment made that Culture & Leisure was at the bottom of the queue for certain capital and revenue prioritisation means that what we are deciding is to rip up the prioritisation rules today and say, 'Oh yes, a little bit of surplus has been generated in a semi-commercial activity. Give it to Culture & Leisure. Don't give it to Health, despite their alleged £5 million deficit.' That is what we are deciding today.

But I always stand by the fact that Guernsey sports, arts and leisure are seriously underfunded, even in comparison to Jersey, and they do contribute not only to our society, but to our tourism offer and I think

perhaps encouraging of sustaining the younger population of the Island who require activities that accompany their professional lifestyles.

So for all those reasons I support it, but I do not believe it is great corporate governance.

Deputy James also makes a very valid point about the NPO's. The Chief Minister made an inspiring and well-received speech about the Social Compact, but clearly it is not right that an august body like the Cheshire Homes have to rely entirely on the private sector for their growth, and we do have a random attitude to selecting charities for support for various Departments. They do get cut from time to time. I hear stories of further cuts in some quarters and I think that if we are, as a States, serious about supporting the third sector, we do need to set aside a significant sum of money, according to professional partnership guidelines and allocate it accordingly – not rely on the perhaps questionable activity of gambling to subsidise a select few charities.

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The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

Deputy Gollop brought up an issue, and I would just like to read part of the Treasury's comment:

'Members are of the view that, in the future, it may be appropriate for access to the Appropriation Account to not be exclusively for the Culture and Leisure Department but widened to include all States Departments whose projects meet the criteria.'

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Deputy Gollop thought we were maybe anticipating surpluses which are not going to materialise, but he then answered his own objection, I think, because it is a form of hypothecation. I can think of a number of projects which would not come under Culture & Leisure which could benefit from this sort of particular lottery or hypothecated lottery, if I can call it that.

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I think this is important. In fact, this whole issue of holding lottery events for specific projects is something that could balloon and actually be successful, because there are a lot of people who support particular issues and they might just buy the tickets for such an issue, when otherwise they would not. So I think this is an important issue and it will be developed, I am sure.

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And on a lighter note, I wore my lottery tie, which I have not worn since I bought it, God knows how many decades ago, in Stanley Market in Hong Kong. I thought one day it would come in useful, and I suspect it has!

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I also, in the back of my mind, thought I would compete with Deputy Allister Langlois because I was waiting to see what he was wearing today and he has gone totally conservative. So that is a disappointment. *(Interjection and laughter)* The tie also clashes with the shirt and with the suit, and that shows my disappointment at having to come back today when I think we could have finished yesterday lunchtime. **(Several Members:** Hear, hear.)

Having said all that, I support all these Propositions, as the whole Treasury board does and I hope Members do as well.

Thank you, sir.

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The Bailiff: Deputy Soulsby, and then Deputy Brehaut.

Deputy Soulsby: Sir, I will just speak briefly.

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I have to say, when I first read this Report, I was quite sceptical. It kind of follows on from what Deputy Kuttelwascher just said. I thought, well, if Culture & Leisure are getting all this these funds, then other Departments might think, 'That's a good idea!' so we might get the Home Department saying, 'Roll up! Roll up! Let's have a lottery for a new fire engine.'; an HSSD lottery saying, 'Roll up! Roll up! This is a lottery for a new hyperbaric chamber' – perhaps! **(Several Members:** Ooh!) *(Laughter and interjection)*

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I was also concerned about the level of agents and sales commission, which approach £1 million. However, having given it some thought, and receiving assurances from the Minister that the level Commission is being addressed, I am happy to support the Report. But this Report does raise some issues and I would be grateful if the Minister could address these.

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Doing some background research, I discovered that whilst Beau Séjour accounts used to be included separately in the annual States' Accounts, they are now subsumed into the Culture & Leisure revenue account every year. Given the complex nature of its funding and in the interests of openness and transparency, I would like the Minister to confirm that he would be happy for the Beau Séjour accounts in future to appear separately in the States' Accounts.

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The other area I found interesting, which also relates to comments made by Deputy James, was in the list of charities that have obtained lottery funding over the last few years. It is noticeable how many already get States funding directly and how many of the same names appear year after year.

Having looked at the Association of Guernsey Charities website, I could not see anywhere the criteria used to determine what would be required to make an application successful. So I would also like to know from the Minister whether, as a provider of funding to the Association of Guernsey Charities, Culture & Leisure have any input into what those criteria are – which I think they should – and if so, will they revisit these, bearing in mind the issues which Deputy James and I have just raised.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

410 My tie is grey and rather dull, but such is my life, sir! (*Laughter*)

Deputy Soulsby raised an interesting point. The hyperbaric chamber was provided by a voluntary organisation that received donations from the public. You could argue that the lottery could do pretty much the same thing, and I would make an argument for having a lottery – or is it lott'ry, because that is perhaps the correct Guernsey pronunciation: lott'ry? – to have a Guernsey lottery where you do identify, say 'buy a lottery ticket because you will be funding this.' I do not see the harm in that.

415 The reality is – and it is a difficult thing to say but it is known within the charitable sector – Guernsey has far too many charities. There are far too many – over 300. We know why that happens: it happens for absolutely good reasons. Somebody has an experience, they have learnt through that experience, they have gained contacts, they get advice, they want to pass that advice on to others. Within a year or two, they find themselves at the centre of a number of enquiries and think, 'I am going to formalise this', but what they do not realise is that they may not be alone in doing that.

420 So if we look, for example, at the work of those involved – I will not name a charity, but those involved with the carer of strokes and we look at, for example, Headway, then the need is the same and the client group is the same. So I think why we end up, Deputy Soulsby, with a list like this is the dilemma: do you give five charities £2,000 or do you give one charity £10,000? I think that is the dilemma that they face some of the time.

430 If we also look at the charity mentioned by Deputy Michael O'Hara, the Guernsey Cheshire Homes, it is fascinating that if you are ask, 'What is their core business? What do they do?', and at their first request, they received £20,000 for utilities and now they receive £29,000 for utilities. I will not apologise for making a political point here: Health is in the same business – HSSD – but a charity gets an increase from £20,000 to £30,000 to do what they do, and yet within the political domain, it is felt that you can put a fairly rigid cap on expenditure.

435 We also give money to – as Deputy Soulsby also referred to – charities that if they do not have SLAs now, they will do in the future, but I do not think Departments may be aware of the entirety of funding outside of States' grants, so the Report has been useful for that reason as well.

I would make no apologies at all for having a health lottery. I think it would be very popular in a lot of communities and if you need to fund something, it is the type of thing the public are very sympathetic to.

440 It is not contained in this Report, but I think if we are discussing community and investment in community, it is also about time the parishes looked at the rates – the rates that parishioners pay them. Environment have expense involved in the reparation of Petit Port steps. The parish come forward and say, 'Perhaps we can help you with that.' That is one example.

445 The parish could say, 'We could do something like a crèche within a centre within the parish', but just think outside the restraints of ratepayers' money, which is usually floral displays and the obligatory cemetery maintenance, but I am sure there are other things that rates could be put to that could help the community to actually make it less of a lottery in the future.

Thank you, sir.

The Bailiff: Does anyone else wish to speak? No? In that case, I invite the Minister to reply – (**Deputy Inglis:** Sir.) Oh sorry, Deputy Inglis and then Deputy Lester Queripel.

450 **Deputy Inglis:** Mr Bailiff, I am heartened by some of the comments made today. Deputy Gollop certainly still has a passion for Culture & Leisure in the way that he speaks, and he is hitting a chord with a few things I was going to just mop up on. Likewise, Deputy Brehaut has done exactly the same.

455 The Department is mandated to administer the lotteries within the Island and the work of the Department has made this a lot more efficient. I was upset, like many of the Board members, about the headline in the *Guernsey Press* in August of this year, where it talks about 'C&L's pot of lottery gold could make it complacent'. That is far from the truth. We really have a team that works very hard on making the Lottery efficient, thereby ensuring the greatest amount of revenue does go to the Association of Charities.

460 It was with that in mind that part of this paper is to request that we have the ability to hold special event lotteries.

I think it is worth considering that, as in many countries, a public lottery has a recognised purpose in that of providing benefit to the community. We are small community in reality, and any action that Government might do or we as individuals might do clearly affects us very deeply. Increasingly, the Department seeks to work with organisations that promote community projects.

465 When considering benefit within the community, engagement is vital. Culture & Leisure seek to work more closely with the voluntary and charitable sector, reflecting their aspirations of an equal partnership with Government, which I am sure the Chief Minister was made fully aware of, earlier on this week.

I thought I would just like to touch on a couple of things, just to make Members aware – not that I am trying to teach them to suck eggs, but I think we need to make people fully aware – that the Culture & Leisure Department is *not* just about Beau Séjour. Yet that is what everyone seems to think.

470 We have a building portfolio to the value of about £130 million. We are supposed to look after that. We get £200,000 a year. That really makes life very difficult and if anything, it is reactive spending rather than proactive.

If we are given the opportunity to have these special event lotteries, we could, as Deputy Gollop 475 intimated, and it has been floating around for years, provide a lift for disabled access to the Castle. That would make us quite unique in the whole of the country, because it is an age-old problem. As the previous Chief Officer but one of the Department always said, castles are for keeping people out, whereas our attitude nowadays is let us bring them in, let them enjoy what is on offer.

480 So there is an opportunity to fund a project such as this, because we know where we stand in the pecking order with the capital reserve account, in terms of when we might get some money to do this – but that does not help the community. That does not help the focus that we all made a commitment back in November 2013 to support disability in our community, and I think this is one way of ensuring that we can deliver.

Likewise, the Vallette bathing pools come under our remit. It is often felt that they should be returned to their previous glory, but that is going to take a lot of money. I have been working with the St Peter Port Constables on that because it was a partnership between the Constables and Government when it was first established and, there again, is something within the community that is very dear to a lot of people. Going back on research on that, that caused a lot of mayhem when they were trying to close them originally, and as it stands at the moment, the total destruction of what the sea did to us earlier on in the year, is putting it on a potential closure.

I mentioned about Beau Séjour being not the only part of Culture & Leisure. It is a very *important* part of Culture & Leisure, and the Minister touched on the 600,000 footfall. I think it is important for everyone to understand that that is not unique visitors to the centre. We are a small Island. If you take the 60,000 people we have here, about half are not even interested in Beau Séjour, half are too young, half may be too old. So the actual unique visitors that really keep it going will be between 20,000 and 25,000 people, which will be predominantly the sporting, recreational people. To therefore infer that the Centre runs at a loss when it is only supported by that few people, I think is very disingenuous to what the Department is trying to do. So any support we achieve in making sure that the lights stay on, the heat stays on, providing that service for the community, we feel is very important.

500 What Deputy James said about the grants is certainly something that we are fully of aware of. We are constantly being approached outside of the money that goes to the Association of Guernsey Charities.

But I hope that your support is forthcoming. The element of lottery is a strong revenue source that takes pressure off Treasury & Resources, but obviously their involvement will be key. But it is important to identify that this will be community projects. This is not, I believe, something that the Department will suddenly decide we are going to do this. I think this is something that the community can come forward and show their acceptance of a very worthwhile project, like we talked about Castle Cornet, the Vallette and there are loads of them out there.

Members, thank you. I do hope that you will give us your full support.

510 **The Bailiff:** Deputy Lester Queripel
Deputy Bebb, you wish to be *relevé*.

Deputy Lester Queripel: Thank you, sir.

We are often told we need to think ‘outside the box’, and being an outside-of-the-box kind of guy, 515 *(Laughter)* I have an outside-of-the-box question I would like to ask the Minister.

In Proposition 6, we are told that the additional public lotteries are to be conducted in support of community or sporting events or other such public purposes for the benefit of Guernsey and its inhabitants. I am wondering, sir, just how much that could actually incorporate.

520 If we look at the impressive list of allocations, from pages 2211 to 2217, we can all see that the Department already thinks outside of the box itself. Just to cite a few of those examples, £2,000 was given to the West Show to buy 200 plastic chairs, £5,000 was given to the Guernsey Alcohol and Drug Abuse

Council to refurbish their kitchen, £4,000 was given to the Lihou Island Charitable Trust to buy new mattresses, £5,000 was given to the St Saviours Community Trust towards refurbishment of their hall, and finally £3,250 was given to the Alzheimer's Association to pay for a new WC. All vital pieces of equipment to the associations and the communities concerned. And the last one, the funding of the new WC, is relevant to what I am about to say.

Sir, the words 'lotteries' and 'toilets' have certain visual similarities. (*Laughter*) They both have two T's, one O, one I, one L and one S. So my out-of-the-box question is this: bearing in mind that credit must be given to Culture & Leisure for reopening the outside toilets in Candie Gardens – and I believe credit must also be attributed to St Peter Port Douzenier, Keith Pike for the major part he played in that – would the Department consider ring-fencing some of the money from these additional public lotteries to repay for the reopening of the public toilets that have been closed under the banner of the FTP? Would that in fact fall under the category of the 'other such public purposes' highlighted in Proposition 6? I am thinking primarily of the toilets underneath the clock tower on the south side of The Bridge and the toilets in the gardens by the traffic lights in the St Julian's Avenue.

Sir, it certainly is not my intention to seek to take money *away* from local charities. I am a great supporter of local charities, because of the tremendous benefits they provide for our community. We are often told that there is no money available to reopen the toilets that have been closed, and I am wondering if money could be made available from the proceeds of lotteries.

I am only too aware that this could be considered to be an 'Oh no, not that old chestnut again' type of issue, but to a pensioner with a disabled person struggling to find a toilet, this is a serious issue. And it is a serious issue that we need to address. So with that in mind, I look forward to what the Minister has to say when he responds.

I will close by saying that I fully support the Minister and his Board on this. I am 100% behind them. They have certainly got my vote. I resonate with the Minister's passion and enthusiasm for Beau Séjour, which stages so many community events, one of which of course is the annual Eisteddfod. You, of course, sir, are President of the Eisteddfod Society and as such you will no doubt be aware that Deputy Gollop and I are regularly entrants in the poetry classes staged in the Eisteddfod. (*Interjection*) But you may be surprised to hear, sir, that neither Deputy Gollop or I have ever won a trophy (*Laughter*) in the Eisteddfod.

Deputy Brehaut: They are something of a lottery, sir.

Deputy Gollop: Point of order, sir.

I did win a trophy, but I was the only entrant. (*Laughter*)

A Member: He was such a girl! (*Laughter*)

Deputy Lester Queripel: So, it is a great shame, sir, that you have no influence whatsoever on the judging. I guess perhaps then Deputy Gollop and I could finally win the trophies we so fully deserve. (*Laughter*)

And perhaps I had better quit whilst I am ahead, sir, and leave it there. Thank you, sir.

The Bailiff: Thank you, Deputy Queripel.
Deputy Trott and then Deputy Green.

Deputy Trott: Thank you, sir.

Certainly, if I had been on a judging panel, then Deputy Queripel would have won an award from me, sir.

Sir, listening to Deputy Queripel talk about the grant allocations got me thinking about just how worthwhile some of these causes were. The Guernsey Rugby Academy receiving £5,000, that is certainly a course worth taking. (*Laughter and interjections*) And sir, putting £6,000 into the Healing Music Trust, that certainly sounds good to me. (**A Member:** Hear, hear.) But I have to say, sir, seeing the Judo Association of Guernsey getting an allocation of £3,000 certainly threw some people – but not me, sir. (*Laughter*)

It has been a long week! (*Laughter*)

These proposals have my full support. Thank you, sir.

The Bailiff: Deputy Green.

Deputy Green: Thank you, sir.

Deputy Duquemin quite rightly said that this is not about the FTP, even if some of us were slightly confused or nonplussed by the use of increased scratchcard revenues being used as an FTP saving. But I park that.

I just wanted to touch upon one issue which is the issue of problem gambling, because it might be that there is little evidence to suggest that there is a particular problem with gambling addiction in the Bailiwick but I do not think we should get complacent about it.

I think if you look at the figures in the Billet, clearly there has been a big growth in the scratchcard sales. We know there are other forms of gambling that take place on the internet or on TV, and I do think we need to keep a watching brief on this issue, because generally it is something of a concern to me. I know it is particularly a problem in other jurisdictions and we should just not get complacent about it.

So I actually absolutely welcome the eighth Proposition which deals with joint working with the Home Department on initiatives designed to help individuals who may experience problems with gambling and the funds being made available. No doubt the funds will not be particularly significant to begin with, but we should keep a watching brief on it, and we should be absolutely clear in our view that this is something that we must not get complacent about.

The Bailiff: Does anyone else wish to speak in debate? No?

In that case, the Minister will now reply to the debate. Deputy O'Hara.

Deputy O'Hara: Thank you, sir.

There were not many specific questions, but I will go through one or two items.

I will start, if I may reply to Deputy De Lisle. He mentioned that this lacked business acumen. Well, I have to disagree with that. I will say that this was put together with the full knowledge and help of T&R who without doubt know all about business, so I will have to deny that. (*Interjection*)

We are not necessarily putting charity first and Beau Séjour second, or whatever the question was. What we are trying to achieve here is something for the community, not necessarily for Beau Séjour, but that will obviously, with the funding from the Lottery, or from the scratchcards in particular, assist us to get to our aim.

And what is that aim? Well, the aim is to continue with our business plan at Culture & Leisure. We have a very hard-working board and members of staff who are working very, very hard indeed to get the deficit down, full stop. The more we get the deficit down, the more the funding that comes from the scratchcards will help the community as a whole.

It is not an easy job, running Culture & Leisure. A lot of people want a lot of things all the time, and we try our very hardest to give them as much as we possibly can. So it is not an easy job. I am sure other Departments struggle in the same way, but when you are right at the sharp end there, it is a hard time. I assure the Members of this Assembly that the board are working very hard and we hope to bring all sorts of new ideas which will help to reduce that deficit even further.

Just continuing with Deputy De Lisle's comments, I think we are very transparent. I think we do things all the time. We are not trying to hide things. You mentioned about hiding the National Lottery. That has never been hidden. It has been in the public eye for a long time, and we have made comment before today about the problems with the Lottery, but he will know, and I am sure Members will know that there is a whole section on item 5 devoted to the Lottery.

He is quite right that we did discuss this at some length with the Department of Culture, Media and Sport in the UK, and they were quite happy for us to enter the Lottery. But the truth of the matter was that the taxation which took place and so forth, when you tried project it, and HM Treasury wanted quite some considerable money, then it was going to be detrimental to our own financial base, and we had to take advice from the Law Officers on that. That is what we did and as a view of that, we did not proceed, and I do not intend to proceed with it any more. I think it is not worthwhile doing. We do not particularly want to put money into the coffers of the UK. I would rather we kept it here.

Deputy James, I totally agree with you that charities are having a hard time. There is no doubt about that. We perhaps have too many charities. They are having a hard time, not just here but all over the place at the moment, in the UK, Europe – it is all very, very difficult. So I can understand your sentiments on that, but I put it this way: some of the people who may come to us for various things which might be done through the Appropriation Fund could perhaps in some kind of way help charities to raise money in the kind of way...

I take for an example, let us say, the Saumarez Park situation at the moment. They are raising money all the time now, but let us just say that was a particular thing, they formed themselves as a charity or trust or whatever. That is a particular thing where the Appropriation Fund could perhaps be used as seed capital to get that going, which would benefit that charity and benefit the community as a whole. So is not completely without... It is not just going to be put into funds without consideration to the community as a whole. But I do appreciate your concern.

Deputy Gollop – I think it was Deputy Gollop, I apologise if it was not – brought a comment about why we are doing so well here in Guernsey with regard to scratchcards. Well, the truth of the matter is that Jersey got rid of their agents who were selling scratchcards and that has had a huge detrimental effect on the

645 sales of their scratchcards and the proceeds. We had discussions about that. We did say to them that we thought that was not a good idea, and they did not take heed of that, I am afraid. That has resulted in their distribution network not being as good as ours and as a result we are able to sell the wares a little bit better.

I noticed the tie that Deputy Kuttelwascher was wearing when I came in. Well done, I have not seen them for a long time! (*Laughter*) It is a nice tie!

650 Deputy Soulsby asked... I think I have got this right, there were two specific questions. One was about Beau Séjour accounting and can they be shown separately in the States of Guernsey accounts? Well, that will happen. Also, do we have any criteria or – what is the word I am looking for? – effect, in connection with the Association of Guernsey Charities? Do we have any sort of say in the matter? Well, we do get the list of what does come and I can tell you that on occasion – very rare but on occasion – we have stopped one or two things and asked for more information, which has been readily given to us. On that information, 655 I have to say that most... well, *all* the time we have been able to come to some agreement that that is not a problem, and the money has been distributed.

Deputy Brehaut brought up a subject about, ‘Do you think we could use lotteries for different things or could the Appropriation Account be used for different things?’ I would not be, personally, too unhappy about that. Indeed, T&R made that point in their comments.

660 I remember when there was lots of money raised locally for the scanner and that could have been an example where something could have been done. If something is really specific, the beauty about this is that we will have the legislation to hold lotteries. We have not got that at the moment. Having said that, we do not want to swamp the community with lotteries because that would be a nonsense. It just takes out the newness and ideas behind it all. So we have to be very careful how we do that, and we will work with the Home Department on that particular thing. We do not want to swamp the community with it. 665

Deputy Queripel: interesting comment about thinking outside of the box. The problem with the toilets, of course, is not about just opening them; it is about maintaining them as well. So that is a problem. I will look at it, but at this moment in time, I will think about it and answer at my earliest convenience. (*Laughter*)

670 Deputy Inglis brought a situation with access to the Castle and various things like that. I think that what we have to be careful about at this moment is I know that Government is looking at the Disability Strategy, and there might be some overlap somewhere down the line about what Government may have, about what kind of improvements could be made. So we would need to work with them and the Appropriation Account could go towards that and probably will do in many areas, but I think that as Government is looking at it as well, there are going to be areas where we need to chat together.

675 The bathing pools as well, there we are – we got the bathing pools. They used to be, I think from recollection, they were originally... I think the Board of Administration used to look after them in the old days. We thought that that might have gone to the Public Services Department, but we ended up with them. We are very happy to have them, although it does cost a lot of money to maintain.

680 Deputy Green: problem gambling – well, we will not be complacent. I assure you we will not be complacent. We know the situation, but just to give you a bit of peace of mind, we regard this very seriously and we have spoken to various associations and so forth. We asked the Citizens Advice Bureau how many queries it had in the last three years – well, 2010 to 2012. They had only had 19 queries and they related to betting and gaming. Hardly any of them were to do with the Lottery or anything like that at all. Most of them were done on online gaming and one was with a bookmaker.

685 But going farther than that and going into England and Scotland, we asked for some figures to give in connection with problems which relate to problem gambling. It is interesting to listen to this because spread betting represents 20.9%, playing poker in pubs and clubs 13.2%, betting on events with a bookmaker 12.9%, betting with a betting exchange, 10.6%, playing machines in bookmakers, 7.3%, scratchcards came in at 1.7%, and lottery play at 0.9%. They were really all to do with internet gambling, so I assure you, this Department and the Home Department will make sure that there will be proceeds from the Appropriation Account going there to make sure that that does not happen. 690

So I think have answered most things. I will say – because it is about the only opportunity I have got, because we has a Department very rarely bring things forward, and you know that – but I just want to make say a few things about the Department. There are people sometimes you who think that Culture & Leisure is a Department that can be an easy target. It is an easy target. I can tell you now that I have been involved with the Department for as long as have been in the States. I was Recreation before that. It forms – I am sure you will agree with me – an important, I believe, backbone to our society, from the cradle to the grave. It is important. There is *no-one* in this room some time or another, throughout this week, has not been involved in some form of culture, heritage, leisure activity or whatever it might be. 695

700 Sometimes we are discredited or taken, understandably ... ‘taking the mickey out’, is the expression. The word ‘leisure’ has overtones with it straight away. We have form a very important part of our community – a very important part – and it is not just about... Well, it *is* just about putting smiles on people’s faces. It is not about having a good time all the time. There are a lot of serious things done within

705 the Department all the time that you simply do not know about. Perhaps we should publicise that more, but there are so many things that we would have to publicise, the list is endless.

We are grateful to people beyond the Department, sponsors, who help us to create what we do within this Island. We are almost professional fundraisers at times, to try and make it work. It is a good Department.

710 Deputy Gollop was right when he said about the funding issues. You can imagine what it has been like to take just over 25% of your funding towards savings. We are really keen to save money, but at the same time, we must not lose track of the fact that we want to be able to keep this Island full of life – and it is a way of life. Without culture, without leisure, without all these things going on, without all these volunteers and without the staff at Beau Séjour and everything to do with Culture & Leisure, we become a hollow drum. And I just wanted to say that, because we never get the chance to say it.

715 Anyway, I hope you will vote yes to this Report because I think it is a real steppingstone for the future. We will work hard at Beau Séjour to reduce the deficit and if we can get more and more funding through the scratchcards and lottery, I think we will make Guernsey a better place.

Thank you, sir.

720 **The Bailiff:** Deputy Harwood, do you wish to be *relevé*?

Deputy Harwood: Thank you, sir.

725 **The Bailiff:** Members, we now come to the vote. If you turn your Billets to page 2220, you will see nine Propositions set out there. We have had a request for a separate vote on, I think it was Proposition 3 – is that right, Deputy James? So we will take Proposition 3 first. Those in favour; those against.

Members voted Pour.

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

Unless there were any other requests for separate votes, we will take all of the remaining Propositions together. Those in favour; those against.

Members voted Pour.

735 **The Bailiff:** I declare them all carried.

TREASURY & RESOURCES DEPARTMENT

XIV. Guernsey Post Ltd – Annual Report and Accounts – Proposition carried *nem. con.*

Article XIV.

The States are asked to decide:

Whether, after consideration of the Report dated 2nd July, 2014, of the Treasury and Resources Department, they are of the opinion to note the Annual Report and Accounts for Guernsey Post Ltd for the year-ending 31st March, 2014.

The Senior Deputy Greffier: Article XIV. Treasury & Resources Department – Guernsey Post Ltd – Annual Report and Accounts.

740 **The Bailiff:** The Minister, Deputy St Pier will open the debate.

Deputy St Pier: Sir, I have nothing to add to that which is in the Billet.

745 **The Bailiff:** Is there any debate? We will go to the vote... Oh, Deputy De Lisle.

Deputy De Lisle: Sir, this is quite a different situation to that that we reviewed on Wednesday with regard to Guernsey Electricity, where there was a loss of a £¼ million in 2014 and over £3 million the previous year, with no dividend payable, again.

750 On the other hand, Guernsey Post made a profit of over £1 million in 2014 and £½ million in the previous year, chalking up a dividend of £314 million. (*Interjections*) Oh, it was more than that.

A Member: There's 'problem solved'! (*Laughter and interjections*)

755 **Deputy De Lisle:** Oh, hang on! £750,000 to the States this year, £139,000 last year. And that improvement in profit has been achieved despite a reduction in revenue of 37% that was stated last year, or at £19 million, following the scrapping of LVCR and the subsequent loss of bulk mail. In addition to that, the Guernsey Post board concluded that the company continues to have more capital than it needs and announced an additional return of £3.5 million to its shareholder, the Treasury & Resources, and will bring the total amount returned to £8.5 million over the last year. Those are quite commendable numbers.

760 One thing I do note, also, is that the costs to the business for regulation have been as high as £¾ million in one year. I would like to ask the Minister to give some indication as to how long we have to continue to have this unnecessary burden of regulation eroding the financial returns of the company.

Perhaps with your indulgence, sir, I can also ask with regard to the electricity situation, with the heavy borrowing of Guernsey Electricity –

765 **The Bailiff:** You have asked for my indulgence, but I do not see how I can indulge you to go into questions about Guernsey Electricity funding on a debate on the Guernsey Post accounts.

Deputy De Lisle: Well, perhaps we will stick, then, to the Guernsey Post, (*Laughter and interjections*) although –

770 **The Bailiff:** Please do. (*Laughter and interjections*)

Deputy De Lisle: – my interest is to see these companies actually –

775 **The Bailiff:** Well, maybe it is a matter you could raise separately with the Treasury Minister.

Deputy De Lisle: – producing good income for the States, sir.

So perhaps we return to the question that I have asked as to how long we have to continue to have this unnecessary burden of regulation eroding the financial returns of these companies.

780 Thank you, sir

The Bailiff: Thank you, Deputy De Lisle.
Deputy Sherbourne and then Deputy Luxon.

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

I do not want to prolong this morning's deliberations, but I think it would be wrong for us to leave this Assembly without recording congratulations to the Post Office, the board, management, and the whole staff as an exemplar to a lot of commercialised organisations, that their industry relations seem to be managed *exceptionally* well and that the progress that they have made, in spite of the problems that have been thrown at them with LVCR reduction, and so I would be grateful, sir, if that can be recorded.

790 Thank you.

Several Members: Hear, hear.

795 **The Bailiff:** Deputy Luxon.

Deputy Luxon: Thank you, sir.

I only had two points and Deputy Sherbourne has dealt with my first one, so I will not repeat that. I agree with his sentiments.

800 The second one is Guernsey Post's gain is the high street's loss in the sense that internet sales and home deliveries of packages bought online have obviously helped the Guernsey Post recovery and transition into a new viable future.

805 I just reiterate the point made on Wednesday, when the Treasury & Resources Minister gave us a finance update, that the opportunity to see some tax revenue for the States of Guernsey through the sales of internet products is a big opportunity that this States of Guernsey could benefit from, in terms of its income growth over the coming years.

Thank you.

The Bailiff: Deputy Bebb.

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

815 Briefly, I would just like to commend the Guernsey Post. We note the improvement that they made in relation to finances. I think that I would also like to note on record that Guernsey Post implemented a mental health policy that was devised by Mind Guernsey, and that mental health policy saw the number of days that they have had illness taken drop fourfold, which is a staggering achievement for Guernsey Post.

It is a lesson that I am glad to hear that the States of Guernsey have also decided to embrace and that they are also looking at putting into place this exact same policy in relation to mental health.

820 I think that it would be pertinent to also say that for *all* companies, it is time that they took mental health seriously because the financial gains that they can make from ensuring that they look at mental health appropriately could be significant, in the same way that Guernsey Post have managed to achieve it.

Thank you.

The Bailiff: Anyone else? No?

825 The Minister then will reply, Deputy St Pier.

Deputy St Pier: Sir, thank you to those who have commented, particularly the comments from Deputies Sherbourne, Bebb and Luxon in relation to the performance of the business and the commerce in relation to the staff and management.

830 I think the only point that really requires responding to is that raised by Deputy De Lisle, quite rightly noting the improved financial performance of the business during the period in which the underlying business has been transformed significantly. I think, clearly, part of the profits – over £500,000 of the improvement in profits last year – was as a result of improved investment returns on the surplus cash held by the business, which is managed, of course, as part of the general investment pool which Treasury & Resources manage, which again does highlight the need to question and review the capital needs of these businesses. It has been possible for capital to be returned, as Deputy De Lisle quite rightly noted, but Guernsey Post is not a highly capital intensive business, and therefore it may well be appropriate that that process continues.

840 In relation to regulatory costs, again it is a valid question. As Deputy De Lisle will know from his work on the Commerce & Employment Board, there has been extensive working in the last couple of years between Treasury & Resources and Commerce & Employment, with a view to bringing a joint report to this Assembly in relation to an alternative regulatory regime for Guernsey Post and Guernsey Electricity. It is hoped that that will come to this Assembly in the early part of 2015.

845 The regulatory costs have of course declined significantly in recent years, but nonetheless, I think both boards do recognise that actually the regulatory system is one that is probably not appropriate for the scale and size of the businesses which are owned by the States and therefore we will be looking to bring proposals for this Assembly's consideration for an alternative regulatory regime, which will build on the work of the Supervisory Subcommittee of Treasury & Resources.

850 So I would hope that by this time next year, with the assent of this Assembly, the regulatory regime will have changed and addressed Deputy De Lisle's concerns.

The Bailiff: Members, there is a single Proposition. It is to be found on page 2272 of the Billet. Those in favour, those against.

Members voted Pour.

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

HOME DEPARTMENT

XV. The Noise Abatement Ordinance, 1962 – Transfer of Functions – Propositions carried *nem. con.*

Article XV.

The States are asked to decide:

Whether, after consideration of the Report dated 7th July, 2014, of the Home Department, they are of the opinion to agree:

1. To transfer the function of issuing permissions under section 2 of the Noise Abatement Ordinance, 1962, as amended, from the 'Chief Officer of Police' to the 'Director of Environmental Health and Pollution Regulation'.

2. To direct the preparation of legislation to give effect to their above decision.

The Senior Deputy Greffier: Article XV. The Home Department – the Noise Abatement Ordinance, 1962 – Transfer of Functions.

860 **The Bailiff:** The Minister, Deputy Gillson will open debate.

Deputy Gillson: Sir, this is a simple, self-explanatory report which I am pleased to place before the Assembly.

865 **The Bailiff:** Thank you. Is there any debate? Deputy Gollop.

Deputy Gollop: Sir, it is not simple or self-explanatory at all. (*Laughter and applause*) It is a massive number of issues that it raises because, on the face of it, transferring from a legal authority who logically had the role in a previous era to a more focused and technologically expert Directorate of Environmental Health makes sense. But it has to be said that philosophically this represents a transfer from a subjective authority to an objective, because an environmental health regulator will have access and knowledge of environmental health noise guidelines that are benchmarked against other places, whereas a police chief is more likely to adopt a subjective line to a degree, and I will give some specific examples.

870
875 Over the years I have been contacted by people who have lived near Track Lane, who have lived near Saumarez Park – and by that I mean Cobo Bay – who complain about pop and rock festivals that have gone on. Some would call them spoilsports, others would call them property owners who are entitled to the enjoyment of their properties. They do query...

880 Now, it has to be mentioned – and I hear ‘no’ to the reverse of me – that at the Douzaine Town meeting on Tuesday, the old chestnut of the noise levels in the Footes Lane and surrounding areas was raised, and that maybe the football community are overzealous in their support for the goals that we all love Guernsey Football Club to support and the amplification thereof. Of course, the counterpoint was made by people who are supportive of sports and are aware that this only takes place on average twice a week, if that, that of course a certain well-known ferry company will have announcements, ‘Duty-free is now open’, which you can hear in many parts of St Peter Port, etc.

885 The point I am making is are we not in danger of having two authorities, because the Police will continue to have a valid role here because they will be at the sharp end of citizen complaints about funky noise levels from rock festivals and so on, so they will have to be acquainted with the technical power of the amplifiers as well as the initial regulation of them by the transfer? So hopefully, the subjective and the objective will meet, and the Police will apply a common-sense policy based upon the same guidelines of the environmental health, subject of course to time restrictions, maybe – quiet at night etc. If they were going to be different, then I foresee not problems because there will be a conflict between one state agency and another.

895 **The Bailiff:** Anyone else? Deputy Storey.

Deputy Storey: Thank you, sir.

900 Just a question to the Minister about governance, actually. On the basis of what is proposed, if one wants to have an outdoor function with amplification of activities, if you like, one now goes to the Director of Environmental Health for permission. If somebody has a complaint about the excess noise in a particular area, who do they go to? Well, they go to the Director of Environmental Health.

905 What we are asking here is that the Director of Environmental Health not only gives permission for something, but is also responsible for handling complaints in respect of that same situation. I am sure that in discussions with the Director of Environmental Health, the Minister has discussed this problem. I will be grateful to hear how this sort of lack of proper governance is going to be dealt with under the new proposals.

Thank you.

The Bailiff: Deputy Bebb.

910 **Deputy Bebb:** Thank you, Mr Bailiff.

915 Very briefly, I think Deputy Storey raises exactly the problem. I suppose the question is, how do we regulate ourselves, and regulation as a problem for Government? The last thing that I would want to see is more quangos appear, and yet I do not see any coherent vision being given as to exactly how we deal with the regulatory environment. It does seem a little strange that HSSD, for instance, has within its remit part of what is currently dealt with by Environmental Health, and yet they are supposed to be regulating part of HSSD. It is strange that we have a Convener actually within our budget and yet the Convener views the actions taken by HSSD.

920 I suppose this is merely one part of that very difficult question of governance and how we as a jurisdiction govern ourselves. Whereas on this occasion, I have no doubt that the Assembly will pass this one, I think that the question overall does merit greater consideration and I hope that the States' Review Committee will come back with decent proposals as to how to resolve this on once and for all in a very, what I would call, Guernsey fashion because it does not need those big institutions that you see in other places, but it does need to be resolved once and for all.

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

Deputy Lester Queripel: Thank you, sir.

930 Briefly just picking up on my St Peter Port North colleagues' points, focusing on the practicalities, the majority of events will take place at night time, and it states in paragraph 2.3 that staff may also be asked to assess noise levels during the course of an event.

Sir, for clarification, does that mean that a member of the public can contact the Director of Environmental Health at, say, 11 o'clock on a Saturday night? (*Interjections*) Or will the Police still have to be called out? If the Police are called out, will they have the authority to ask for the volume to be turned down?

935 Thank you, sir.

The Bailiff: No-one else is rising, so the Minister will reply to the debate, Deputy Gillson.

Deputy Gillson: Thank you, sir.

940 Firstly, Deputy Gollop, change from subjective to objective – I think that is a good thing. I think that the only truly fair way that we can control and enforce such matters like this are to have objective standards, so that then people know where they are. To just rely on subjectivity is not a good thing.

945 Deputy Storey, a governance issue. Well, on those large events where a PA system is used, the Director of Public Health will pre-set some defined standards. Then if there is a complaint, those complaints will be measured against those defined standards. Where the noise exceeds those defined standards, then action will be taken. So that will be part of the licensing conditioning.

Deputy Bebb, I do not think it was really a question for me, more a general comment.

950 Deputy Lester Queripel, yes, people can contact Environmental Health out of hours. The emergency number is the hospital number and so matters of noise, matters of pollution any complaints like that, they can indeed already contact the Environmental Health officer. It is a service that they have been providing for many years and will continue to do so.

I think, sir, that answers the questions raised. Thank you.

The Bailiff: Thank you.

955 Members, there are two Propositions. They are both to be found on page 2276. I put both of them to you together. Those in favour; those against.

Members voted Pour.

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

The Senior Deputy Greffier: That concludes the business before the States today.

965 **The Bailiff:** Thank you very much. That concludes the business.

The Assembly adjourned at 11.11 a.m.