



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 29th July 2015

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Present:

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

Law Officers

H. E. Roberts Esq., Q.C. (H.M. Procureur)

People's Deputies

St. Peter Port South

Deputies P. A. Harwood, 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, E. G. Bebb, 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, G. M. Collins

The Castel

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,
B. J. E. Paint, 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,
F. W. Quin, M. P. J. Hadley

Representatives of the Island of Alderney

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

The Clerk to the States of Deliberation

A. J. Nicolle, Esq. (H.M. Deputy Greffier) (morning);
S. M. D. Ross, Esq. (H.M. Senior Deputy Greffier) (afternoon)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller);
Deputy M. G. O'Hara (*indisposé*); Deputy A. Spruce (*relevé à 9h 34*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Deputy Greffier

EVOCATION

CONVOCATION

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

Deputy Spruce: Yes, please, sir.

The Bailiff: Thank you.

The 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 29th July 2015, at 9.30 a.m. to consider the items contained in Billet d'État XIV and XV, which have been submitted for debate.

Tribute to Deputy M J Storey

The Bailiff: Members of the States of Deliberation.

We were all very sorry to learn of the death last Wednesday of Deputy Martin John Storey. Sadly, his seat in this Assembly has been empty since last October, while he fought hard with illness. It was his very strong wish that he be able to return to the Assembly, and indeed he was fully prepared to return for the March meeting this year, but sadly it was not to be.

Despite his absence he maintained a close interest in the work of the States of Deliberation and he was very grateful to those Members who spoke to him regularly to keep him fully informed.

Martin was born in England, in the County of Kent, and did not move to Guernsey until the year 2000. For most of his professional life – some 30 years – he worked for a family-owned brewing business, Greenall Whitley, where he rose to senior positions and played a key role as company treasurer and, most notably, in the strategic planning of the company as it expanded and diversified into new areas of business, throughout the drinks industry and the hospitality sector. Eventually, also being very involved when decisions were taken to retract from some of those areas, in order to focus on what were considered to be the core businesses of the company.

His knowledge of finances and strategic policy making, and of handling the process of innovation and change within a large organisation, were to stand him in good stead when he became involved in the workings of the States of Guernsey.

30 As I said, it was in 2000 that Martin retired from business and, together with his family, moved to Guernsey. Many a successful businessman on retirement is desirous of putting his feet up, relaxing and enjoying his pension. We are very fortunate in this Island that there are many people who come to live here who want to use their talents and skills to put something into our community and to help the vulnerable and the less fortunate. Martin Storey was such a person.

35 As a resident of St Peter Port he soon became involved in parish life. He was a member of the St Peter Port Floral Group, from its inception about 10 years ago, and Douzenier Katina Jones, the group's co-ordinator, has paid tribute to Martin's enthusiasm and work, which has done so much to improve the look of the Town for the benefit of Islanders and visitors alike. She said that he contributed greatly to St Peter Port's success in the 2014 Britain in Bloom Competition.

40 Martin was first elected as a People's Deputy for the Electoral District of St Peter Port North in 2008 and he was re-elected in 2012. In his first term he served on the Commerce & Employment Department, on the Public Accounts Committee and for a brief period on the Scrutiny Committee.

45 From 2012 to 2014, Deputy Storey was a member of both the Housing Department and the Health & Social Services Department serving as Deputy Minister of HSSD. Due to his professional background he took a keen interest in the Island's finances and was able to interpret complicated financial data. He also took a close interest in initiatives such as the FTP. He espoused diversification in the Island's economy and strongly supported the enactment of image rights legislation. However, he did not limit his abilities to financial matters and he cared genuinely for the welfare of the people of the Bailiwick.

50 There is no doubt that he regarded one of his greatest skills as being his ability to communicate; to communicate with others whatever their background or personal circumstances. That manifested itself in the speeches he made in this Assembly and also in the tireless work he carried out on behalf of his parishioners. Despite his illness, Martin continued to represent his constituents by helping them when asked to do so.

55 Sadly, he became a client of the Department of which he had once been the Deputy Minister. He was full of praise for the care and attention he received from the medical profession, from the nursing staff and indeed all the staff at HSSD, including in the latter stages of his illness, from the community nurses, who are among some of the unsung heroes and heroines of our health and social services in this Island (**A Member:** Hear, hear.)

60 Members of the States, you will all have your own personal memories of our former colleagues. For my part, I will always remember Deputy Storey, not just for his intelligence and ability to analyse difficult problems and financial issues, but for his conscientious hard work, his commitment to the public life of his adopted Island, and above all for his kindness and the courtesy he showed to others. The Island of Guernsey is no doubt a better place for his contribution and poorer for his untimely passing.

65 Martin is survived by his wife, Helen, and their two daughters, Anna and Kate, to whom we extend our sincere condolences.

Will you please join me in rising to honour the memory of Martin John Storey, People's Deputy?

70 *There was a minute's silence.*

Procedural Matters

The Bailiff: Thank you very much.

Members, those who wish to do so may remove their jackets.

As you know there is a very busy agenda ahead of this meeting and the Presiding Officer may propose that the States... under the Rules of Procedure, the Presiding Officer may propose that
75 the States of Deliberation sit outside its normal hours. I think it would be helpful to Members to

know whether we perhaps are going to sit outside normal hours over the next three days, but I do not want to spend a long time this morning while we to and fro with an awful lot of proposals.

80 So, having spoken with the Chief Minister, what I am going to do in a moment is to put a number of proposals to you. If those are accepted they are accepted, if they are not then we just move on as per the normal Rules, but that would not prevent us as the week goes on – for example, at the end of the session – deciding that we are going to come back early for the next session or indeed continue late on the present session.

85 But what I would like to put to you is first of all regarding the funeral on Friday afternoon. To enable Members to attend the funeral we will resume... I will say at 3 o'clock. There will be buses laid on for those who wish. I appreciate people may not all be able to get back here for 3.00 p.m. but let's aim for 3 o'clock on Friday afternoon. The funeral is at 2.00 p.m. If people are not back until 3.15 p.m. well, then we will sit at 3.15 p.m. But the first Proposition I am going to put to you is that on Friday lunchtime we rise at 12.30 p.m. and resume at 3.00 p.m. Those in favour; those against.

Members voted Pour.

90 **The Bailiff:** That is agreed.

Then for tomorrow and Friday I am going to propose that we start at... Actually I will tell you the three further Propositions I am going to put to you, then I will put them individually.

95 The first one is that tomorrow and Friday we start at 9 o'clock in the morning, instead of 9.30 a.m. Secondly, that for today, tomorrow and Friday we continue until 7.00 p.m. and possibly taking a break during the afternoon, of just 5 or 10 minutes if people need to just freshen themselves.

100 Thirdly, that to complete any unfinished business we come back on the last Tuesday of September. In other words, instead of the normal September meeting, which would start on the last Wednesday, we would come back one day early to complete any unfinished business and we will also, if you agree, convene the September meeting for that Tuesday so that if the unfinished business does not take the whole day we can immediately embark upon the business for the September meeting.

105 So three Propositions. I will put them to you separately. First of all, we start at 9.00 a.m. Secondly, we finish at 7.00 p.m. and, thirdly, that we come back, as I say, on the final Tuesday in September.

So the first one I am going to put to you is that tomorrow and Friday the States assemble at 9.00 a.m. rather than 9.30 a.m. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare that carried.

110 Secondly, that we continue today, Thursday and Friday until 7.00 p.m. Those in favour; those against.

Some Members voted Pour, others voted Contre.

115 **The Bailiff:** In my view that is carried, but if anybody wishes to challenge that we can have a recorded vote on it.

Deputy Brehaut: May we have a recorded vote? Thank you, sir.

120 **The Bailiff:** A recorded vote on the Proposition that today, tomorrow and Friday the States' continues each day until 7.00 p.m.

The Deputy Greffier: The voting, this session, begins with the Alderney Representatives.

There was a recorded vote.

The Bailiff: Members, we will get the formal declaration of that in the moment, but rather than delay things, I will move on and put the next Proposition to you, which is that we come back to complete any unfinished business and that we convene the September meeting of the States for the final Tuesday of September. Those in favour – Oh sorry. Deputy Conder

Deputy Conder: Sir, just for clarification, that means that we would not come back on the rollover day in September?

The Bailiff: Sorry?

Deputy Conder: It means we would not come back on the rollover day in September – Well, actually I mean September.

The Bailiff: On the what other day? (**A Member:** Roll over) The rollover day. No, well the rollover day would be in August.

Deputy Conder: Yes, yes.

The Bailiff: That is the problem, so yes we would not come back on the rollover day in August.

Deputy Conder: And we also would not utilise the rollover day in September.

The Bailiff: Well, there is no rollover day in September. The rollover day under the Rules is the second Wednesday in August.

The Proposition then is that we come back on that final Tuesday in September. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare that carried. So we will just wait for the vote.

Deputy Collins: Sir, just for clarification, the lunches are going to remain at 12.30 p.m. to 2.30 p.m.?

The Bailiff: I am not proposing otherwise. Lunches will be 12.30 p.m. to 2.30 p.m. I understand there are quite a lot of meetings convened, partly because Departments will not be able to sit in August because people are away. So, as I understand it, quite a lot of people have lunchtime commitments and certainly on Friday I think we would have to rise anyway at 12.30 p.m. in order to give people a chance to have something to eat before they go to the funeral. I am not proposing any variation to the lunch time sittings. That is not to say that we might not, on a day-by-day basis, just sit slightly late if that is convenient. At the moment I am not planning any variation to lunch time sittings.

Carried – Pour 27, Contre 18, Ne vote pas 0, Absent 1

POUR

Alderney Rep. Jean
Deputy Harwood
Deputy Kuttelwascher
Deputy Langlois

CONTRE

Alderney Rep. McKinley
Deputy Brehaut
Deputy Domaille
Deputy Gollop

NE VOTE PAS

None

ABSENT

Deputy O'Hara

Deputy Robert Jones	Deputy Sherbourne
Deputy Le Clerc	Deputy Conder
Deputy St Pier	Deputy Bebb
Deputy Stewart	Deputy Lester Queripel
Deputy Gillson	Deputy Trott
Deputy Le Pelley	Deputy David Jones
Deputy Ogier	Deputy Laurie Queripel
Deputy Fallaize	Deputy Lowe
Deputy Le Lièvre	Deputy Green
Deputy Spruce	Deputy Dorey
Deputy Collins	Deputy James
Deputy Duquemin	Deputy Wilkie
Deputy Paint	Deputy De Lisle
Deputy Le Tocq	Deputy Sillars
Deputy Adam	
Deputy Perrot	
Deputy Brouard	
Deputy Burford	
Deputy Inglis	
Deputy Soulsby	
Deputy Luxon	
Deputy Quin	
Deputy Hadley	

The Bailiff: Well, Members, the result of the vote on the Proposition that we sit to 7 o'clock, today, tomorrow and on Friday... there were 27 votes in favour, 18 against. I declare the Proposition carried.

So, we will be sitting from 9.00 a.m. until 7.00 p.m. each day, with a normal lunch hour, 12.30 p.m. to 2.30 p.m. save for Friday where will resume at 3.00 p.m. or as soon as people are able to get back from the funeral, and we will be back here on the final Tuesday in September for any unfinished business and we will convene the September meeting for that day as well.

Good, thank you very much.

I have no other statements to make so we will move on to Ministerial Statements, and the first is to be delivered by the Deputy Chief Minister on Public Sector Pension Reforms.

Deputy Langlois.

Public Sector Pension Reforms – Statement by Deputy Chief Minister

Deputy Langlois: Thank you, sir.

At our April meeting Members considered a detailed report on the Reform of Public Sector Pension Arrangements. Members gave overwhelming support to an amendment to that report, which I proposed and was seconded by Deputy Soulsby. The purpose of that amendment was to provide the Association of States' Employees... Association of States' Employees Organisations – which is why we shorten it to ASEO! – and the Policy Council with one final, time-limited opportunity to reach agreement on arrangements for the future service of current members of the Public Sector Pension Scheme.

These further talks took place in the certain knowledge that if agreement was not achieved, the Policy Council would submit an application to the Royal Court for a declaration that as employer it had the implied right to vary the terms of the schemes in a manner which affects members' rights without members' consent. In the event of the Policy Council obtaining that declaration, it would then introduce for current members the arrangements approved by the States in April for new recruits.

Today, sir, I am very pleased to inform the Assembly that the period since the 29th April has been productive, and that is due to a constructive attitude and approach adopted by the

190 representatives from ASEO and, I would like to claim, Deputy St Pier and myself who have represented the Policy Council as employer of all States' employees.

The last three months have been filled with meetings, both formal and informal, telephone and e-mail exchanges, both at political and staff level – all the procedures to be expected during a negotiation. They have not been easy, but they have been amicable and conducted with good will
195 on all sides, while each side robustly pursued the interests which they represented.

Sir, the purpose of the discussions can be stated quite simply. This is, firstly, to achieve arrangements in respect of the future service of current members which are sustainable and affordable to taxpayers; secondly, to accommodate the aspirations and reasonable expectations of members of the schemes.

200 The discussions have been wide ranging, encompassing all the major features of pension arrangements, including the speed at which pension entitlement accrues, the age at which benefits will be paid, the amount which a member and the employer contributes for those benefits, variations for specialist groups, favourable transitional arrangements for those closer to the current pension age and a framework for dealing with future unanticipated changes in costs, whether they are increases or decreases. The initial round of negotiations resulted in a common
205 understanding document, acceptable to both negotiating teams.

Now, sir, naturally, as with all negotiations, this has involved flexibility within the cost boundaries already established. I am pleased to report that this has resulted in an agreed position with the representatives from ASEO.

210 I have received a letter from the Chair of ASEO which reads as follows, and I quote:

'The Executive Committee of ASEO, ASEO's constituent organisations, have met to consider the common understanding document, and all Unions recognise that significant movements have been made, and that this is the States final position. In response a majority of Unions, representing a substantial majority of members, are now prepared to recommend this to their members. ASEO hopes that the States will similarly recognise the progress made and noting the majority decision to recommend allow the proposals to be circulated in order for consultation with members to take place pending the final decision.'

So, sir, what happens now? Well, firstly, the full details of the proposal will be communicated to scheme members. That will be a joint exercise by ASEO and the Policy Council, and will take place later today. States' Members will be provided with the full details at that time.

215 Secondly, members of the individual constituent organisations of ASEO will be balloted on the proposals following their own Union's Rules of Procedure. The deadline in the amendment, proposed by Deputy Soulsby and myself, is that an agreement approved by ASEO's scheme members be reached by the 31st July. That agreement has been reached with the employee representatives, but has still to be put to all members.

220 Furthermore, due to leave arrangements, August is not a practical time in which to conduct ballots if one wants a reasonable turnout on a very important subject. Therefore ASEO has proposed that their balloting procedures be conducted in September, with the results known by the end of that month. In view of the significant progress which has been made since April, and the confidence of both employee representatives and the Policy Council, that these proposals will prove acceptable, the Policy Council has decided that it would not be appropriate to activate the
225 process of seeking declaratory relief at this stage.

With the two negotiating teams having reached a common understanding, it is important that their joint recommendations to members are balloted in a measured atmosphere. States' Members should therefore take great care regarding public comments during that process, so that members do not feel political pressure on their decision.

230 In concluding, I would once more like to record my thanks for the constructive approach adopted by staff representatives. I trust that this will lead to the endorsement of the proposals by their members and, at last, implementation of arrangements which we can be confident are affordable and sustainable for taxpayers.

235 **The Bailiff:** Members of the States, we can now allow a maximum of 15 minutes for questions to be asked within the context of that Statement. Does anybody wish to ask a question?
Yes, Deputy Soulsby.

240 **Deputy Soulsby:** Sir, I would just like to say I welcome the Statement today and credit really should be given to both sides for coming to this point. (**A Member:** Hear, hear.) I am really pleased that the amendment was seen as being worthwhile.

Does Deputy Langlois agree with me that questions today about the proposals are probably not best asked here, before members of the scheme are given time to consider them?

245 **The Bailiff:** Deputy Langlois.

Deputy Langlois: I thank the Deputy for her recognition of what has been achieved.

I would be more than happy to respond to questions on process, but with regard to the details of the agreement, I totally agree with you that we owe it to our members – and taxpayers will find out exactly the details as well, but we owe it to our members – for them to see the details of the proposals first.

The Bailiff: Yes, Deputy Domaille and then Deputy Gollop.

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

I join with Deputy Soulsby and actually I think that it is very clear that both sides have approached this in an open way and I congratulate both sides, and in particular I do congratulate the Policy Council Members that have led on this.

260 I fully concur with asking no questions about the actual details, but I think it might be useful – certainly for me and maybe for the listener – if perhaps Deputy Langlois could outline the process after the ballot results are known.

The Bailiff: Deputy Langlois – the process that will happen after the balloting has taken place.

265 **Deputy Langlois:** Yes, indeed, sir.

The ballots will be conducted by each individual union. They each have different rules as to the way they conduct ballots, and our dealings throughout have been with ASEO. So the process will be that ASEO will inform us of the results and from there we will act accordingly. I do not intend to speculate as to the two different sorts of actions, whether the proposals are accepted or not.

270

The Bailiff: Deputy Gollop and then Deputy Kuttelwascher.

Deputy Gollop: Thank you.

275 Whilst being pleased to hear this news, does the Deputy Chief Minister have reason to believe or expect that a significant majority of people in the public sector unions are supportive of their representatives views? What I mean is, does it go across the spectrum of the different kinds of organisations that you negotiate with?

280 **Deputy Langlois:** Sir, I apologise, when I came out in a bit of a hurry this morning, I have a crystal ball at home which has got left on the shelf, so the Deputy's question is very difficult to answer.

The simple fact is, where we are today is that employer and employee representatives are recommending acceptance of these terms.

285 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, Mr Bailiff.

Could Deputy Langlois just confirm that in order to avoid seeking declaratory relief there will have to be universal acceptance of what is being offered by all of the unions?

Thank you, sir.

Deputy Langlois: I repeat what I said in response to a previous question: we negotiate with the body known as ASEO, and ASEO will be the body that comes back to us with the answer of acceptance.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I commend those responsible for reaching this position on both sides and I fully support the course of action Deputy Langlois has outlined. However, there was a States' Resolution directing the Policy Council to seek declaratory relief in the event that an agreement was not reached by a certain date. Now, I wonder whether Deputy Langlois would be prepared, with your permission, sir, to put a Proposition to the States seeking the support of the States to vary the terms of that Resolution? Because if that does not happen, we are implicitly accepting the Policy Council can effectively discard the Resolution that was made by the States. *(Interjection and laughter)*

The Bailiff: Deputy Langlois.

Deputy Langlois: Sorry, I quote from a background comment that, 'It happens all the time'. Maybe a little bit of an exaggeration, but nevertheless.

I would see no useful purpose at this particular stage in the relationships that we have with the employees and the stage we have reached, in making any variation to that. The States' Resolution was that if, effectively... the key of the States' Resolution was that if we failed to reach agreement then there is an alternative route. That is in place and so on. The inclusion of the date was very much to do with the discussions between the two sides, in my view, and it was extended actually, quite late in the day, before the States' Resolution, because some people were looking for an even shorter deadline. But I would see no useful purpose. I do understand Deputy Fallaize's wish to adhere to every dot and crossed 't' in the States' Rule Book, but I think on this occasion it is absolutely right to leave that Resolution in place and to accept that the answer will come in due course, according to an agreement.

The Bailiff: I see no-one else rising.

First Time Buyers – Statement by the Minister of the Housing Department

The Bailiff: The next Statement is to be delivered by the Minister of the Housing Department, Deputy Dave Jones.

Deputy David Jones: Thank you, Mr. Bailiff, and I thank you for the opportunity to make this Statement.

As a result of a successful amendment by Deputy Soulsby, the States directed the Housing Department and the Treasury & Resources Department to produce a joint report setting out proposals to assist first time buyers.

Deputy Soulsby's amendment called for proposals to be submitted to the States no later than the 30th June, 2015. It is now July and Deputy Fallaize, not unreasonably, has asked me when the

two Departments' policy letter will be laid before the States. He did submit his question under Rule 5 of the Rules of Procedure. However, he had indicated that he would withdraw his questions if this Statement is made on behalf of both Housing and Treasury.

I can confirm that both Boards had intended to finalise the policy letter in time for it to be submitted to the Policy Council in June, and for a long time we were on course to do this. However, as the policy letter was being written, the two Departments were approached by a consortium of individuals from outside the States, with a proposal for the new scheme relating to first time buyers. Obviously, the two Departments did not want to take a policy letter on first time buyers to the States without properly exploring these proposals – something which involved a number of meetings at officer and political level, the most recent of which took place in May.

So I apologise on behalf of Housing and Treasury that the policy letter has not been laid before you. However, I can confirm that it is now finalised and has been submitted for the September meeting.

Thank you, sir.

The Bailiff: Any questions of Deputy Jones? No.

Funding Pre-School Education – Statement by the Minister for Education

The Bailiff: We move on then to the final Statement, to be delivered by the Education Minister, Deputy Sillars.

Deputy Sillars: Mr Bailiff, Members.

I rise to advise you of the progress on the preparation of a policy letter on viable options for the funding of universal entitlement to pre-school education.

You will remember that at the end of May last year, this Assembly resolved to support the introduction of a universal entitlement of quality pre-school provision of 15 hours a week for the equivalent of 38 weeks a year for all three to four-year-olds in the year before they start school. This provision is to be delivered through a partnership approach with the private and voluntary sectors, and will be introduced from September 2016. We were also tasked to bring to the Assembly, no later than September 2015, a joint policy letter with Treasury & Resources on viable options for funding this entitlement.

Members, we have made good progress on this and are in the process of finalising our policy letter in conjunction with Treasury & Resources Department, but unfortunately we have missed the deadline for submission for the debate at the September meeting.

I can advise you that we are still on schedule to submit our report for debate at the November meeting, but wish to apologise to Members that we will be two months late in bringing this before you. Should we receive your approval to our funding proposals in November, we shall still be able to introduce the entitlement from September 2016 as planned.

You will remember that the introduction of this entitlement to pre-school education was part of our Education Vision, 'Today's Learners, Tomorrow's World', which you supported almost exactly two years ago. We set ourselves some pretty challenging timescales for action in our Vision, as there was much we wanted to achieve during our tenure as the Education Board. As we are all aware, there are only some eight months left of this Assembly and we still have a pretty full list of priorities to complete before we hand over the reins to a new Education, Sport, Culture Committee next May.

I would like to remind Members that bringing proposals to the States for approval is often only the start of the work to implement these decisions and, of course, other priorities come along that require our attention. So we have to divert resources away from our Vision workstreams for a

380 period of time. In order to keep Members updated with where we are with our Vision
workstreams, we have published a brief update report on our website www.education.gg/vision
and would encourage those Members interested in taking a look.

Thank you.

385 **The Bailiff:** Any questions? Deputy Gollop.

Deputy Gollop: Yes, in looking forward to the results of this report, wouldn't the
implementation of such proposals be likely to be quicker if you reached Board agreement with
other relevant States' Departments? Has the extra time allowed you to reach agreement with
other key stakeholders on the matter?

390 **The Bailiff:** Deputy Sillars.

Deputy Sillars: Well, of course, as far as we are concerned, the only other key at the moment
is T&R, and we are working closely together with T&R now and that is really – we both will bring
that joint report together.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

400 I am not sure what it is that has occasioned this delay, because Deputy Sillars did not really
refer to that in his Statement, but could he assure the States that if there is further delay that he
will advise the States as expeditiously as possible, because if there is considerable delay to the
point where it may not be possible to lay proposals before this term of the States, I will do it by
requête?

405 **The Bailiff:** Deputy Sillars.

Deputy Sillars: We did have a slow start. It was in May last year that we were told by the
States to go and produce a joint report. Unfortunately, because T&R were very busy, we did not
410 actually have our first meeting until, I think it was November/December. So we lost some time
there. It was difficult to try and get us to work together, because of various reasons, but I am
happy to report that now we are working closely together. We have an outline of where we are
going to go.

I see no reason why we should not – famous last words – be able to bring to the States in
415 November. I am passionate that we do, and I welcome Deputy Fallaize's passion for exactly the
same as I wish. So if we do not, yes I will support you, but I am sure we will in our own right as
Education and T&R working together.

The Bailiff: Deputy De Lisle.

420 **Deputy De Lisle:** Sir, can I ask the Minister whether this pre-school initiative is to be financed
by new money or through the existing Education budget? There is concern with respect to further
rationalisation of existing educational facilities.

425 **The Bailiff:** Deputy Sillars.

Deputy Sillars: I think we will have to be patient and wait for November to see exactly how it
all comes together. So we are in the process of working together. We are working closely together
and that is certainly one of the areas we are going to be looking at. There are various options we
430 are looking at and we will come up with one that I hope we will unanimously agree and

recommend to the States, but we will have to wait until November... as to exactly how the funding is proposed.

435 **The Bailiff:** No-one else is rising. I have not had notice of any other Statements to be delivered by anyone. So we will move on, Greffier, to Legislation.

Billet d'État XIV

ORDINANCES

I. The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2015 – Approved

Article I.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.

The Deputy Greffier: Billet XIV, Article I, The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2015.

440 **The Bailiff:** This is at pages 1 to 4 of the brochure. Those in favour – Sorry, I should have asked if anybody wishes to seek any clarification or...?
Deputy Fallaize.

445 **Deputy Fallaize:** Yes, I just have a quick question, sir, or two questions for the Minister, because the explanatory memorandum says that this Ordinance is to extend the company intermediate Income Tax rate of 10% to income from the provision of administration services, which were previously taxed at 0%. Now, this is not the first time this States have extended the 10% intermediate rate. I think it was extended precisely nil times during the life of the last States. Is the Treasury & Resources Minister able to advise the States on how many occasions since May 2012, the 10% rate has been extended, and approximately how much additional income these
450 extensions are forecast to raise per year?
Thank you, sir.

The Bailiff: Deputy St Pier.

455 **Deputy St Pier:** Sir, depending on your definition, it has been extended two or three times. In 2013 it was extended to two additional sectors – the fiduciary sector and the general insurance sector. Then, of course, in last year's Budget, from which this legislation then follows, it was extended to the fund administration sector from 1st January this year. So those two budget decisions, in 2013 and then in 2014, have resulted in extensions to three additional sectors.

460 Our current estimates are that those extensions would bring in probably around about £12 million of additional revenue per year. Obviously, this year is the first year of the extension to

the fund administration sector, so we are still working to some extent on estimates and we will not be able to report that until, of course, about this time next year.

465 Of course, the accounts which we may get to debate later in this meeting, sir, do report a substantial increase in corporate tax receipts of £7.3 million or 16.6% last year, much of which came as a result of that extension – the earlier extension.

The Bailiff: Any further debate? No. We vote then on The Income Tax (Zero 10) (Company Intermediate Rate) (Amendment) (Guernsey) Ordinance, 2015. Those in favour; those against.

Members voted Pour.

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

II. The Companies (Guernsey) Law, 2008 (Amendment) Ordinance, 2015 – Approved

Article II

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Companies (Guernsey) Law, 2008 (Amendment) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.

The Deputy Greffier: Article II, The Companies (Guernsey) Law, 2008 (Amendment) Ordinance, 2015.

475 **The Bailiff:** Any requests for clarification or debate? No. We go straight to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

III. The Prison (Guernsey) (Amendment) Ordinance, 2015 – Approved

Article III

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Prison (Guernsey) (Amendment) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.

The Deputy Greffier: Article III, The Prison (Guernsey) (Amendment) Ordinance, 2015.

480 **The Bailiff:** Any requests for clarification or debate? No. We vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

**IV. The Parochial Administration (Miscellaneous Amendments) Law, 2014
(Commencement) Ordinance, 2015 – Approved**

Article IV

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Parochial Administration (Miscellaneous Amendments) Law, 2014 (Commencement) Ordinance, 2015, and to direct that the same shall have effect as an Ordinance of the States.

The Deputy Greffier: Article IV, The Parochial Administration (Miscellaneous Amendments) Law, 2014 (Commencement) Ordinance, 2015.

485 **The Bailiff:** Any clarification or debate? No. We vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

**V. The Loi relative aux Douits (Amendment) Law, 2013
(Commencement) Ordinance, 2015 – Approved**

Article V

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Loi Relative aux Douits (Amendment) Law, 2013 (Commencement) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.

The Deputy Greffier: Article V, The Loi relative aux Douits (Amendment) Law, 2013 (Commencement) Ordinance, 2015.

490 **The Bailiff:** Again, any requests for clarification or debate? We vote, therefore. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

ORDINANCES LAID BEFORE THE STATES

The South Sudan (Restrictive Measures) (Guernsey) Ordinance, 2015

In pursuance of the provisions of the proviso to Article 66 (3) of the Reform (Guernsey) Law, 1948, as amended, 'The South Sudan (Restrictive Measures) (Guernsey) Ordinance, 2015' made by the Legislation Select Committee on the 18th May, 2015, is laid before the States.

The Deputy Greffier: Ordinances laid before the States – The South Sudan (Restrictive Measures) (Guernsey) Ordinance, 2015.

495

The Bailiff: I have not received notice of any motion to annul the Ordinance.

STATUTORY INSTRUMENTS LAID BEFORE THE STATES

**The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit)
(Amendment) (No.2) Regulations, 2015;**

**The Insurance Business (Bailiwick of Guernsey) (Amendment)
Ordinance, 2014 (Commencement) Regulations, 2015;**

The Companies (Transitional Provisions) (Amendment) Regulations, 2015

The Deputy Greffier: Statutory Instruments laid before the States. The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit) (Amendment) (No. 2) Regulations, 2015; The Insurance Business (Bailiwick of Guernsey) (Amendment) Ordinance, 2014 (Commencement) Regulations, 2015; The Companies (Transitional Provisions) (Amendment) Regulations, 2015.

The Bailiff: Again, I have not received notice of any motion to annul any of those Statutory Instruments, so we can move on to the other parliamentary business.

POLICY COUNCIL

**VI. Population Management Regime
Transition Arrangements and Other Matters –
Debate commenced**

Article VI

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 1st June, 2015, of the Policy Council, they are of the opinion:

1. To agree that:

(a) properties inscribed in Part A of the Open Market Housing Register should in future be defined by reference to the occupiers permitted in such properties;

(b) only those individuals described in paragraphs 2.11 to 2.24 of that Policy Letter will be able to occupy Part A dwellings without express permission and without jeopardising the inscription of the property in question;

(c) all documents issued under the Housing Control/Right to Work Law will remain valid until their expiry dates so long as all the conditions attached to the validity of such documents continue to be met;

(d) any person who is ordinarily resident in the Island at the commencement of the new Law and who has completed, or who completes thereafter, 8 consecutive years' lawful residence in Local Market accommodation, should be granted Established Resident status;

(e) any person who is ordinarily resident in the Island at commencement of the new Law and who has completed, or who completes thereafter, 14 consecutive years' lawful residence in Local Market accommodation, should be granted Permanent Resident status;

(f) any person who is a Qualified Resident at commencement of the new Law will be granted Permanent Resident status;

(g) holders of Status Declarations need not apply for Permanent Resident Permits on commencement of the new Law;

(h) Temporary Resident Permits should be renamed Family Member Permits;

- (i) on commencement of the new Law a person who is ordinarily resident as the spouse/partner of a person who is or becomes a Qualified or Permanent Resident, should be granted Permanent Resident status after a period of 10 consecutive years' residence with that person in Guernsey;*
- (j) any period of residence under a Short-Term Housing Licence already started at commencement of the new Law should be permitted to continue until the expiry of that licence so long as all the conditions attached to the validity of that document continue to be met;*
- (k) any period of residence under a Short-Term Housing Licence already started at commencement of the new Law cannot exceed an aggregate period of 5 years;*
- (l) anyone resident under a Short-Term Housing Licence on commencement of the new Law, who has already completed 5 years' residence in Guernsey will not be granted a Short-Term Employment Permit in future for any period longer than 12 months, and that a recognised break in residence must precede the grant of any subsequent Short-Term Employment Permit;*
- (m) the concession described in proposition (l) above will cease to apply to anyone benefitting from it if that person is absent from the Island for a period of 3 years or more;*
- (n) any residents in States-owned accommodation on commencement of the new Law should be permitted to remain in their current accommodation until their circumstances change;*
- (o) the provisions in the new Law that enable those born in Guernsey with Guernsey ancestry (a parent and grandparent in the same ancestral line) to become Permanent Residents at birth will be applied from commencement of the new Law and will not be applicable to anyone born before that date;*
- (p) any period of ordinary residence in Guernsey prior to commencement of the new Law will not be counted towards qualifying residence under the new Law unless the person in question is ordinarily resident in Guernsey at commencement of the new Law;*
- (q) a person's periods of ordinary residence in Guernsey prior to commencement of the new Law can continue to count towards qualifying residence under the Housing Control Law, regardless of whether that person is ordinarily resident in Guernsey at commencement of the new Law, only where immediately prior to commencement of the new Law he had the right under the Housing Control Law to aggregate previous periods of ordinary residence with future ordinary residence for the purpose of obtaining residential qualifications;*
- (r) lodgers in Part A Open Market accommodation on commencement of the new Law who have not yet lived in Guernsey for 5 years will be permitted to stay in their current accommodation until the 5-year threshold is reached, at which point they will need to take a recognised break in residence;*
- (s) lodgers in Part A Open Market accommodation on the 19th June, 2015, who have lived in Guernsey for more than 5 years will be permitted to stay indefinitely provided that there is no change to the status of the property and it remains on Part A of the Open Market Housing Register;*
- (t) live-in staff in a dwelling inscribed on Part A of the Open Market Housing Register should be able to apply for the grant of Open Market (Part A) Employment Permit, provided that they are employed on a full-time basis and accommodated in the dwelling at which they are employed;*
- (u) live-in staff in a dwelling inscribed on Part A of the Open Market Housing Register on the 19th June, 2015, who have lived in Guernsey for more than 5 years will be permitted to stay indefinitely provided that there is no change to their status or the status of the property and it remains on Part A of the Open Market Housing Register;*
- (v) persons living and working in a hotel inscribed on Part B of the Open Market Housing Register upon commencement of the new law, who have been resident in Guernsey for a minimum of 5 consecutive years, will not be subject to a cap on the length of their residence for so long as their employment and residential circumstances do not change in any material way;*
- (w) persons living and working in a nursing or residential home inscribed on Part C of the Open Market Housing Register upon commencement of the new Law, who have been resident in Guernsey for a minimum of 5 consecutive years, will not be subject to a cap on the length of their*

residence for so long as their employment and residential circumstances do not change in any material way;

(x) any person who is resident in a Part C property on commencement of the new Law and who is not a Qualified or Permanent Resident will not be required to obtain a Part C Residence Permit;

(y) any person resident in a property inscribed in Part D of the Open Market Housing Register upon commencement of the new Law will, regardless of residence history, be permitted to remain in that accommodation until such time as the document held by such a person expires;

(z) any person resident in a property inscribed Part D of the Open Market Housing Register upon commencement of the new Law that was inscribed in Part A of the Register immediately prior to Commencement will, if his period of residence exceeds 5 years, be permitted to remain in that accommodation until such time as there is a material change in circumstances;

(aa) any person resident in a property inscribed in Part D of the Open Market Housing Register upon commencement of the new Law that was inscribed in Part A of the Register immediately prior to commencement of the new Law will, if his period of residence is less than 5 years, be permitted to remain in that accommodation until such time as he has completed 5 years' residence, at which time he will have to take a recognised break in residence;

(ab) persons living aboard a vessel will, provided they have lived in Guernsey in such circumstances for at least 6 months upon commencement of the new Law, be issued with Permits for as long as their circumstances do not change in any material way;

(ac) a Population Advisory Panel should be established with the following constitution:

A Chairman and six ordinary members, none of whom shall be sitting States Members, who shall be elected by the States of Deliberation on the recommendation of the Policy Council, with power to elect a vice-Chairman from its membership and to co-opt other members on a non-voting, short-term basis.

The Chairman and members shall serve a four year term of office, but this will be staggered so that three are replaced every two years, which means that, of the original Members, two will have to be appointed for only two years.

The quorum at any meeting of the Panel will be four.

The Chairman will have an original vote, but not a casting vote; and

(ad) the mandate of the Population Advisory Panel shall be:

To provide the Policy Council with regular information on those sectors of the economy in which:

- there are persistent shortages of labour with skills required by the relevant sectors,*
- some labour with appropriate skills exist, but not in sufficient numbers to meet the demand for such skills in the relevant sectors, and*
- there are shortages of labour that do not require particular skills.*

To provide independent advice and evidence-based recommendations to the Policy Council on matters that are relevant to employment-related population management policies.

To provide a monitoring report to the Policy Council every six months.

At the request of the Policy Council, to review and comment on any existing employment-related population management policies or any such policies that are under development paragraphs.

2. To direct the preparation of such legislation that may be necessary so as to give effect to the above decisions, and of any necessary consequential, supplementary and transitional provisions not specified above, including, but not limited to, amendments to other legislation.

505 **The Deputy Greffier:** Article VI, Policy Council – Population Management Regime Transition Arrangements and Other Matters.

The Bailiff: The debate will be opened by the Chief Minister, Deputy Le Tocq.

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

510 This policy letter being considered by the Assembly today has three distinct components,
which I will deal with separately. These are, firstly, some adjustments around the operation of the
Open Market that are needed to give effect to previous States' decisions. Secondly, transition
from the current housing control system to a new regime of population management and, thirdly,
515 the establishment of an advisory panel to assist with the formulation and monitoring of policies in
respect of employment-related permits under the new regime.

Taking these proposals in the order set out in the Billet, the first topic for consideration is the
recommended adjustments to the operation of the Open Market Housing Register. Whilst there is
a separate policy letter – Article VII – detailing our recommendations for the future administration
of the Open Market Housing Register, the proposed definition of a Part A Open Market dwelling
520 is dealt with in this Report, because the success of the new Population Management Regime
depends, to a significant extent, on the approval of this proposal.

At present, because of a loophole in the Housing Control Law, it is possible for Part A Open
Market dwellings to be used to house a number of unrelated individuals. Rather than being used
as a family home, as originally intended, they are occupied more on the basis of, say, a student
525 house where each occupant has his or her own room and shares some communal facilities, such
as a kitchen and living area and sometimes a bathroom. From a population management
perspective, therefore, the problem with this is that it allows individuals to accrue potentially
significant periods of residence in Guernsey, without any assessment of the factors that would
normally be taken into account when considering whether an applicant should be granted long-
530 term residence.

This problem was recognised as long ago as 1984, when there were apparently at least two
Open Market homes being used as lodging houses. This number now stands at 160 today and
continues to rise. This is why the States have already agreed that it must be brought under control
and any further erosion of Part A of the Open Market is stopped. A further factor to bear in mind
535 has been the complaints that we have received from Open Market and other residents where
neighbouring Open Market dwellings have been put to this use and the potential impact on the
'Locate Guernsey' initiative to reinvigorate the Open Market.

So, for the avoidance of doubt, it is not disputed that many individuals who live in multi-
occupancy properties make valuable contributions to the community in various ways, and the
540 proposals currently on the table do not seek to diminish that. However, it is often the case that
people who live in shared Open Market accommodation over a protracted period of time are not
those with sufficient personal wealth to bear the cost of living independently on the Open Market.
Even the cost of shared Open Market accommodation can mean that they have little opportunity
to build up any significant savings.

545 There are currently over 1,000 people living here in multi-occupancy Open Market houses.
Therefore it is inevitable that a proportion of them will, at some point, seek to remain in Guernsey
permanently and apply to live in a Local Market property, as this is a more affordable long-term
option for them. Some such applications to stay in Guernsey will, of course, be successful which
means that the ability to manage the size and make-up of the population is hindered by the
550 existence of Open Market houses in multiple occupancy. This is why the States decided in 2013
that this loophole must be closed by limiting the number of such properties that can be used for
this purpose.

However, having given further thought to this matter to stop multi-occupancy reappearing in
another guise, we came to the conclusion that it would be necessary to have, for the first time, a
555 definition of a 'Part A Open Market property'. Knowing what a Part A dwelling is will help in
identifying when it is no longer operating as such. Accordingly, the proposals put forward in the
policy letter were designed so that it would be ensured that Part A properties were used only to
house owners or tenants and their immediate families plus, where applicable, domestic staff. To
do this, the policy letter includes a proposal that the same definition of 'householder', and those
560 people to whom a householder can accommodate, be applied to the Open Market as it does to
the Local Market, but with the flexibility to accommodate other family members upon application.

However, as Members are aware, we have received strong representations from Open Market owners and tenants who consider that this proposal will interfere with their existing rights to accommodate whomever they wish, which they have enjoyed for a long time. Having carefully considered those representations, the Policy Council is now putting forward an amendment and so, with your leave, I would like to lay in fact both of the amendments that relate to Article VI in my opening speech, as I believe it will save time:

Amendment 1:

In Proposition 1(b) to delete 'those individuals described in paragraphs 2.11 to 2.24 of that Policy Letter' and substitute 'people with a familial connection through blood or marriage, or a relationship akin to a marriage, and for the avoidance of doubt including step- and adoptive relationships, together with full-time live-in staff and their immediate family members, house guests as set out in paragraph 2.16 and lodgers as set out in paragraphs 2.22 to 2.26'; and in consequence to delete Propositions 1(t) and 1(u).

Amendment 2:

In each of Propositions 1(y) and 1(z), immediately after 'to remain in that accommodation', to insert ', or in principle to move to other accommodation so inscribed,'; and in Proposition 1(z) to delete the words 'until such time as there is a material change in circumstances' and replace with 'indefinitely'.

So, the Policy Council is now proposing to put forward an amendment that will broaden the scope of the proposed definition so that any person with a direct or indirect familial connection can be accommodated in a Part A property without having to obtain permission to do so. The Policy Council believes that this expanded definition will still serve the objective of ensuring that the Part A properties are used as family homes and not as a means to accommodate unrelated adults.

In addition, the Policy Council is now recommending three further changes to its proposals regarding the Open Market, which it believes will provide reassurance that the States is strongly committed to maintaining and developing a vibrant Open Market sector to the overall benefit of Guernsey and its economy.

The first is to recommend that rather than cap the period of residence of live-in staff to five years, their residence in Part A properties should be indefinite. It is the case that some of the larger Open Market households accommodate live-in staff who work loyally for their owners for many, many years. While existing staff that have been in the situation for more than five years will be unaffected under the transition proposals, Open Market owners have voiced their concerns at having to replace any new live-in staff they employ every five years. They also see this as an impediment to attracting new high net worth individuals to Guernsey.

The Policy Council has listened to those concerns and, while there is a risk that at some point in the future such staff may make application to live in a Local Market property, the numbers of such applications are likely to be very small. Accordingly, the Policy Council believes its amendment to be a more proportionate response to the likelihood of this occurring.

The other two amended proposals deal with those properties used for multiple occupation that will remove the Part A to Part D – move from Part A to Part D of the Housing Register. The legal title of Part D is currently 'lodging houses', which can conjure up images of less salubrious premises accommodating multiple unrelated persons. When we come to debate the next policy letter, I will place an amendment to retitle Part D 'Houses in Multiple Occupation' as this is a better description of the diverse range of properties which are used to house unrelated adults.

The final amendment relates to those tenants of multiple occupancy Part A properties that will move to Part D of the Register. The policy letter recommends that where they have been tenants for more than five years, they are given grandfather rights to enable them to live indefinitely in

that property, but where they would need to apply to the Population Management Office if they wish to move to another property.

600 Upon reflection, the Policy Council considers this proposal unduly restrictive and now proposes that those grandfather rights permit them to occupy any Part D property, not just the one they occupy when the Population Management Regime is introduced.

605 Sir, I would urge the Assembly to vote in favour of these amendments, which have been carefully crafted to respect the concerns addressed to us, while at the same time helping us to manage population numbers and to tackle the multi-occupancy loophole that currently exists.

Turning now to the wider transition proposals, Members will recall that following extensive consultation in 2011, in early 2012 the States agreed that the Housing Control Law should be replaced with a new Population Management Regime. In 2013 and 2014 the States decided what that new regime would look like.

610 We are now ready to draft the legislation that will bring the new regime into force. As part of that process we have had to consider how to deal with the transition from the existing system, the Housing Control Law, to the new Population Management Regime. Clearly, any system of population management will have an impact on many people's lives and it has been necessary to give very careful consideration to ensuring that the move from the existing system to the new one is the least disruptive for the majority of our community. For that reason, we had a number of guiding principles at the forefront of our minds when formulating these proposals. As set out in the policy letter, these were as follows: firstly, as far as possible a person's position should not be worsened as a result of moving to the new system; secondly, at the point of transition, documents issued under the Housing Control or Right to Work Laws would continue to be valid under the new system; thirdly, that various key milestones, previously agreed by this Assembly, should be recognised at transition.

625 We firmly believe now that the proposals we have put forward are in line with these principles and also will cause the least disruption to those living on the Island at the changeover point. The majority of Islanders need to do absolutely nothing when the new regime commences, which we envisage will be in the early part of 2017. Of the remainder, it is anticipated that only 1% of the working population – about 200 people – will need to take action within six months. The remainder – about 9,500 people – will only need to take action when something changes for them, such as a house move, a new job or the expiry of their current documentation.

630 We have tried very hard to engage with as many potentially affected individuals and organisations as possible. In particular, with employers, some of whom may find themselves having to organise their workforce in a different way. We have listened to the feedback and it is fair to say that the majority of those who have taken part in that dialogue agree with us the proposals are fair and workable.

635 As part of the transitional process, it was of course necessary to think about how we might deal with the matter of birth right which had been introduced in the Population Management Regime. While we understand that this is a very emotive subject, we had the difficult task of balancing the desire to meet the expectations that undoubtedly exist in some quarters, with the need to manage our population appropriately.

640 We concluded that to confer birth right retrospectively would be foolhardy, because there was no way of knowing how many people might benefit from this or what their future intentions might be. Once given, such rights could not be taken away and this decision taken from the position of ignorance could have far reaching consequences for population management. So we decided that logically the most sensible position was to propose that anyone with the relevant ancestral rights, who was born before the commencement of the regime, would not be able to benefit from a concept that was not applicable at that time. In so doing, we acknowledge that this creates anomalies, but unless birth right is retrospectively granted to all, no matter where you draw the line there will be winners and losers. Nonetheless it is not our intention to oppose the amendment, if it is laid by Deputies Brouard and Lowe, which recommends a degree of retrospection.

650 So, in summary, we are proposing transitional arrangements that we believe are in the best interest of the population as a whole and ask the Assembly to accept them as such.

Finally, sir, the policy letter develops a concept of an advisory body to assist with the formulation and monitoring of policies in respect of employment-related permits. The States agreed in 2013 that such a body would exist and this Report recommends a constitution and
655 mandate for that panel.

It was acknowledged that the States would benefit from another perspective when looking at who should receive employment-related permits and for how long. This new panel will help to address some of the discontent, or the disconnect, that has perhaps hitherto been perceived between the States and employers in the private and third sectors. Co-operative working with the
660 panel will, I hope, also help to underline the fact that we are moving to an entirely new system of population management, which will entail drawing up a new suite of transparent and flexible policies. The future is not the Housing Control System being managed under a different name; thinking around policies will also have to change and the advisory panel will play a key role in this, hence the recommendation that they be appointed early next year.

665 So, sir, I would ask this Assembly to vote in favour of this, and all the other proposals as we propose to amend them, in this policy letter, in order to help us maintain momentum on this important change in the manner in which we manage our population's size and make-up.

Thank you.

670 **The Bailiff:** Chief Minister, as you said, you have laid two amendments. Do you wish to say anything further in...? Right. You are formally proposing them. Deputy Luxon, do your formally second them?

Deputy Luxon: Yes, sir.

675 **The Bailiff:** Members, you should have both the amendments in front of you. One relates to Proposition 1(b) and the other, Propositions 1(y) and 1(z). As they have been laid together, I propose that we debate them together. Is there any desire to debate these two amendments? Does anyone wish to speak?

680 Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

I wish to speak on the first amendment, which is about extending the family and live-in staff. Firstly, I want to look at the origins of the Open Market. In 1952 a report from the Housing
685 Authority on the Island's housing situation gave the first clear reference to what has become known as the Open Market. I quote:

'Regarding well-to-do people who wish to settle on the Island the Housing Authority fully realises the value of such people to the community, and every possible encouragement is given, short of releasing rent controlled dwellings.'

The report also noted that houses built since 1945 with a rateable value above £75 per annum were of little value in solving the housing shortage and that Licences were being granted to anyone who wished to purchase such a dwelling.

690 In April 1957 the States approved amendments to the 1948 Law to exempt houses with a rateable value above £50 per annum from housing controls – effectively, putting them on the Open Market. The Housing Authority advised the States that proposals were based on evidence that whilst demand for small houses remained high, demand for larger properties was considerably lower, and I quote:

'It is no longer necessary to control houses having a rateable value in excess of £50 per annum. The loss of such dwellings would not seriously affect the housing shortage, and it is not anticipated that any consequential loss would be great.'

695 How times have changed. The housing market has also changed considerably since then, but some of the houses which only just met that criterion for Open Market in the 1950's are now some of the lowest priced houses on the Open Market, which results in the Open Market having a vast range of properties.

Looking at Estate Agents websites yesterday, there are properties from under £600,000 up to 700 £7.35 million. The problem is that now we want to have one set of rules for a market that has owners of considerable different means. The wealthy residents attracted by the Island's fiscal advantages, referred to in the 1972 Economic Development Plan from A&F, or the high net worth individuals that many people refer to now are not the people who will be buying an Open Market house for £600,000. We call it the Open Market, as if it is just one market. When we look at the 705 opposite ends of the market we actually have very different markets and very different occupiers. It is interesting to look at Jersey and their approach to attracting high net worth individuals. I will quote from the 'Locate Jersey' website:

'The population office normally requires that you buy or lease a high value property. Generally this is either a property valued in excess of £1.75 million, or property previously designated as 1(1)K category.'

It goes on to say:

'You need to show that you have annual worldwide earnings comfortably in excess of £625,000 per annum, and this must be sustainable income. The minimum tax payable on your income is £125,000 per year. However, this does not guarantee you high value residency status.'

So that is how Jersey have approached it. So they are attracting what I see as true high net 710 worth individuals. But the lower end of the Open Market attracts people who are not a lot less wealthy than people living in the Local Market. There are many properties in the Local Market advertised for over £1 million, with some advertised up to £2.7 million.

So how can we justify having a set of rules about who can occupy an Open Market house, which allows a far wider definition of family members, i.e. this amendment, when we have a 715 narrower definition for a family occupying a Local Market house, especially when there are a significant number of Local Market houses which are of higher value than Open Market houses?

The wealth of some of those in the Open Market was shown in the 2011 consultation, which showed that the median earnings for those of the working population that live in Part A, which are the private dwellings of the Open Market, is less than the median earnings of the whole Island.

720 The objectives of the new policy were agreed by the States in 2013 and the first objective was that the new regime needs to be as effective as possible in enabling the States to manage the size and makeup of the Island's population. If you are going to achieve that objective we have to say 'no' to some groups that we were saying 'yes' to before, because it was concluded that the current housing control regime is not capable of delivering States' strategic objectives relating to 725 population management. So we need to say 'no' to distant family members residing in low value houses, as we would have no control over the economic contribution or the time they stay on the Island.

The definition of family that can occupy an Open Market house, which is in paragraph 2.15 of the Billet, which was proposed by the Policy Council and which they are trying to change by this 730 very late amendment, is consistent with the amendment proposed by Deputy Brehaut and me in 2013; but, more importantly, it is the same as the 1992 proposals from the Housing Authority, which were then supported by the Advisory & Finance Committee.

As I have said, it is the same as the definition for Local Market. We know that there is a very large overlap between the lower end of the Open Market and the Local Market. I do not think it is 735 fair or right that a person living in the Local Market who makes a greater economic contribution should be more restricted in terms of which family members can live with them than somebody who lives in the Open Market but makes a lesser economic contribution to the Island.

I believe that the correct way forward is to reject this amendment and I strongly urge the States to support the Policy Council's own Report.

Paragraph 2.27 on page 1403 clearly states that a Part A householder who wants to accommodate other members of their family can apply for a permit from the Population Office. One of the building blocks of this system is transparent policies. So in most cases the public can understand how and why decisions are made. The Population Office should develop policies that will allow those high net worth individuals who, I believe, have made a valid case to house members of their family, other than those listed in 2.15, and also allow certain domestic staff to stay longer than five years.

This will mean that those who live in lower value Open Market private dwellings will have the same rules but cannot buy their houses as people who live in Local Market houses, but there will be specific policies for those with higher values above a certain specified amount or certain annual income, just like Jersey has got. That will allow them to accommodate other members of family and staff. As we would have transparent policies that are published, then high net worth individuals will not be discouraged from moving to Guernsey, as they would be able to see the policies.

So I complete my speech by asking you to reject this first amendment and support the Policy Council's own proposals in the Billet. The Open Market is a very broad market; one policy is not appropriate for all properties. One size does not fit all.

Thank you. (**A Member:** Hear, hear.) (*Applause*)

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: I just want to make one point about high net worth individuals – 'well-to-do' and all these other comments which are not very specifically defined. It may be useful to note that when one looks at the sort of tax that you need to pay in Jersey to get in, I think the figure was mentioned, £125,000, that in Guernsey – and I have mentioned the figure before – how many people are tax capped? When I last brought this up it was 33; it used to be 28 until very recently and I am told it is now 26, of which half are local residents.

So we are not, and have not been, attracting the sort of residents that are being proposed and I know why, but that is another issue. Putting that sort of barrier to new residents, they are not coming anyhow and they will not come in the future. So the Open Market, effectively, will be totally redundant, because if you could attract one or two a year, you cannot have a market of 1,700 or so houses supplying just that group. It will become redundant, which is fine. If that is what Members would like, then just do it. But we now have this tension between those who want to attract only the high net worth individuals, like they do in Jersey, and those who are purporting and saying that we want to stabilise the Open Market and move on.

So I certainly will not be supporting the view held by Deputy Dorey; I will be supporting both amendments because, for a whole host of reasons, if we do not support them there is a retrospective policy in place, or that is in the current Billet, which would affect existing Members.

I went to the meeting on Thursday evening and at least one person stood up and said, 'You realise you may be open to a class action where there is loss of value as a result of the change in policy for those who came here in the first place?' So we could open up a whole can of worms, I think, if we do not support the two amendments.

Deputy Perrot actually laid an amendment which I seconded, because there was half of what he wanted to do and half of what I wanted to do, which was a much milder variation in the definition, because I thought that might be acceptable. But, having seen the amendments that the Chief Minister has brought, I think that is the way forward and it will have minimal impact on population management. So I urge Members to support the two amendments, unless they actually want to bury completely the Open Market – and that, to me, is the option.

Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: No, I certainly do not want to bury the Open Market, because I came initially from an Open Market background and I would also like to point out that we have, as a States... and I remind people Deputy Luxon, particularly, said that it is very important that we send out a very positive message to the Open Market community that they are here to stay and we are not doing anything to materially alter their situation.

I have got to say I support both Policy Council amendments and the analysis that they have come to, and the hard work that Deputy le Tocq and Deputy Luxon and others have done for a range of workshops, presentations, public presentations and so on.

Nevertheless, I have to be critical that something has gone wrong with the process here. I have sympathies with Deputy Dorey in a few respects. I have never agreed with the very restrictive covenants put upon Local Market people, regardless of economic contribution, as to who they can or cannot have in their homes. I generally support moderate population policies, but I have always acknowledged that the Open Market is a tenth of the sector which is outside of the Local Market restrictions, and it should be borne in mind that the Local Market was here not to restrict population but to restrict the access to housing of a certain value. What I find bizarre about the process we are currently in is we have had in our packs an amendment – a putative amendment – signed by Deputy Perrot and Deputy Kuttelwascher, which ran contrary to some of the policy letter, but now the Policy Council have not only taken on the substance of that amendment but have made it more liberal, and I find that very curious.

I find it curious too that they have resuscitated an idea put forward by Deputy Brehaut and Deputy Dorey that they had previously pooh-poohed and, in fact, had lost. It would appear to me that the writers of this Report are different than the politicians sitting on the upper bench and they seem to have different views, and maybe the views in this book reflect an official view and maybe the political views were, or have become, different.

My criticism, strangely enough, is mostly of the Report, because when one looks at the expression – we turn to page 1398 of the Policy Council's statement, 1.7:

'In order to make the proposals workable, and to avoid the 'misuse' of Open Market properties.'

Well, 'misuse' is a strong word. It is as though intended for use as private family dwelling. Well, who said? In the old days in Guernsey many people had guests as well as families in houses and, of course, Deputy Le Tocq, rightly, has made reference to student accommodation, which might apply in Guernsey and more so if we one day have a university. The issue of properties in multiple occupation is referenced on pages 2.4 and 2.5. We dealt with as to why we beg the question that the Policy Council did a U-turn over their last report, and they are now doing a U-turn back again, in a way. We have also got 2.16, which is:

'...proposed that Part A dwellings can be occupied by house guests of the householder who will not work in Guernsey during their stay in the Island, and who will not exceed a maximum aggregate of 90 days' residence in the Island in any 12-month period.'

Well, actually the definition of work these days is not what it was and people can be at work whilst in Guernsey, through social media, through the internet, through consultancy, through desktop, and I would think that that could be unworkable. 2.17 says:

'...current provisions in respect of Local Market dwellings, and those already agreed for Local Market properties in the future, and is considered equitable in the context...'

Well, equity does not really come into this, because although I have stated clearly that we should never really have restricted the rights of Local Market people, equity is not part of the deal. People who come here to live on the Open Market come to a completely different section of the Housing Register. They are paying a premium. They have always paid a premium. Their children will have, historically, less ability to become local residents in terms of time. They themselves will be unlikely to ever transfer to the Local Market and take advantage of a much wider range of properties, and indeed social housing.

835 More to it, the Open Market – the community who are in the Open Market appear to be the only people in Guernsey, who as we understand it... I say 'if', will not qualify as established residents or permanent residents – the householders, I mean.

840 So, I think it is a very different offer. It is certainly very different from a Licence holder who is just obliged to spend eight or 14 years; and under the new proposals their partner becomes a permanent resident at 10 years, which is astonishing – that a partner would have more rights than the principal Licence holder. But that is an anomaly; I can understand the reasons for it.

But I think we are missing the point. The reality of the situation is that the Open Market is different and has had a different history from Jersey. We can all look backwards and say, 'Maybe Jersey got it right and we got it wrong,' but history is history and we are where we are.

845 I have always seen the Open Market, given its comparatively small size, as a useful facility for workers and migrant workers to give a little bit of economic flexibility to the workforce. (**A Member:** Hear, hear.) We now know that our population has been dropping the last year or two, we also know that for many people the rise of the Guernsey economy and new opportunities in the workplace – whether digital or otherwise – are a major priority, as is the rejuvenation of the hospitality sector and, indeed, the care sector. Why restrict the Open Market further than what it is already, with any more proposals? The population policy was meant to be neutral in terms of policy in relation to the economy. But much of this Report does drift into rationalising population.

850 I must admit that it complains of a lack of statistics of the number of people likely to settle here or move here. But that is not their job; we might just as well say that we would be over populated if nobody left the Island, rather than going to seek careers elsewhere. This is about giving legal rights to people; birth rights and rights of purchase and rights of abode. It is not about guessing how many people will go or stay.

855 So I have a lot of criticisms of the methodology of the Report, but I do accept that the amendment to widen the scope of the Open Market to sons-in-law and partners is right. I think the proposal to change staff – I mean there are only 50 of them – in an Open Market household of five years was potentially ridiculous, because imagine – I wish we were all so fortunate, but imagine – a traditional family butler or nanny or nurse who is brought over and then has to be sacked to the manor born after all that time. That would not be good for us.

865 I also believe that the initial proposal which was so restricted, that somebody had grandfather rights whilst they lived in a room but as soon as they wished to move to another room in the house next door would immediately face eviction from the Island, was ridiculous. I thank the Policy Council for showing some last minute political sense, but I do think too often we get *quasi* legal reports to us that are illogical and that do give rise to unforeseen consequences, and there are still some broader questions that I would like to ask, if not necessarily publicly, about the rights and responsibilities of people under the new regime, which I consider not to be watertight.

870 But I do say here and now, most clearly, I support the Open Market; I support the rentier sector and the letters I have received, and will vote in, not only their interests, but the interests I believe of the wider economy and the wider Island.

875 **The Bailiff:** I think, Deputy Gollop, I am going to take it that you have spoken in general debate. Is there anything more you wish to say? (*Interjection*) Well, we are taking the two amendments together. Deputy Gollop? (*Laughter*) We are taking the two amendments together, so if there is anything more that you wish to say on the second amendment you need to say it now or you will not get another chance. You have said it. Thank you.

880 Does anybody else wish to speak on either of the amendments?
Deputy Bebb and then Deputy Stewart.

Deputy Bebb: Thank you, Monsieur Le Bailli.

885 Briefly, on the first amendment, the ability to have live in staff: I have friends – unfortunately, I am not wealthy enough in order to be able to afford to have live-in staff myself, but I do have friends – who have live-in staff and, realistically, we have to remember that this is a question that

someone is employing someone, but that they are also asking them to live in their house and it takes a great deal of trust to ask someone to live in your property, and that trust is gained over years.

890 If someone lives in a property for five years, with the employer, then I would suggest that there is a great deal of trust and there is a great deal of faith in that employment relationship. And it is wholly inappropriate for us to state that after five years, regardless of the quality of the work, regardless of the relationship that has been formed, that staff member must go and you must start the process all over again; in a sector of the housing market which is supposed to be open –
895 open to all who choose to go and live there, and therefore it is only appropriate to remove such restrictions.

I am less enamoured with other parts of this policy letter. I am struggling slightly with the amendment. I am tempted to vote for the amendment but then to throw it out. I lived in a multiple occupancy dwelling, as it is apparently called; I was not aware that that is what it was at
900 the time, it felt more like a student house, as Deputy Le Toc referred to. It was very pleasant, we had a whale of a time; it was fantastic.

At the largest, I think we had six people living there, but obviously people came and left, and I was trying to think what happened to all of these people who lived in that house. Of which, I know that one now lives in Ireland, two moved to live in South Africa, five – at least five – went to the
905 UK. One has moved to live in Australia and there are three of us who still reside on this Island.

I am the only one who is in Local Market, I believe, and quite frankly the only reason I am in Local Market is because I am residing with my partner, so I am not taking up anybody else's space, I would hope. The whole process... But what I find spectacular is that people come to live in Guernsey for a period of time and leave, and we have to ask ourselves what happens.

910 Now, Deputy Dorey's speech referred to the Open Market according to its original idea, but of course, nobody is proposing that we could ever go back there. There is no amendment today to say that actually we should get rid of the Open Market, in order to actually have a scheme such as that in Jersey. There is no suggestion that we would actually want to do that. Nobody is laying an amendment.

915 So we want to keep the Open Market and at the same time I have to say that I am aware, from talking to certain businesses, that they find the current regime of gaining Licences cumbersome. They find it difficult. They get far quicker turnaround when they request Licences in Jersey. I have been advised that they can receive a turnaround on their Licence request in Jersey within 24 hours, and I am aware that the same company that spoke to me said that they have had one
920 incident of a Licence request which took over 40 days.

That diminishes our competitiveness. But the people who come and live into the Open Market in the way that I did, and all of those other people who now no longer live here, they fill jobs and if we remove the flexibility of this part of the market; those jobs do not disappear, they need to be filled or the work will move off-Island. 'Outsourcing' has become a very popular word and what
925 we are really seeing is more and more people moving more and more of the work that they are doing in Guernsey to other places.

What I am trying to say is that, what are we proposing happens if we remove this multiple dwelling ability for businesses? Nobody here seems to be of the opinion that we should be granting more licences into the Local Market to be filling positions within the finance industry. Of
930 the people that I shared a house with, I think that we had one lawyer, I think we had about three accountants and the others worked in the finance industry, or I think one or two of them worked for Specsavers, for instance.

Now, these employers will require these people. There needs to be some flexibility and if we remove the multiple occupancy Part A, either we are content for more people to reside in Local
935 Market, when they have no real specific qualification, we are happy to have more accountants move into the Local Market or more lawyers move into the Local Market, but I am not hearing that from anybody, or the work simply moves off-Island, and that can be very detrimental because we will see companies relocate.

I know that many Members will want to have a different perspective of wanting to retain the Island character, but I would contend that multiple occupancy is not threatening it. It has been here for a long time. The Report actually notes that it has been there since the 1980's. Are we of the opinion that it is the Open Market multiple occupancy changing the character of Guernsey? Is that the bogey man which is causing the change? I do not believe so. I think that we tinker with this, thinking along the lines of population, and with scant regard to what will happen as an effect of closing multiple occupancy Part A. You may not like it, a number of people may not like it, but it serves a very real function that is required. I hear nobody explaining to me prior to this debate and I hope somebody will actually say during debate what they think will happen if we remove multiple occupancy. Are we content to lose the companies and the work, or are we content –

Deputy Laurie Queripel: Point of correction, sir, if I may?

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Multiple occupancy is not being removed. It is being transferred from Part A to Part D, so it is not being removed. Deputy Bebb is being incorrect when he spoke of it being removed, sir.

Thank you.

Deputy Bebb: I thank Deputy Queripel for that intervention. However, from my understanding, moving it from Part A to Part D restricts the type of employment that those people can undertake, and that is restricted – because I was advised that my work, when I came and worked here at Credit Suisse, would not have been possible were I to be in Part D of the Open Market.

I give way to Deputy Luxon.

Deputy Luxon: Point of clarification, sir.

Deputy Laurie Queripel is right: it is a transfer of the multiple occupancy properties to Part D. There would be 172 of them, made up of the 26 lodging houses that are there now, plus those others that were multiple occupancy homes that were in place in May 2013, but it would not limit the sort of work that those people occupying those houses could do. There would be a limit of five years going forward. So they would be able to live in those homes for a particular period of five years when the new rules come into place. So it does not affect the type of work they can do, it is about the length of time they would be able to reside in those properties.

Deputy Bebb: Therefore, the restriction on Part D would be over length of occupancy but not over type of employment. Thank you. *(Interjection and laughter)* Right... *(Laughter and interjection)* I evidently misunderstood and I thank Deputy Luxon for that clarification.

I am still reluctant in relation to... *(Laughter)* I have to say that I thank him; it makes the situation preferable to my opinion. I apologise, I have obviously misunderstood and I think Members should... and I apologise for having spent that time debating something which obviously is not the right point *(Laughs)* But, even when we talk about the length of time, I am reluctant because I do feel that Part A Open Market serves a purpose at the moment. It is flexible, it is available, it works and I just wonder what is the real benefit of tinkering with it.

I will leave it there, Members, thank you.

The Bailiff: Deputy Stewart.

Deputy Stewart: Mr Bailiff, fellow Members, I will be supporting these amendments. I will speak on the amendments.

I think as we prepare to launch 'Locate Guernsey', a huge amount of work has already gone in to that. We already have a team *in situ* which is doing good work. What we do not have is a head

of that. Those interviews are continuing this week. As we launch what we feel is a hugely important initiative for Guernsey... because it is quite right the Open Market – and I do not want go into the ifs, buts, and maybes of why the Open Market is where it is, but it has been a lot of round messaging in the past, and uncertainty. We need to revive our Open Market.

995 I hear what Deputy Dorey says about Jersey. However, what I will say is it is one thing what they put on their website; it is another thing of what they actually do in reality, and I think a lot of some of those criteria that you quoted are varied quite considerably, depending on the individuals. They have a lot of flexibility.

1000 That is one of the things we are going to need as we move forward, if we are to revive the Open Market. In reality, you can quote properties at *extremis*, 'Oh this one is only £600,000 – very near to a Local.' What we are looking to do in 'Locate Guernsey' is attract high net worth individuals who can bring economic benefit, and those will be targeted. Hopefully, we can bring high net worth individuals who can relocate part of their business to Guernsey.

1005 What we want to do, to give ourselves an edge, is to (a) give them certainty over what they can bring into their house – and I hear Deputy Dorey, if he feels that Local Market people are being disadvantaged then we should look at changing those rules and not sinking to a lower common denominator, because I am one of those people that believe, and we all know that there are 20,000 to 30,000 people out there, right now, not on Guernsey, that could have the right to live here, but they are not living here. There are not storming in over White Rock or maybe even the
1010 Albert Pier.

We actually need to start giving – if we are to revive the Open Market – some real certainty about this. If they have staff members it would be ridiculous for them – particularly in the cases of nannies, carers, whatever it is, long serving staff members that they trust – to then send them off the Island. So what we need to do today, and through this Billet and through these amendments,
1015 is start to give ourselves some flexibility so 'Locate Guernsey' can be successful.

Of note, when we put together the business plan submitted to T&R for 'Locate Guernsey' it was very easy to get four pages of foolscap of Open Market people that have moved to this Island that have not only brought significant economic benefit but considerable philanthropic benefit to this Island, and how they have become immersed. That list was not exhaustive.

1020 So I ask Members to support this amendment, to start giving some certainty to the Open Market, so that we can start to get that benefit from what we originally intended that Open Market to be.

Thank you.

1025 **The Bailiff:** Deputy Conder.

Deputy Conder: Thank you, sir.

I stand to speak on the second Le Tocq/Luxon amendment and simply to seek clarification, if the Chief Minister would be kind enough in his summing up. My question particularly relates to
1030 paragraph 3.105 on page 1421, which relates to properties in multiple occupancy occupied before 10th May 2013.

I know – and like many colleagues I have struggled with the detail of this policy letter and some of the amendments which seem to have changed position, but I do know – that residents living next door to an Open Market property have found prior to 10th May that they have become
1035 multiple occupancy properties with quite serious deleterious effects upon those individuals' quality of life as a consequence of having a property which was a family home and became a property of multiple occupancy.

Paragraph 3.105 seems to offer no hope that that situation under the new regime might change and revert back to family property. Indeed, it seems to indicate that if it was not multiple
1040 occupancy before 10th May 2013, notwithstanding that it was a property, a family home, it will be able to stay in multiple occupancy with all that implies for its neighbours indefinitely. Could the

Chief Minister in summing up clarify that for me? That will help me to determine the position I take on amendment two.

Thank you, sir.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Thank you, sir.

Sir, I rise to merely seek clarification on the first amendment. On the list on page 1401 we currently have spouse or partner, children, parents and parents-in-law, and grandchildren. Not on that list we have sons and daughters-in-law, grandparents, aunts and uncles, nephews and nieces, cousins, brothers-in-law and also sisters-in-law. The step and adoptive relationships, as well as family members of live-in staff will be included in the amendment, of course; but can the Minister just clarify whether or not those I have mentioned will be added to the list, if we support this amendment, please?

Thank you.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

I think it is just important to remind Members what Deputy Dorey said in his opening speech, with regard to the abilities of people who have permits to allow, effectively, extended family members to join them, but also with the explanatory notes actually on both amendments, just to remind ourselves that this is a population debate. This is an attempt to control numbers and it is crucial – *absolutely crucial* – that we make some effort to control numbers. But, sadly, there is still a confusion within the Open Market and a confusion that the States have exacerbated in some of the decisions that we have taken in the past.

If we look at, for example, the MURA policy whereby – please, my speech gets better! – (*Laughter and interjections*) No, it was an election commitment. If we look at what we have done with regard to the MURA, there are people who are... if I can say – there are people of high net worth – and I know... I think I know what that means – but there are people who are discretely wealthy, live very quiet lives and contribute to the community very, very generously. They support local charities, they employ local people and they contribute in the very broadest sense.

But what we have done with this confusion over the MURA is we have taken nice Georgian houses, of ample proportion and others – really quite pleasant houses – and we have taken the re-inscriptions into what actually, on occasions, are close to almost gated communities. You find flats... We have had a recent development on the West Coast – fantastic apartments. They are very expensive, but they are not family homes. They are not family homes in the sense of the home that was deleted to facilitate this new development.

So if we want families here and we want to extend the scope, we need to stick to one single page of the hymn sheet and not have this confusion over then confining people to flats, because it would be unattractive to some people to live in that way.

But again, having said that, we must adhere to the broad population objective, bearing in mind the serious issues we have in this Island with regard to, as Deputy Dorey said in an interview... we are the 13th most populated place on the planet. Now, that has quite obvious implications. But just with regard to the... It is not uncommon for people to want to amend States' reports and policy letters. That is to say it is not uncommon for people who sit outside of a Department, who have not been closely associated with the Report, to amend... But to find these amendments so late in the day concerns me and how can we really say that we are not... when people say you are not an open Government, you are not open to challenge – the States do not listen.

But the gentleman who was responsible for organising the EIE campaign, very successfully, opposing the Minority Report, moved his attention for one day on the 23rd to convening a meeting at Beau Séjour, I think it was – I was not there. I think it was chaired by Deputy Luxon and

1095 after that meeting we see a number of amendments to a very long standing States' report. I would make the same observation as Deputy Gollop: there is a disconnect from the authors of the report to those who are here today to present it.

Deputy Luxon: Point of correction, if I may please, sir? Sorry to interrupt his speech.

1100 Just for clarity, Members, the Population Steering Group working for the Policy Council has, over the last three years, as you will know, met a whole variety of different people, meetings, workshops with States' Members and we have been listening and trying to make sure we refined the proposals.

1105 The amendments that have been laid today are nothing to do with a meeting or a person; they emanate from feedback we have had since the Billet was published. It is fair to say that the Open Market themselves were very slow to come and engage with us about their concerns and it was the production of the Billet that actually engendered that. But, yes, there was a meeting last Thursday, but by no means are these amendments linked solely to that meeting. There has been a whole series of meetings with other groups too.

1110 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: As with all good comedy, the timing is important.

1115 I have nothing to add other than to say let's not move away from the objective of the States' report policy letter that is sat in front of us. It is a fascinating juxtapose. I am not opposed to the Open Market, by the way. I realise the very obvious benefits, but if you think of the questions that we had at the beginning of this Assembly, in regard to housing affordability, the lack of accommodation for local people and then here we are at the other end of the scale, suggesting that we broaden the scope of people that live in the Open Market and add to the population that way.

1120 Just as an aside and it crosses my mind – I think Deputy Jones, Deputy Dorey and Deputy Gollop may well remember that – when we were in the Housing Department, we did have an application for a staff member a nine-month Licence application; it was actually for a cat sitter! So that shows you how diverse the applications can be. *(Laughter)*

1125 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

1130 I feel the need to preface what I am going to say by saying that I am very supportive of attracting high net worth individuals – or even where I come from, moderate net worth individuals – to relocate to Guernsey. Whether they have come to retire, or whether they are coming to set up businesses, clearly their contribution can be beneficial to our economy and socially and culturally, and I very much support that sector of our economy and support that sector of our Housing Register.

1135 However, this amendment extends certain provisions, privileges, over and above the privileges available to people in the Local Market, across the whole range of Open Market properties, not just to those people who we would all understand to be high net worth individuals, but to anybody residing in a Part A Open Market property, and it is –

Deputy Kuttelwascher: Could I make a point of correction, please?

1140

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Sir, Deputy Fallaize – Sorry for the interruption, but he just said it is extending the privileges. It is not; it is maintaining what is there now and not reducing them, and

1145 this amendment just maintains the *status quo*. That is not an extension of privileges, it is maintaining what is.

The Bailiff: Deputy Fallaize.

1150 **Deputy Fallaize:** What I said, sir, is that it was extending privileges to people in the Open Market which are not available to people in the Local Market. It is extending privileges to people in the Open Market which are not available in the Local Market. Whether it is the *status quo* or not, it still extends privileges to people in the Open Market which are not available to others. Now, that is the problem with the amendment.

1155 I was intending to support the Perrot/Kuttelwascher amendment because I do think it is a bit ridiculous to try to restrict the period during which live-in staff can live with a Part A Open Market resident; and I also thought that the idea of extending the arrangement to the spouse or partner of a child of the adult householder, etc. – the other words in what was going to be Deputy Perrot's amendment... I thought that was quite sensible.

1160 Now, Deputy Perrot and Deputy Kuttelwascher have been consistent and eloquent advocates of the Open Market and they came up with this amendment which they felt was a way of adding the necessary security and stability to the Open Market, which went further than the Policy Councils' proposal, which we were lead to believe had been in gestation for years.

1165 Now, at the eleventh hour, the Policy Council does not just want to chuck out its own policy letter in this respect, it also wants to bypass Deputy Perrot and Deputy Kuttelwascher's amendment and give us, or give people in Part A of the Open Market Register, even more – even more than Deputy Perrot and Deputy Kuttelwascher were going to propose providing.

1170 Now, page 1399 of the policy letter explains – this is at paragraph 2.5, sir, – what is proposed in respect of lodging houses and the transfer of those from Part A to Part D of the Register and explains that, as a consequence of that, the ability of people in Part D to reside in the property becomes restricted in a way that does not apply to Part A Open Market properties. It goes on to say at the beginning of paragraph 2.6:

'At present, this provision is not proving sufficient to manage the proliferation of Part A dwellings in multiple occupation...'

1175 That is the Policy Council's considered opinion. Presumably after having given this matter several months of thought, they submit a policy letter which says that:

'At present, this provision is not proving sufficient to manage the proliferation of Part A dwellings in multiple occupation...'

1180 But now they are laying an amendment which seeks to replicate the provisions which, they told us when this policy letter was published, were not proving sufficient to manage the proliferation of Part A dwellings. This is not a minor amendment. Deputy Le Tocq was very modest when he laid this amendment. This is an amendment which drives a coach and horses through the Policy Council's policy letter.

1185 **Deputy Luxon:** Sir, may I make a point of clarification.

1190 The issue of the transfer of Part A multiple occupancy homes to Part D – it is that move and then capping Part D that will stop the proliferation of the inability to be able to control in the sense that Deputy Fallaize mentions. It is not the amendment. The amendment simply recognises the existing rights of Open Market families to have extended family members – I think the two arguments are different.

Deputy Fallaize: Yes, but the problem is that the explanatory note on this amendment 1 says that the amendment would broaden the range of family-like arrangements permitted to occupy Part A Open Market, but the amendment itself talks about house guests and lodgers.

1195 Now, I do not think that lodgers – as set out in paragraphs 2.2 to 2.26 – can possibly be regarded as living in family-like arrangements. I know some families do not get on all that well, but I really do not think that the explanatory note properly explains what is set out in the amendment. I do not think that people who are living as lodgers in Part A of the Open Market in multiple occupancy can possibly be described as living in a family-like way, but that is what the
1200 explanatory note to the amendment tries to make us believe.

So I have no problem with modifying amendments, along the lines of that that Deputy Perrot had advised the States he was going to propose. I can understand that that would be necessary in order not to discourage high net worth individuals from maintaining their residency in the Open Market, or relocating to Guernsey in the future. But what is proposed in this new Policy Council
1205 amendment goes way beyond that.

So, therefore, sir, I will vote against this amendment because I do not believe that we should extend these privileges to Part A residents' *carte blanche* in a way that we are not prepared to Local Market residents. We are dealing here with the whole of the Open Market.

I agree with Deputy Dorey: we have a problem in debating the Open Market here because we
1210 are not debating a single market. That is a real issue. We ought, I think, as a matter of policy, years ago to have tried to distinguish between Open Market properties which fulfil the original intent of the Open Market, where I would favour having a much more liberal regime, and Open Market properties which have been sold for £600,000, £700,000, £800,000. You do not need to be a high net worth individual who is going to make a substantial contribution to our economy to reside in
1215 properties of that value.

But we have not made that distinction as a matter of policy and, therefore, anything which is extended to Part A properties, which we envisage being lived in by high net worth individuals, will also be extended as a matter of right to people who are living right across the Open Market. I think that is too liberal, sir. I am prepared to go with the Perrot/Kuttelwascher solution, knowing
1220 that they are, and have been, eloquent advocates for the worth of the Open Market, but I am not prepared to go as far as this Policy Council amendment.

Thank you, sir.

The Bailiff: Deputy Harwood.

1225

Deputy Harwood: Thank you, sir.

It is interesting actually that two years ago I was standing to your left, trying to argue strongly against the amendments that were brought forward by Deputy Dorey and Deputy Brehaut, and then I was shocked to realise actually that when we say this Billet... that actually Policy Council
1230 were now proposing to reverse that.

Having – and I appreciate that politicians are expected to do U-turns, but having – argued so vehemently against the proposals at that time, two years ago, I would find it very difficult to stomach accepting those proposals now. So I am therefore very grateful to Policy Council for bringing forward the two amendments. I am speaking on those amendments, sir, because I
1235 believe actually that it restores my sanity and I would believe actually it does help to give the certainty that is required to the Open Market.

Can I just remind Members of the Resolutions that were adopted in May 2013 and, in particular, Proposition 20, which said, and I quote:

'...to agree that an Open Market largely in its current form can be retained as part of the new Population Management Regime to allow people to come to live in the Island who might not be qualified or permanent residents. Might not have strong family connections here, and might not possess essential skills or fill manpower shortages.'

1240 That is a Resolution of this Assembly and I believe, sir, that the attempt in the original Billet to impose restrictions upon the connections of people who could continue to live in Open Market property would actually go against that particular Resolution. So I strongly thank the Policy Council for bringing forward the two amendments. I believe they are necessary and I believe they are entirely appropriate.

1245 Just with reference to one point which my colleague and friend, Deputy Fallaize, mentioned – he referred to paragraphs 2.5 and 2.6 but he questioned 2.6, saying:

‘...at present this provision is not providing sufficient...’

With due respect, that paragraph should be read in conjunction with 2.5, which refers back to section 42 of the 1994 Law which provided that:

‘...where a Part A property is, in the opinion of the Housing Department being used as a lodging house, it should be transferred to Part D.’

1250 For the recognition, sir, of that provision section 42 of the 1994 Law was not being effective. That, I think, suggests that we should establish the recognition of a category of Open Market Part A houses that were houses in multiple occupancy. So I believe it was slightly naive of Deputy Fallaize to perhaps try to suggest that the provision he referred to here was actually one of the provisions that was in the new regime.

1255 So, sir, I would strongly urge States’ Members to support the two amendments. I believe they are necessary and, certainly, I believe even the Kuttelwascher/Perrot amendment, arguably, would not have gone sufficiently far to achieve the view of the Resolution of the States, which was passed back in May 2013, which was:

‘To agree that Open Market largely in its current form should be retained as part of the new Population Management Regime.’

Thank you, sir.

The Bailiff: Deputy Dave Jones.

1260 **Deputy David Jones:** Sir, there is talk about the disparity between Local and Open Market, and we discussed this quite a lot at the Population Group meetings, but the fact is that the Open Market at the moment, Part A... there are no restrictions who can live there at the moment. None whatsoever! We are trying to actually close that disparity, if anything, by recommending that the changes that, in future, people living in Part A family homes will have to demonstrate that they have a familial relationship with each other, either through blood, marriage or common law marriage.

1270 Now, the actual Policy Council’s proposals actually reduce the extent of this disparity, as I have said, and when I tell you that the Population Steering Group has debated this particular point on so many occasions, it is important to remember that the list of family members that can be accommodated in the Local Market is well established, and that will not change; but under the new Law, save for the fact that common law co-habitation will be recognised, for the Open Market there has never been any such definition. That is a fact.

1275 So the introduction of any definition imposes limitations that were not there previously. Where it is right and proper that if we are to have a system that helps us to manage the size of the Island’s population, these amendments actually take us further forward, not back.

Thank you.

The Bailiff: Does anyone else wish to speak before we rise for lunch?

1280 Deputy Perrot.

Deputy Perrot: I wish to speak, sir, but I do not think before lunch.

1285 **The Bailiff:** Not before lunch. *(Laughter and interjections)* Well, you would only have a short time to speak before lunch.

Does anybody wish to make a short speech before lunch? No.

In that case, we will rise. Can I remind Members those who wish to avail themselves of the transport to the funeral could they get their requests in to the Bailiff's Office, with payment, before we resume this afternoon.

1290 Thank you.

*The Assembly adjourned at 12.30 p.m.
and resumed its sitting at 2.30 p.m.*

Billet d'État XIV

POLICY COUNCIL

VI. Population Management Regime – Transition Arrangements and Other Matters – Propositions carried as amended

The Bailiff: Well, Members, we continue with the amendments proposed by Deputies Le Tocq and Luxon to the Policy Council's policy letter on Population Management Regime – Transition Arrangements and other matters.

1295 Just before we rose Deputy Perrot was indicating that he wished to speak. Is that still the case, Deputy Perrot? No. Okay. Does anybody else –

Deputy Perrot: No. If I must, sir.

1300 Could I start by congratulating the Policy Council and the Population Management Group? This has been a really complex piece of work. I think that they have set about it in a way which really did engage all people. There were a number of presentations, a number of these – I am sorry, I am modulating my voice a little bit to keep Deputy Harwood awake, he specifically asked me to – *(Laughter)* a number of these workshops which at first blush are really rather irritating, but I did think that they generated information which was required, so I start off by saying very well done and thank you for listening.

1305 The Open Market was not created exclusively, as Deputy Dorey said, in order to preserve certain houses for local residents. That was one of its reasons, just after the War, but there was another reason as well. The Open Market in its presently recognisable form was really created by the legislation in the 1960's, and that reflected the fact that Guernsey had rather cannily then developed Fort George; it exploited land which was available. So that land and the exploitation of
1310 it was not meant to be there for Local Market development. What the States of the day did was to develop it and that was put on the Open Market, so that is why we have the Open Market Register in the form in which we now see it.

1315 Now, over the years, the Open Market has reduced in numbers considerably and I think that that is to be regretted. It has reduced in numbers partly because of the various policies of the Housing Department over the years, and one of those policies has allowed people to de-register properties on the Open Market and so we now see that we are in the order of something in the

order of 1,500 – just a bit more than 1,500 – rather than having the 2,000 or so properties which we used to have.

1320 So my approach to the Open Market – and it has always been the same, actually – is that we need more houses for the Open Market, because I think the Open Market is inherently a very good thing for the Island.

1325 As to that, I think we made a very serious mistake when the 1969 Law was framed, and that mistake was to incorporate into the legislation for Housing Control all of the provisions relating to the Open Market Register. The Housing Control Law, quite rightly – rather like the various Island Development Plans the Urban and Rural Development Plans – was designed to be reviewed every 10 years. But because the Open Market Registry and all the provisions relating to that were contained in the Legislation, that also had to be reviewed every 10 years.

1330 Now, that had never really caused a problem before, because everybody had assumed that the Open Market was to continue as before. The real problem emerged when it was decided that we were no longer going to control population through the Housing Control legislation, and the States of the day did not handle the publicity relating to that review very well at all and it caused a very great deal of insecurity. It affected the market; it was seriously – in fact, more than affected – it was seriously prejudicial to the market, and one of the reasons why some of the properties on the Open Market are at such a low level of valuation is because of the blow to the confidence in the market occasioned by what happened then.

1335 So, Deputy Kuttelwascher and I formed the opinion that the Open Market ought to be dealt with by separate legislation, which would bring permanence to the Open Market – I suppose I ought to add, in so far as anything is permanent, because any legislation can be changed – though it would not be subject to a review every 10 years.

1340 Now, of course, happily the Policy Council and the Population Management Group realises that this must happen anyway. So, fortunately, the Open Market will have its own legislation. It will then be permanently on our record books and I hope that that gives some security to the people who live here already and those who wish to come here in future.

1345 I have got a fair amount to say, so I wonder if Deputy Domaille might like to take his seat –

Deputy Domaille: Thank you very much... *[Inaudible]*

Deputy Perrot: – rather than stand there – he is getting on a bit I know! *(Laughter)*

1350 When dealing with the Open Market in the policy letter which we have before us, I think that we must realise that this is more than just dealing with well-to-do people. It is phrase which Deputy Dorey extracted from one of the old policy letters, I think it was, and it is more than just that. What we are trying to do is to deal in a fair, decent, reasonable, and honest way with people who live in the Open Market. We are dealing here with people, those who are already resident in Guernsey, with people who have made great contributions to our community – and I do not mean

1355 just in financial terms; I mean socially, philanthropically and in terms of civil duty.

If we think about it, it could just be, for example, that we would not have a Hospice, if it were not for people living in the Open Market who are prepared to get really stuck in to our community. We would not actually have all of those facilities at the KGV if it were not for people who really got involved, charitably, for the betterment of our community. We would not have that

1360 fantastic community centre in St Martin if it were not for the fact that somebody living on the Open Market put such a great deal of, in that case, straightforward cash into the project.

But that is only a part of it. People in the Open Market live here, they get stuck in and a lot of them have very much more a sense of civic duty, frankly, than some of the people who we would regard as locals. I do not like to use the words 'locals' and 'Open Market people', but that is so.

1365 Certainly, when I have been canvassing in the old days in St Peter Port and I went around Fort George, I was struck by how interested people were in Island Government, and when I went to some other areas in St Peter Port, frankly, that did not do a great deal of credit to how much they bothered about elections and what have you.

People on the Open Market also give a great deal of their time, for example, in relation to States' work. On the Treasury Board we have got two people who put the most remarkable amount of time and effort into the work we do there. They get no praise for it, they only get brickbats for it in *The Guernsey Press*, but nonetheless they do it.

Why do I say all this? Well, I will come to that in a moment, because we have seen some public utterances in email correspondence which, frankly, I deprecate. But, going back to the philosophy of the Open Market, it was meant to be just that – open! Now, if that is seen to be a privilege, if that is being compared unfavourably with what we might do in our own Local Market houses, then it is up to us, as Deputy Stewart was saying, to change the legislation so that we deal with that side of the equation, rather than diminishing what are core privileges – I do not think they are privileges – for people living in the Open Market.

Over the years actually we have seen that some of the things in the Local Market which are not particularly helpful have actually been got rid of. Deputy Harwood will nod, if I remember correctly, when the 1982 legislation came in, a number of us were still very concerned that a person could not have, as it were, his partner living with him – he is nodding, so I am right – could not have a partner living with him, unless he had a Licence to that effect from the Housing Authority.

Now, I am not telling you quite what words were used to use to describe the type of Licence which were granted by the Housing Authority in those days, because this goes out on the family wireless, but I thought it was entirely wrong for people to have to apply for Licences in those circumstances, and now of course we are getting rid of that, because we are actually accepting that the modern term of 'partner' – somebody with whom one has a permanent, loving relationship – that person ought not to have to apply for a Licence.

Actually, of course, if we are dealing with so-called privileges, people in the Open Market actually do not have a privilege which other people do, those who are licenced; and that is to say that if you live here long enough you eventually become a qualified resident, but you do not have that 'privilege' if you live in the Open Market.

Such 'privileges' as we now have in the Open Market allow people who have got Part A dwelling houses to have their extended families living with them – in fact, anybody living with them. That has been so for very many years, of course. Some of those people who live in the Open Market are not getting any younger; they are actually older than I am. They are at that stage where they have perhaps carers or staff who have the role of companion, or simply companions, or somebody from an extended family not otherwise in the present definition in the policy letter. Those people feel extraordinarily anxious now; they feel exposed. They do not wish to have to say to a carer, 'Okay, well do not worry we will be able to apply for a Licence for you in five years' time.' That, I say, does not make life easy for those who are getting on in years.

Let me just read the relevant part of the policy letter. It appears on page 1402, paragraph 2.20. It says:

'The Policy Council proposes that, in line with the restrictions being introduced in other areas... live-in staff (and their immediate family members) ... should be restricted to 5 years' residence in the Island.'

Then 2.21 goes on to say:

'Notwithstanding this, if [a person] can make a case for long-term essentiality – just as for employees in hotels and care homes – then it would be possible for the employee to benefit from a Long-Term Employment Permit...'

So those few phrases which I have read out say it all. First, you have got to make a case, then it might – it just might – be possible. Now, those people who do have companions or carers or staff on a long-term basis, when a very high element of trust, affection, love sometimes, will have built up – why should they be placed in the position of worrying about what is going to happen in a few years' time when an application is made?

In my view, if we live on this Island, we live on it and in it together, and we all make a contribution in different ways, whether we are Open Market people, Licence holders, or Local

1415 Market. And it is wrong, it is not civilised, it is unreasonable to bemoan the fact that others may appear to be better off in some way – not just financially, but having what I referred to earlier on as privileges.

Now, some exult in division, and we have seen some pretty awful e-mail traffic, and I just want to read out something, which had been received. The first one I admit is out of context, but it shows... I will just get my electric machine powered up! (*Laughter*) Right, this e-mail was dated 1420 28th July – yesterday. Part of this e-mail says:

'...at this meeting therefore...'

– that is today's meeting –

'... States' Members will be asked to choose whose interests come first in their order of priority. Do they place the interests of local residents and their families first, or will they decide that the needs of migrants moving to Guernsey should take precedence? If they choose the latter, Islanders will see exactly where their Government's priorities really lie. They will have demonstrated clearly that the interests and needs of the local population take second place in the deliberations of their own Government.'

The context of that was in relation to tax on real property and there no longer being a distinction between those who are Licence holders and those on the Open Market. But that sets 1425 out a view – a view which is divisive between locals and others. And there is another one, and we received that, I think, yesterday:

'Are you aware of the consequences for local people in the forthcoming population debate? Let us hope so. Any vote to favour immigrants and the Open Market over locals will be a vote against yourself and will be actively pursued in the coming elections. Be very aware that this subject is close to the Guernseyman and his family. Do not be swayed by glib words and ulterior motives. We do not need to increase the population and further strain the infrastructure. There is hardly any space left now. Fight for the Guernseyman, yourself and your family, and vote against favourable change for others over us.'

Well, when I read that I thought how unattractive, how divisive, (**A Member:** Hear, hear.) how Neanderthal. It is just plain wrong! If people on the Local Market have got problems, as we see it, let's right those problems; let's not try to diminish the quality of life of other people. So I 1430 deprecate those comments.

One last thing – it may not perhaps be evident to everybody that there is a distinction to be made in the amendment which has been put forward by the Policy Council in relation to lodgers, and lodgers which are in multi-occupancy houses. In saying that people in the Open Market can have lodgers, what the amendment is doing is recognising an actuality that sometimes people 1435 who have got a companion in the Open Market might pay money to that companion and technically that person is a lodger.

Now, I am not saying that there are a great number of people in this area, but why on earth militate against them when it is unnecessary. What we have been trying to do in the remainder of the policy letter is deal with an abuse which has happened – I have to accept it – in relation to 1440 multi-occupancy Open Market houses, where some of them – not all, but some of them – have, in effect, become doss houses, and that is clearly wrong and we have got to deal with that.

But this amendment is not dealing with that, it is dealing with the odd house here and there which has a lodger in it, that sometimes gives some income to the person who owns the Open Market house or has a lease on it, who may not actually, necessarily, be all that wealthy anyway. 1445 That person may be, in effect, asset rich but income poor. So why, as I said earlier on, try to militate against that?

Absolutely finally, could I say this – one of my colleagues was critical of the fact that these amendments came in somewhat at the last minute. Well, how often have we been told that we ought to listen to the electorate? How often, when we have been campaigning, have we said, 1450 'There we are. Well, vote for me. I will listen to you. I am whiter than white. Whatever you say, I am going to listen to'? That is what has happened, in part, here.

I accept what Deputy Luxon had to say that this part of the exercise started earlier, but why on earth shouldn't the Policy Council listen to representation made by people in an Open Market group? After all, I did not go but many of my colleagues in the Assembly went to the Enough is Enough campaign down on the White Rock. Well, what is sauce for the goose is sauce for the gander and I make no criticism of people going along to that Open Market Association meeting.

I have got an amendment, as it were, I don't know, on the back burner, in case this goes wrong, but I hope it goes right. Please vote for it – both of them. *(Applause)*

The Bailiff: Deputy Luxon.

Deputy Luxon: Thank you, sir.

I will only talk to the two amendments and would echo, or extend almost, what Deputy Perrot has just said. We have been listening. In fact, the Policy Council Population Steering Group has worn out two Chief Ministers listening for the last three years. Well, we certainly wore out Deputy Harwood, and Deputy Le Tocq is looking quite worn-out to me at the moment as well. *(Laughter)*

You all know we have been listening and every Member of this Assembly, and indeed many other people in the community, have got their hands on these policy letters – the proposals in these two policy letters; both this one and the following one. We absolutely, absolutely, have tried to engage and listen and respond and reflect, because the Population Management – the move from the Housing Control 1994 Law, it is so important that we get it right, it is right that we should have listened.

I just wanted to clarify why we brought these amendments – and it was not, as some of the emails have said this week, because of a meeting or one representation. As I said earlier, when the Billet was published we have had lots of representations from formal groups and from individuals, from other Deputies and we have tried to listen.

I just want to address one point: in the proposals, the family definition for Local Market occupancy has not changed. All it does is reflect exactly where we are now, and what our refinement amendment on the Open Market in terms of, say, the broader family... is simply replicating the *status quo* that exists now.

Members may ask: why is it that the policy letters from the Policy Council moved further than that? Well, we have listened to all of the advice in the debate, all of the comments in the debate; we listened to officers in terms of how we best constructed this, and it was very late in the day that we got real meaningful and evidence-based and rational feedback from the Open Market.

We did engage with conveyancing advocates many, many, times; we did consult with estate agents, and I have to say they saw the proposals and it was only when broader Open Market owners and investors became aware and saw the detail that they made representations that we felt were compelling.

Deputy David Jones and myself have, throughout all of this, and Deputy Harwood and then Deputy Le Tocq latterly, have tried to act as a filter to then feed things in to the Policy Council, and Deputy Jones will recognise that we have really tried to adopt every bit of feedback that we have had as long as it had logic.

Scale is another important thing. The Open Market constitutes only just over 5% of the total housing market stock in Guernsey. Only a small percentage of that 5% of our total housing stock have Part A families where this broader family membership would actually happen. So I can assure Members that the actual numbers – the proportionality, the numbers – that we are talking about that will be affected are tiny, and those people are already here. There is no population growth.

Deputy Perrot mentioned an e-mail that talked about, 'Save your Island for the Guernseyman and we have got enough people and do not let it grow'. All of these policy letters are about population management. It is about actually this Government being able to manage population numbers going forward. None of these proposals and none of these amendments actually do anything to grow population. It simply reflects an element of slight – injustice is the wrong word, but a slight element of unintended consequence that we had in our policy letters.

I do not think we made mistakes in the proposals that we published in the Billet. I think what we did was balanced and certainly had a lot of thought given to it, but with the fullness of more detailed feedback and specific examples, we recognised that we genuinely would be creating real hardship and change for a sector who actually invested when they came and bought an Open Market property on the basis of the conditions and entitlements that that brought.

So there is no divide between favouring Open Market residents versus Local Market. These proposals in the policy letter absolutely maintain family definition for Local Market, as has always been, and what these refinement amendments do is to simply retain and replicate that which is allowed at the moment.

So I urge Members not to see this as a big point of principle having big impacts. These are small amendments, small refinements, and I do urge Members to support them.

Thank you.

The Bailiff: Does anyone else wish to speak on the amendments? No.

Deputy Le Tocq, do you wish then to reply to the debate on the two amendments?

The Chief Minister (Deputy Le Tocq): Yes, I will do, sir.

I will be brief because actually some of the issues that have been raised have been dealt with by the speakers, but I think, just to deal with the questions first, I noted two particular questions which I will try to address. One was from Deputy Conder in terms of the second amendment. I think he has misunderstood the import of this amendment and what it actually affects.

It is dealing with those individuals who are in accommodation, renting accommodation, and would otherwise, without this amendment, be stuck indefinitely at the time of the transition in the current accommodation that they are in. What we are saying is that we are seeing the arguments that mean that that is not appropriate, we feel, any longer and as a result there is flexibility in that.

In terms of Part D, the point of moving multiple occupancy dwellings to Part D is so that they can be capped and then obviously this Assembly is in charge of that cap and can more adequately control, not only Part D but obviously Part A as well, which the other amendment deals with. So I hope that deals with his questions.

Deputy Lester Queripel – quite simply, yes, in terms of the lists that he gave. That is why we have sought to be more definitive so that we can give assurances to those, such as the ones he mentioned on his list, that would be included in that way, which we think is only fair; and this addresses some of the other issues I think others have raised.

We have – and Deputy Luxon mentioned this – latterly engaged with Open Market owners who explained their situation, and of course, people will be well aware of the fact that it is more complex today to define a family, and who is included in that particular household; and that is why we believe that the amendments are an improvement on what was originally set out, so that it gives a greater degree of assurance and stability for the future.

It is true to say, I think Deputy – just moving on to some comments – Gollop sort of said he would support, I think, in what he said. I am never too certain with Deputy Gollop when he speaks whether he means he is going to support or not, but he seemed to indicate that to be the case. But he criticised the Report for being, he said, illogical.

I contend with that. I think it is a complex piece of legislation that we are looking at. A move from one system to another will inevitably mean that there are issues that are very difficult to deal with and sometimes, as we have discovered, actually deal with such a small number of people that it is impossible for us, or very wrong of us, I think, to start trying to legislate for every individual case. But we wanted to give assurance where possible.

It is true, as Deputy Harwood alluded to, that in a sense we have gone back to the proposals that we originally agreed, having looked at this, but that shows the complexity of it. If you like, it is not a U-turn, it is two U-turns, to end up back in the direction that we were thinking of, because we believe that is absolutely right for where we are.

1555 We believe that we have not acceded to every request that has come to us. We have come up with a proportionate response in terms of these two amendments, sir, that we believe can achieve everything that we wanted to, in as fair a way as possible for all those concerned.

So I encourage Members of this Assembly, sir, to pass these amendments so that we can move on to the substantive Propositions.

1560

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: I just wanted to declare an interest. It is no secret that I live in the Open Market.

1565

The Bailiff: If you are declaring it, under the Rules you should have declared it before speaking, but it is better late than never! *(Interjections and laughter)*

1570

Deputy Kuttelwascher: You are quite right, sir, I apologise. I did declare it some months ago, so that was before I spoke, so... *(Laughter)*

The Bailiff: Members, we vote first on the amendment that relates to Proposition 1(b) – Deputy Dorey.

1575

Deputy Dorey: Could we have a recorded vote on that, sir?

The Bailiff: You would like a recorded vote on the amendment proposed by Deputy Le Tocq, seconded by Deputy Luxon, that relates to Proposition 1(b).

There was a recorded vote.

1580

The Bailiff: Well, Members, whilst those votes are counted we will move on to the second amendment, proposed by Deputy Le Tocq, seconded by Deputy Luxon, that relates to Propositions 1(y) and 1(z). Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

Next, I have had handed to me this afternoon a proposed amendment from Deputy Le Tocq, to be seconded by Deputy Fallaize. Do you wish to lay that amendment, Deputy Le Tocq?

1585

Deputy Le Tocq: Yes, I will be happy to do so now, sir. It is a very simply one.

1590

The Bailiff: I do not know if it has been circulated. Has it been circulated? *(Interjection)* Well, could it be circulated then, please? Perhaps while it is circulated, for the benefit of anybody listening at home, I will read the amendment. It is:

The Bailiff read the amendment.

The Bailiff: Does everyone now have a copy of the amendment? No. Not yet. Now does everyone have a copy? I think so. Greffier, do you...?

1595

The Senior Deputy Greffier: I have a copy. Not a signed copy yet, sir, but a copy.

The Bailiff: Right, and do you have the result of the vote on that first amendment?

Amendment by Deputy Le Tocq/Deputy Luxon:

Carried – Pour 39, Contre 6, Ne vote pas 0, Absent 1

POUR

Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Harwood
Deputy Kuttelwascher
Deputy Domaile
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Bebb
Deputy Lester Queripel
Deputy St Pier
Deputy Stewart
Deputy Gillson
Deputy Le Pelley
Deputy Ogier
Deputy Trott
Deputy David Jones
Deputy Le Lièvre
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Green
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam
Deputy Perrot
Deputy Wilkie
Deputy De Lisle
Deputy Burford
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy Luxon
Deputy Quin
Deputy Hadley

CONTRE

Deputy Brehaut
Deputy Fallaize
Deputy Laurie Queripel
Deputy Lowe
Deputy Dorey
Deputy Brouard

NE VOTE PAS

ABSENT

Deputy O'Hara

1600 **The Bailiff:** Well, Members, the result of the vote on the amendment proposed by Deputy Le Tocq, seconded by Deputy Luxon, that relates to Proposition 1(b) was 39 votes in favour, 6 against. I declare that amendment carried.

I take it, Deputy Perrot, you will not wish to lay your amendment?

1605 **Deputy Perrot:** Correct, sir.

The Bailiff: Correct. Thank you.

Deputy Le Tocq now will lay his amendment, seconded by Deputy Fallaize, that has just been circulated.

Amendment:

'to insert a new Proposition 1.A as follows:

1.A to note that in accordance with the Resolutions of the States made on Billet d'État XII of 2015, with regard to responsibility for the Population Management Regime, the relationship between the Population Advisory Panel and the States, notwithstanding the references in 1.(ac) and (ad) above will not be through the Policy Council but through the Committee for Home Affairs.'

1610 **The Chief Minister:** Yes, sir, this comes as somewhat of a surprise to some Members, particularly on Policy Council, and (*Laughter*) others may think that this is slightly punctilious and pedantic, coming from me. One only need look at the name below my name and (*Laughter*) you will see why!

1615 Actually, sir, all this does is ask the States to ratify what we have already decided a few weeks ago, which I know will please certain Members of this Assembly no end. So, sir, I ask the Assembly to vote for this amendment.

The Bailiff: Deputy Fallaize, do you formally second this amendment?

1620 **Deputy Fallaize:** I do, sir, and I echo Deputy Le Tocq's charming words in proposing. (*Laughter*)

The Bailiff: Does anyone wish to speak on the amendment? No. We go straight to the vote. Those in favour: those against.

Members voted Pour.

1625 **The Bailiff:** I declare it carried. (*Laughter*)
We move on then to an amendment to be proposed by Deputy Dorey, seconded by Deputy Brehaut.

Amendment:

In Proposition 1(b) to insert at the end of the words ' , but, contrarily to paragraph 2.24, only lodgers who have a right to occupy Local Market accommodation (and only up to two such lodgers) may be accommodated in any such dwelling'.

Deputy Dorey: Thank you, Mr Bailiff. Could I ask the Greffier to read it out, please?

The Bailiff: Yes. Greffier.

The Senior Deputy Greffier read the amendment.

1630 **The Bailiff:** Deputy Dorey.

Deputy Dorey: Thank you.

Firstly, I would like to thank Deputy Brehaut for seconding this amendment.

1635 This amendment has two objectives. To stop principal occupiers of Open Market Part A private dwellings bringing into the Island a lodger who can only live in an Open Market house. There are no controls on whether that person works or not, or if they work, what job they do, except they can only stay for five years. Potentially, there could be 1,597 Part A dwellings – less than 146 dwellings which are going to transfer to Part D, so potentially it could mean there are 1,450 lodgers added to the population.

1640 The other objective is to limit the number of Local Market lodgers to two who could live in Open Market Part A dwellings. This is simply to stop Part A dwellings becoming lodging houses. The proposals have no limit on the number of local lodgers living in a Part A house. Many neighbours have been critical of the multi-occupancy houses and the effect they have had on the neighbourhoods under the current proposals, so this is to stop any more Part A dwellings becoming lodging houses.

1645 I will not repeat the points I made in my earlier speech, but just emphasise that the Open Market covers a very broad range of house prices, and that the objective of all of the proposals is

to manage the size and make-up of the population. In order to achieve that you have to say no to some groups of people who may wish to live in our Island.

1650 The reason why we need to manage the size of our population is, according to *Wikipedia*, Guernsey is the 13th most densely populated of the southern states or dependent territories in the world. Some of those 13 are simply smaller than Guernsey. For example, they include Monaco, Gibraltar, the Vatican City and Saint Martin in the Dutch Antilles.

1655 We have to value our quality of life and allow our population density not to further increase. I have spoken to people living in the Open Market and they have said they do not want to take lodgers. I have e-mailed some high net worth individuals who confirm they do not envisage any paying lodgers any time. One said, when I asked the question, 'Do you have any lodgers in your house or do you envisage having any lodgers in your house?' they said, 'No, I do not and certainly I have no plans to do'.

1660 It is interesting that one person wrote saying that a lodger could provide extra cash to cover the bills at the time of retirement. Is that what we really want from the Open Market – to be used for people who cannot afford to live and need extra cash from a lodger, who said they need that to cover their bills? This is not high net worth individuals. Sir, through you, I wonder if Members could think about their own houses, would you take in a lodger if you did not need the additional money that a lodger would provide? I would suggest it is very unlikely.

1665 The other part of the amendment is to stop Part A dwellings becoming lodging houses for people with short-term permits who are residentially qualified or have... The purpose of Open Market Part A private dwellings is for high net worth Open Market individuals, and we should have policies which encourage these dwellings to be occupied by such people, not to be occupied by people who need to take non-local lodgers to make ends meet.

1670 If someone really needs a lodger – for example, if they want the security of someone else staying in their house – then can take a local lodger in because they do not add to the population, which is what we are trying to manage.

1675 Sir, I have deliberately tried to keep my speech brief because of the amount of business we have in this States' meeting, so I ask Members not to interpret this as a lack of commitment to this subject. This amendment will help the States to manage the size and make-up of population by stopping non-local lodgers occupying Part A private dwellings. It is consistent with Part A dwellings being used as private dwellings for high net worth individuals, who – the ones I contacted – do not want a lodger, but it does allow, in exceptional cases, if they do require a lodger for whatever reason, they can take in local lodgers.

1680 Thank you.

The Bailiff: Deputy Brehaut, do you formally second?

1685 **Deputy Brehaut:** I rise to formally second, sir. Thank you.

The Bailiff: Deputy Luxon, you wish to speak on the amendment at this stage.

Deputy Luxon: On the amendment, yes. Thank you, sir.

1690 Sir, I agree entirely with everything that Deputy Dorey said, in terms of the principle, that the vast majority of the 1,597 Part A dwellings... that those families, those owners, would not want a lodger, but at the moment there are 90 that we know of, that have lodgers within Part A dwellings; and all that these proposals did to actually permit one Open Market lodger and also locally qualified lodgers to occupy Part A Open Market should they wish to – if they are legally entitled to be in the Island anyway – was simply to reflect, again, the *status quo*.

1695 This is not about wanting to open up yet another loophole that allows multi-occupancy to grow, as we saw from 1982 with two to 154 properties now. It is absolutely not to let that happen, but it is to reflect that there are some Open Market owners, as Deputy Perrot mentioned, who may well be older now, who may be on their own, and a lodger may well be as much a companion

1700 as maybe a source of income, on the basis of that person may well be asset rich and perhaps income poor in that sense.

So I totally agree with Deputy Dorey's principles – that we would not wish that which he described to happen to see Open Market lodgers that we are not aware of and we do not know what economic value, proliferating around those 1,600 properties... but of course that is not what
1705 this does; it simply reflects the current status that we have and is very proportionate.

I would ask Members not to support this amendment.

The Bailiff: Deputy Bebb.

1710 **Deputy Bebb:** Thank you, Monsieur Le Bailli.

I will restrict my speech on this occasion to ... after the state of the last one, (*Laughter*) to just a few questions.

I am concerned because my understanding is that if someone were to employ someone to live in their house, it is perfectly acceptable for them to be given a wage, but as part of being allowed
1715 to live in the house that they also deduct some form of payment from the salary, in order to recompense for their lodging.

I know that this was the arrangement that I had when, for instance, I worked in a hotel: I had a salary, but I had a deduction for my accommodation. And the similar sort of model of payment is made in relation to those people who are employed. These could be carers, these could be people
1720 who are employed for a number of other reasons they may choose.

I question how we would know the difference between a lodger and a carer, and whether there is that ability and, if there is not, is it right that we then restrict people so that they can only be local, because from my experience those people who come to the Island to be carers are generally not local, because they generally manage to secure far more highly paid employment on Island?

1725 So we are quite reliant on carers, for instance, and therefore how the proposer sees that situation happening, and whether they choose to have two carers? I am aware of one person who employed two carers because he had multiple sclerosis and decided that he wanted to employ two people in order to give him virtually round the clock assistance. Obviously, the person is wealthy enough. Those people do not have these people living in their houses as lodgers for financial gain. They have these people living there for perfectly reasonable gains.
1730

Therefore I am just questioning how this amendment would affect those people who choose to employ people having them living in their house, and whether we can differentiate or do we have to have everybody classed as a lodger and therefore they would fall foul of this and therefore we would disallow it?

1735 Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Straying into debate again, but just –

1740

The Bailiff: Well, you have already spoken in general debate.

Deputy Gollop: I have already done it. Just sticking to this amendment, (*Laughter*) I think one has to look at the logic of the situation. The States really has given a commitment, on more than
1745 occasion, that there is no desire to radically change the current situation that the Open Market is, and what people have bought into. So to keep the right of lodgers for one lodger is surely acceptable and therefore I will not support the amendment.

There is, of course, a wider question about population management, but we have been told on many occasions during these umpteen presentations and workshops that this regime is not about
1750 a population policy, it is specifically about an administrative system to broadly replace the

Housing Law. It is therefore neutral. So the concerns about managing the population in a hypothetically much larger number of lodgers coming in, does not come in to it.

The third point I would make is we are aware – Deputy Kuttelwascher and others have informed us – that we have in fact seen a steadily declining population, which is a balancing factor against the idea of additional lodgers coming to the Island.

The fourth point is, yes, it does seem odd, on the face of it, that high net worth individuals would wish to have lodgers, but in fact you not only have a broad range of properties in the Open Market, but you have a broad range of situations, and just because somebody who comes to live on the Island at a younger age – maybe 40, 50, 60... if they live to a great age, it is more likely than not that they might consider having a lodger.

You cannot guarantee just because somebody has purchased or leased on the Open Market that their financial situation will permanently remain very, very buoyant. People go through fluctuations in their fortunes. Across the water on another island not too far from here, we have seen instances of millionaires, shall we say, accepted to live on that island and then when the fortune's wheel has revolved around the wrong way they have been almost asked to leave the island. I do not think we want to see that kind of approach here. This measure of retaining the right for just one lodger is appropriate. So I support the Proposition and not the amendment.

The Bailiff: I see no-one – Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

Can I just put on the record again my support for the Open Market and everything it brings with it? I go back to my days in the Housing Department when you were discussing the whole issue of essential Licences, and what, in those days, you used to have in your mind's eye was the volume of Local Market properties that were available, and you would have to have a regard to people coming to this community, giving them a Licence and then effectively relinquishing – I am sorry if that sounds emotive – a Local Market property.

Now, at that time, the then Minister of the Commerce & Employment Department had a different approach to Housing Licences; he viewed them as economic enablers. So then everything, because of the changes in taxation, ETI, everything became an economic enabler. So the considerations then, it seemed to me, used to weigh in the balance because what would this person be paid, what would they be paying in tax, then that made them more essential. So a relatively wealthy person was essential to this community, a relatively low paid carer, oddly, in this scale would be outweighed, if I can use that term.

A group has formed called the Labour Utilisation Strategy Group, and that actually fundamentally changed the way we view the Open Market, the Local Market and Housing Licences; and we have done it again today and, for reasons that I think we probably do not quite understand... is that we are viewing the population issue and certainly the aspects of the Open Market as the great economic enabler, and only a fool would turn down families of a certain net worth. Only a fool would be inclined to then dictate to them who they can bring with them. I am afraid on occasions like this we get ever so *Uriah Heap* – we are ever so humble, whatever we can do to help the market – and I think sometimes we do ourselves a bit of a disservice.

The most pressing problem we face – it may not have been in the last manifesto or the one before last but – the most pressing problem we face is one of population and, as Deputy Dave Jones would say, the clue is on the tin and it is across the document and the amendment you are looking at. This is not mean spirited; it is not naive, it is not the stubborn Guernseyman pushing against an unstoppable logical force. This is just saying, 'Remind yourselves now of the very real population issue we have and just find that balance into making the Open Market work, using the positive elements, acknowledging the contributions made, but also remembering the huge demands on all the Departments, whether it is HSSD, whether it is Environment – whichever Department – when you have a growing population'. And here is an opportunity, theoretically, to finely tune this and say, 'Actually, in supporting this amendment does it take, at the top end, 1,400

people out, does it take 1,000 people out?' Figures like that within a population of 63,000 are too large to be ignored.

1805 Again I say, just in sitting down to close, that I am a supporter of the Open Market system; it brings great benefits to this community, but we have to put in the balance also what does it take? And on an Island this size, a population of 63,000, the demand on services, and just reflect on that for a moment. I am not ignorant of the mood in this Assembly, but I would ask Members just to reflect on that before they go to the vote.

1810 Thank you, sir.

The Bailiff: Deputy Stewart.

Deputy Stewart: Mr Bailiff.

1815 I am a bit disturbed about what I hear. I do not think that right at this moment in time we have a population problem; we have a declining population! (**Several Members:** Hear, hear.) So I cannot disagree with Deputy Brehaut more. We do not have a pressing problem.

One of the pressing problems we are going to have in the coming years is how we maintain our working population to support an every-growing non-working population, and we need to be very careful in our policy decisions how we address this. It is something that I have a deep interest in; I am already working with the Treasury Minister and Policy Council on.

Look, we have at the moment 1,547 – or whatever it is, number – Open Market properties, that can have whoever they want living there. How many lodgers have we got? Ninety! This is not a big problem. At the moment they could have as many lodgers as they like. How many have they got?

1825 Ninety, out of sixty three thousand something hundred.

We are in danger of getting too granular, too prescriptive, and in the end we would be legislating down to the last five people that we find are another little group. So I will not be supporting this amendment. I do not accept, right at this moment in time, we have a population problem; we have a declining population and one of the problems we will have is maintaining that working population. So I will firmly reject this amendment.

1830 Thank you, sir.

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

1835 **Deputy Perrot:** Deputy Dorey asks whether someone on the Local Market would take a lodger. Well, actually as I get older and more infirm and see the writing on the wall, you betcha, if there was some way to stay in my own house and have someone looking after me, rather than leave my house and go elsewhere, certainly I would – particularly if she was young and pretty! (*Laughter*) I am not sure that you have struck quite the right note with me there! (*Laughter*)

1840 On another point, we keep referring to people being 'high net worth individuals in the Open Market'. Well, I certainly am gung-ho for what Commerce & Employment are trying to do, which is trying to attract high net worth people over here – and, frankly the wealthier, the better connected, the better, particularly if they are going to bring businesses with them. What could be better, in my view? Because, as Deputy Stewart says, we have got a declining population – that is the real problem, not an increasing one. We saw that over the personal taxation review work which we did.

But the high net worth people to whom Deputy Dorey refers, are not necessarily high net worth any longer because, as Deputy Gollop said, they came here at an age when perhaps they had a very much higher income, when their assets were greater, relatively speaking, than they are now. And they are now, as I said in my earlier speech, cash poor.

1850 So we are dealing not necessarily with high net worth people; we are dealing with people sometimes who, relatively speaking, have fallen on hard times – certainly on harder times than some of us who are lucky enough to own properties in Guernsey who are Local Market people. They are worse off than we are.

1855 I think that this is a potentially hurtful amendment to deal with a non-problem. It unpleasantly has yet another go at the Open Market and I am not going to support it.

The Bailiff: Anyone else? Chief Minister, do you wish to speak before Deputy Dorey replies?

1860 **The Chief Minister:** I will just say a few words, sir.

I think it all has been said largely, but Deputy Dorey started by asking the question, or actually stating, that he had contacted a number of current Open Market residents to ask whether they would be keen on taking lodgers, and many of them said they would not.

1865 From that point of view, and the comments that Deputy Perrot has just made, answering Deputy Dorey's hypothetical question as to whether people in the Local Market would take in a lodger, and Deputy Perrot said he would, which goes to prove that bearing in mind how eccentric Deputy Perrot is, there would be very few people that would generally want to do that, (*Laughter*) my point was that I think it would be very rare; it is very rare already and it will be very rare in the future. Therefore, I find Deputy Dorey's amendment overly harsh.

1870 It is true that I agree with his concerns. As Deputy Luxon pointed out before, we are concerned about population management and having the right tools in the box to enable us in the future to make those controls, but I think Deputy Dorey's amendment goes far too far.

1875 Deputy Brehaut made it clear as to what he sees as the problems or potential problems in the future, but I do feel that his argument is a straw man argument. The Open Market, he said, was... some people see it as a *panacea* for future economic growth. I certainly do not see it as such. It needs to be one of the tools, one of the levers, that we have to pull, and at the moment it needs much revitalisation.

1880 That much was recognised by Deputy Dorey in his speech earlier this morning, when he highlighted the fact that we have got properties that are no longer attractive or suitable for the modern purposes to which the Open Market was originally intended for. That is why I totally support Deputy Stewart's, and his Department's, initiative; and to do that we need an Open Market that is revitalised. Therefore this amendment goes far too far.

1885 Deputy Brehaut said that he wants to make the Open Market work. Well, I think actually what this will be doing is sending the wrong signal altogether to make it work. If we want to make it work we are doing the right things, in the next policy letter particularly, to identify and make sure that the Open Market has separate legislation and is set in motion on that track so that we can support it and do what we want to do with it, for the good of everyone in Guernsey.

1890 This idea that you can sort of separate the good of the local and the good of whatever they might be called – I decry the sort of language that has been coming in. We are looking for the good of everyone in our community, irrespective of where they came from at any point in time. Some of the people who have made arguments to me certainly do not have very Guernsey surnames. If you want to pull that one, I can pull it out much more than anyone else. Let's not be silly about this; we want to do the best for the whole of Guernsey, and therefore we need to revitalise the Open Market.

1895 I will not be supporting this amendment and I cannot encourage anyone to support it, because it is too harsh to deal with a perceived problem which is nowhere near as big as Deputy Dorey would like to make out.

The Bailiff: Deputy Dorey.

1900

Deputy Dorey: Thank you, Mr Bailiff.

Deputy Luxon started off by talking about the *status quo*. Well, that is precisely the reason why we have this population policy, because the *status quo*, and I quote from the consultation document:

'The current Housing Control Regime is not capable of delivering States' strategic objectives relating to population management, a new regime is therefore required.'

1905 That is the basic building block of what we are proposing, so to say we just keep the *status quo* makes no sense. The whole point is to change and enable the States to manage it. That was the basis, I would say, right at the beginning; that was the purpose of it, and if we do not have the levers you cannot manage it. If you just have open doors all over the place, you will never be able to manage your population. You have to make changes in the *status quo*. So to say we will just maintain the *status quo* is wrong, because that is not what we are trying to do. We are trying to change it.

He talked about lodgers – well, these people can take in their lodgers under my amendment, but only locally-qualified people. Bringing in somebody from the outside, who we do not know what work they do, whether they work or not; they could be a major cost to the Health Service, for example – a lodger. We have got no idea what work they do, whether they work or not, how much cost they will be to our system. Our Social Security system does not have any term where you have to stay here before you can claim. So it is wrong, to me, to have such an open door without some controls.

1920 Deputy Bebb said about defining a lodger – well, that will have to be done in the Law. The policy letter talks about lodgers, but a lodger is somebody who just pays money, as I understand, to stay in a property. Someone who is a carer would not be classified as a lodger, because they are working for that person, they are part of the domestic staff.

Deputy Gollop talked about population management and the decline in population. Yes, there has been a decline in the last two years in the population. But if we are talking about States' policy, the current population level is 1,500 above what the States' policy is, for the size of the population of the Island. So we do have a problem with the current population.

1930 The small decline that there has been in the last two years up to March 2014 – it was only 96 – I think is remarkably small when you consider the economic problems we have gone through. If you look at the history of Guernsey's population it has varied up and down during the economic cycle, so to have such a small decline when we have gone through such a difficult economic time, I think, indicates that the decline is purely economic and not related to any other reasons.

I thank Deputy Brehaut for his speech and his support in seconding the amendment.

1935 Deputy Stewart also talked about declining population. I have covered that. He talked about the working population. Well, if he looked at the graph – I have not got the reference to it but it was in the tax and benefits – actually when you look at the proposals as the States have agreed to, in terms of increasing the retirement age, the actual size of the working population only declines by a very small amount. The graph for the policy which the States has decided upon shows a very, very small decline. So in fact there are a lot of people who keep repeating about the decline in working population... that is not factual, you need to look at that graph – and I can give a reference to him later, if he has forgotten it, but I referred to it and others referred to it, in the tax and benefit debate.

1940 Deputy Perrot said he would like to be able to have somebody to look after him. Well, again, that is not a lodger. A lodger is somebody who just stays in your house; it is not a person who is a carer.

1945 He talked about being hurtful, but we need to have population control. It would be more damaging to the local population and the quality of life if we do not have some form of population control, and that is what the whole purpose of these proposals is – to enable the States to manage the population, and you cannot manage something if you keep saying yes to every group that puts a point forward.

1950 I just cannot understand why we would want to allow lodgers in, because we have got no idea of their economic contribution; presumably, because they cannot afford to buy their house, they just live in a house; they make very small economic contribution, they might make a big contribution. It would be far better if that person wants to come and work over here and we need that person for our economy, there is a perfectly good permit system and that is the whole reason for having these proposals.

1955

Deputy Perrot: Sir, point of correction.

The Bailiff: Deputy Perrot.

Deputy Perrot: I am not sure that Deputy Dorey is right when he says that a carer is not a lodger. It is a pity that neither of the Law Officers is here, but it is my understanding that the characteristic of a lodger is in place if a person receives, in effect, rent in relation to that person's presence in the house.

So that a person may employ a carer, but the carer's emoluments are reduced by the amount which, in effect, goes towards rent and, as I understand it, that could constitute the person's being a lodger. So I am not accepting at face value what Deputy Dorey is now asserting.

The Bailiff: Deputy Le Tocq.

The Chief Minister: I was just going to confirm that that is the legal advice that we have received.

The Bailiff: Deputy Dorey.

Deputy Dorey: As the Law Officers are not here, I cannot question them but, as I understood it, if somebody is offering a service then they are not a lodger, they are an employee because presumably you have got some contract with them, while the lodger... For example, when I first was a student, I stayed as a lodger in a house; I did not contribute to that household other than paying money and having my lodgings there and food. That is what I classify as a lodger and that is how I see a lodger.

The Bailiff: Deputy Perrot.

Deputy Perrot: Sorry for hogging the limelight but, in making that assertion – telling us about what Deputy Dorey did as a student – is he saying that his role as a student also had the characteristics of his being a carer for the person in whose house he was living?

The Bailiff: Deputy Dorey.

Deputy Dorey: Absolutely not. (**Deputy Perrot:** Quite!) I am saying that I understood I was a lodger in that accommodation because I paid rent and they provided me with lodgings and food. I did not provide any service to the family. If you are providing a service, presumably you would have a contract with yourself and that family, and that would not be a lodger; but as the Law Officers are not here we cannot confirm that, or not.

Deputy Le Tocq said it is very rare, but isn't that... if you look back at history when people started forming lodging houses on the Open Market – I think it was referred to, there were two in 1984 – it was rare then and because it was not stopped, it grew and it grew, then they brought in a Law and it had got up to 26, I think, and there were some 550 people when you look at the 2011... Sorry, there are 550 people living in Part D when you looked at the 2011 consultation. And if you look at multi-occupancy there were over 1,000 people living in that. Again, because we did not react early when it was rare and we allowed it to grow and become large, then it became very big and then we are not able to react.

The principle is having a non-local person lodging in a house does not make any sense economically, does not make any sense in terms of population control, does not make any sense in terms of what... the basic building block of this policy is to manage the population. So I urge you now, because it is rare, close the door and stop it becoming a problem; because once it

becomes a problem we do not seem to be able to then close the door, we have to allow it. So I urge you to support this amendment.

2010 Thank you.

The Bailiff: Members, we vote then on the amendment proposed by Deputy Dorey, seconded by Deputy Brehaut. Those in favour; those against.

Members voted Contre.

The Bailiff: I declare that –

2015

A Member: I think that was on the cusp, there, sir! *(Laughter)*

The Bailiff: I declare the amendment lost.

2020 There is one further amendment to be proposed by Deputy Brouard, seconded by Deputy Lowe, which the Chief Minister indicated was not to be opposed by the Policy Council.
Deputy Brouard.

Amendment

In Proposition 1(o), to delete 'from commencement of the new Law and will not be applicable to anyone born before that date' and substitute 'to children who are under 8 years of age at commencement and who have been lawfully resident since birth, and to children born after commencement'.

Deputy Brouard: Thank you, sir.

I do not need the amendment read, thank you. My explanation will cover it. I would like to thank Deputy Lowe for her supporting this.

2025 There is a gap in the proposals concerning those children with an ancestral line, who have always lived on-Island and are aged between eight and zero at transition, as they will have insufficient residency to qualify automatically when the new arrangements come in.

2030 You could have a situation in a family with the older brother, who has lived on-Island for longer than eight years, who will automatically qualify as a permanent resident when the new arrangements come in; a new sister born after the commencement of the arrangements, who will qualify as a permanent resident on birth; but in the middle, however, are those children who have not yet reached eight years old, and who do not qualify by being born after the commencement. Those between eight and zero are the ones who will miss out initially, until they have further years of residency to bring them up to eight years.

2035 This particular anomaly is addressed by the proposed amendment, allowing those middle children to qualify when the new arrangements come in. I would urge the Assembly to support it.
Thank you.

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

2040

Deputy Lowe: I formally second the amendment and reserve my right to speak, sir.

The Bailiff: Thank you.

Chief Minister, do you wish to speak at this stage, or Deputy Luxon?

2045

The Chief Minister: I would just say that again, just to reiterate, drawing the line in these instances is not difficult; we went for the one that seemed most logical, but as we say, we are not going to oppose this. There will be some anomalies wherever you draw the line, because that is

the case and we cannot legislate for all of those, but as I said before, the Policy Council is happy not to oppose this amendment.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Deputy Brouard described the consequences of the Policy Council's proposals in this regard as an anomaly. I do not think that is quite right; they weighed up the possibility of proposing what he is now proposing and discounted it; and they provide three or four paragraphs as to why they discounted it. So I do not think it can be characterised as an anomaly.

I am speaking because I detest this amendment and I am going to vote for it, and I need to explain why! (*Laughter*) The reason I detest it is because I dislike the concept of birth right and I spoke against it last year.

The reason I dislike it – disliked it then and still dislike it now – really was referred to in a speech by Deputy Perrot earlier, and it is about division. I thought the concept of birth right as expressed in the policy letter last year was divisive. I also thought, and still think, that it undermines the capacity of the States to manage the size and make-up of the population.

But the chronology of events here was that the Policy Council had carried out a great deal of work in developing their policies, and not dissimilar to this year actually; those policies faced moderate opposition from some quarters and the Policy Council acquiesced. In fact, I am beginning to wonder whether there is any lobby group to which the Policy Council will not acquiesce. (*Interjection*) But that is what happened. That is what happened and I do not think that is being punctilious or whatever I was accused of being earlier. But that is what happened.

Now, the Policy Council explain why they are not proposing what is in Deputy Brouard's amendment. They say, for example, that – this is Deputy Brouard's amendment, in effect – this would apply to people no matter where they are living now and regardless of the duration of any period of absence from Guernsey.

'There is a concern that applying the birth right provision retrospectively without any information about the size or future intentions of the group of people who would benefit from it would be to risk an influx of permanent residents.'

So that is why the Policy –

The Bailiff: Deputy Brouard.

Deputy Brouard: Can I just offer a correction to Deputy Fallaize?

The Bailiff: Can you put your microphone on, Deputy Brouard?

Deputy Brouard: Sorry. Thank you. Sorry, Deputy Fallaize.

The Policy Council's position and my amendment are different. The Policy Council were concerned about people who were off-Island and not on-Island, the specific part of the Brouard/Lowe amendment is it does not cure all the ills, but it just picks up those children who are born on-Island, and have remained on-Island.

So the person who has been on secondment for three years with their parents to Hong Kong will not be picked up by this. It is just for those born on-Island who have stayed on-Island, and hence it gets over those other difficulties, if that helps.

Deputy Fallaize: Okay, I thank Deputy Brouard for that, and I accept that.

What I was going on to say the reason is why I think I will have to support this amendment is because I think it is the only logical conclusion, once you have started to adopt the principle of birth right – for two reasons.

First of all, the campaigners who were at the forefront of the birth right arguments last year, clearly, in many cases were representing the interests, as they saw them, of their children who are children at the present time. Their expectation when the States adopted this birth right provision was that those children would benefit from birth right, and I think the only thing worse than our voting in favour of this birth right principle last year would be to vote in such a way this year which meant that people who thought they were having privileges extended to them last year, actually are not having privileges extended to them. That would be, I think, very unfortunate.

Secondly, it is not really very sensible to have a set of arrangements where two children who were both born in Guernsey and have both lived in Guernsey all of their lives, and one, for example is 12 and one is four, have different long-term residential qualifications. That just really is not very rational. So I greatly regret the decisions made by the States last year in respect of birth right, but given that the States made those decisions, I think we have no choice but to support Deputy Brouard's amendment.

The Bailiff: Is there any further debate?
Deputy Bebb.

Deputy Bebb: Thank you, Monsieur Le Bailli.

I fundamentally oppose this and I think that we have made a mistake in relation to the whole birth right... and to give the most ridiculous example, by policy of HSSD if someone is pregnant with multiple births – so, for instance, having triplets – then it is the policy to actually have those children delivered in Southampton and therefore that person is not born in Guernsey. It is ridiculous that we have a system that actually only allows – *(Interjections)*

Deputy Luxon: Sir, point of correction. Point of correction.

Absolutely that is covered. Those babies would be considered to have been born in Guernsey or –

Deputy Bebb: Despite not being born in Guernsey? *(Laughter)*

Deputy Luxon: Yes, because their mum was pregnant and had to go to Southampton.

Deputy Bebb: But this proves the point – suddenly a piece of soil in Southampton becomes an area of Guernsey. *(Interjections)* Realistically, I think there was an error in actually allowing it, because we are all aware of children who are born and then a few years later their parents go off-Island, their whole life experience is off-Island, and then we suddenly think that they should have the right to return, despite having spent 16, 20 years off-Island – their full life experience – and we think that that is acceptable. It is an error. I feel that this simply compounds the error. I do not agree with it. I think that we should reject it.

The Bailiff: Deputy Hadley, then Deputy De Lisle.

Deputy Hadley: I would just like to declare an interest, Mr Bailiff, in that my grandchildren would benefit if this amendment is passed.

The Bailiff: Thank you.
Deputy De Lisle.

Deputy De Lisle: Yes, sir.

I wanted to just tackle what flexibility there is around this whole birth right policy. In terms of the retrospective, to those older siblings born before the Law comes out in 2017, I fully support that; but, however, many will have grandchildren here, but because of working outside the Island

2150 and children being born away, those children – the grandchildren, I mean – will not have the privilege given to them, despite a long ancestral heritage dating far, far back with great grandfathers, great-great grandfathers, and so on and so forth, so I am just wondering... the flexibility here, in those cases – is there to be such flexibility, so that situations with very strong ancestral heritage can be looked at, if one of the links, if you like, of the two links – in other words parents and grandparents – are not actually present?

2155 **The Bailiff:** Deputy Brehaut, then Deputy Gollop.

Deputy Brehaut: Thank you, sir.

2160 Briefly, I just wanted to refer to the campaign that ran for some time, because I think Islanders were not really appreciative of the fact that their children took 10 years to qualify to become local, and when that was explained to them, or the discussion on the population started a couple of year ago, people were saying, 'Are you telling me my child was born on this Island and is not local? How dare you.' And invariably I say these people sign themselves off as 'real Guern', 'true Guern', 'Guernseymen through and through'.

2165 I know, with my observations perhaps on Open Market, people might have me as a bit of a red neck in that regard, but I can assure you I loathe racism in any shape or form and I have been conscious during this debate that I have children who have very strong Scottish roots and have a very healthy Scottish heritage, as well as being Guernsey children and, like the Chief Minister, I think that should be celebrated. And amendments like this do actually seek out difference and they seek out being 'better than', and this notion of being a 'true Guern' and having more entitlement than others is something – I think I am in the same camp perhaps as Deputy Fallaize with this – is something that, although I am supportive, in supporting it, I am a bit unsettled at the notion out there within the community that this was, in origin, a divisive population policy that has been amended out of necessity, because that is not the way I see it, sir.

2175 Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you.

2180 This process, as Deputy Perrot reminded us, has been a long and arduous one, and one could compare the baby metaphor to... it is a long labour and delivery process. The point is that we do from time to time have to make concessions when we listen to the lobby groups and the public and the logic and the emotion and the political strategy in the situation.

2185 We have clearly moved further in the direction of certain nepotism where the Open Market is concerned and here I think we need to continue to strengthen the sense of a core population. Yes, it could be divisive and I am not sure it would stand up in every conceivable European or American country or court, but that is not the point; it is something that the public have clearly wanted us to pursue.

2190 We do indeed – even within our protocol to the United Kingdom's accession to Europe – have a concept of a Channel Islander. That is not the same thing as this, but it is an example that sometimes populations are divided into different categories and different purpose.

A former colleague of this Assembly attended at least one of the public meetings and made the point very clearly that he would not want to be in the situation where one of his grandchildren, now happily born, would be in one situation, another child would not be.

2195 The amendment clearly achieves equality and I think it is a useful way forward, and more to the point, it should have gone further really; it should apply to all children in this situation, whatever age they are, wherever they are. Now, I appreciate that gives rise to an unknown quantum of people, but that surely exists anyway for people who are entitled to return to the Local Market but live elsewhere.

2200 So I support the amendment.

The Bailiff: Does anyone else wish to speak on the amendment? No.
Deputy Brouard then will reply.

Deputy Brouard: Thank you, sir.

2205 I very much thank the support of the Population Group in not opposing this. I thank Deputy Fallaize for his support – I will take a vote however it comes round. Deputy Bebb – it is not a good day out, I will probably wait until tomorrow. (*Laughter*)

2210 Deputy De Lisle and Deputy Gollop both picked up the point of other children. This amendment just picks up... it does about 90%; it does not cover all the anomalies and it is a different line in the sand from Policy Council, but it does capture the sentiment and the majority of Islanders.

2215 Deputy Brehaut – yes, I am not trying to seek out to be more divisive, the amendment has come because of the situation that we were faced with as an Assembly, and I think the consequences of leaving it as it is would be a greater divide than it would be by putting the amendment in place. So I very much hope everyone will support it.

Thank you very much, sir, and can I have a recorded vote, if I may?

The Bailiff: A recorded vote.
Deputy Wilkie.

2220

Deputy Wilkie: Sir, before I vote, I just have to declare that I have children that may be affected by this amendment.

The Bailiff: Thank you.

2225

Deputy Fallaize: Sir, I think I should have declared the same interest. Well, I definitely should have.

Deputy Trott: Me too, sir.

2230

The Bailiff: Deputy Trott, thank you, and Deputy Fallaize thank you, (*Interjection*) and Deputy Ogier. I think – I can see Deputy Lowe is wondering whether she needs to declare the fact she has grandchildren.

2235 **Deputy Lowe:** Well, I have got grandchildren, sir, and so have many in here, but it is... Under the Rules I guess we would have to declare because our grandchildren will be affected as well.

The Bailiff: If anyone is in that position, for the avoidance of any doubt. I would say declare it. Deputy Lowe has declared it. Fine.

2240 We vote then on the amendment proposed by Deputy Brouard, seconded by Deputy Lowe, and the request is for a recorded vote.

There was a recorded vote.

The Bailiff: While the votes are counted, Members, can we move on to general debate, if there is anyone who has not spoken generally who wishes to do so? Because I am not aware of any other amendments.

2245 Yes, Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

I know that the Policy Council were criticised this morning, and more specifically, Deputy Le Tocq and Deputy Luxon, for bringing the amendments they did in, some quarters – clearly the

2250 amendment was successful – but I am not going to criticise them. I understood why they brought those amendments, because at the end of the day the people that live in the Open Market or own properties in the Open Market, have a right to ensure, or try to ensure, that their interests are represented, and they have a right to representation. All Islanders, all residents of this Island have a right to be represented, regardless of whether they live in the Open Market or the Local Market or wherever. So I do not criticise the Policy Council or Deputy Le Tocq or Deputy Luxon, for bringing those amendments.

2255 Just as Deputy Perrot read out some emails just before, that he found reprehensible in their content, actually – although, as I said, I think the residents of the Open Market and the owners of Open Market properties have a right to be represented, and to look after their interests – I do wonder if – I am somewhat perturbed – some of the motives of some of the people that live in Open Market properties and own Open Market properties, I do wonder at their motives as well. Because I am going to read an extract from an email that we received from an Open Market property owner, and it says this:

‘The Open Market needs certainty to survive, and it needs it quickly. The only way to achieve that would be to remove the Open Market entirely from the Population Management proposals and give a clear commitment not to interfere with it in the future.’

2260 Now, sir, how can that be...? As another Member said, sir, the clue is in the label that is on the tin. If you are going to remove several hundred properties and several thousand people from population management, how then, by definition, can a regime that is meant to manage the population work or be effective?

2265 So I do not like to talk about sides, sir, but it has come from both sides. There has been some unfortunate language and I agree with Deputy Perrot – and it is not that often I agree with Deputy Perrot, but I agree with him – there has been some unfortunate language from people trying to, as it were, argue for the local side, but there has also been some unfortunate language and I would say some questionable motives and intent from people who are arguing from the Open Market side as well.

2270 But my point is, sir, regardless of that, all these people, whether they live in the Local Market or the Open Market or own property in Open Market, they have a right to be concerned, they have a right to see that their interests are represented and they have a right to representation from their politicians. But I am a bit concerned about the language that has come from either side, to be honest with you.

2275 Now, sir, there is an elephant in the room here – and I am going to refer to it, when I can find my notes. There is an elephant in the room – and this is something that Deputy Dorey touched on a bit earlier. Once again – and I have mentioned this a few times now in speeches that I have made – we keep hearing about the golden age of the States from years gone by and how they seemed to get everything right and we do not seem to get anything right, or recent Assemblies do not seem to get anything right. But the very fact that roughly 150 properties in Part A of the Open Market are being used as multiple occupancy properties – that is a dereliction of duty on the part of past States. And, as Deputy Dorey mentions, we are now having to deal with the legacy of that because it was not dealt with in the past properly.

2280 And the Open Market was not intended to be used in the way that it is, in part, being used now. It was never intended that the owners of Open Market properties would, in effect, become landlords and would be housing tenants, who do not supply essential labour, and tenants who in many cases do low value jobs. That was never the intention of the Open Market.

2285 Now, clearly, clearly, in many of the people that occupy these multiple occupancy properties actually they do provide essential labour and they do bring great benefit to the Island, and I think we all need to understand and appreciate that; but actually it was never meant to be used for that purpose, and there are many people who, in a sense, have used a loophole to circumvent the Licensing system so that they can live and work here and work in jobs where actually their labour is not actually that essential or is not essential at all.

Sir, I have become increasingly aware, or been made aware, of more and more local businesses in the areas of some construction trades, gardening, landscaping etc. – areas like that, sectors like that – where those businesses are under threat and the people that work for those businesses are under threat, because those businesses and those jobs are being devalued because there are people that are living in Open Market properties that are undercutting them, that are working for such a low rate, that despite the great efforts of these businesses, they just cannot compete with them – they just cannot compete with them. And that is the damage that has been done because of this issue in regard to multiple occupancy – this lost intention of the Open Market – was not dealt with early enough and we are now, in a way, just trying to backfill and deal with that. It has a distortion on the local labour market.

Now, before somebody pipes up and talks about the free market and market forces and all that kind of thing, I am afraid you cannot have a totally unregulated labour market in an Island as small as Guernsey, because there will eventually be consequences – they could be strategic, they could be social, they could be economic – and some of those consequences are now being felt.

As I say, sir, I do understand the principles of the free market, but these principles will not look so clever when local businesses do not have the confidence or the capital to expand, invest in new plants or new equipment, or even worse, close down; when jobs are lost, when employment opportunities decrease, when training and apprenticeship schemes diminish; when certain services cannot be accessed on-Island and the local skills base contract – all to the detriment, in many and various ways, of the local economy.

That, to me, sir... we are looking there, at the consequences of not jumping in quickly enough and providing proper regulation in regard to the Open Market. The free market – and I have said this many times and I will say it again – is rarely actually free; somebody has to pay the price somewhere along the line and at the moment it is local businesses and the viability of local businesses that is being undermined, and the value of jobs – as I say, within gardening, landscaping; certain vocational occupations, certain trades – is being undermined, to such an extent now that there is a case of perhaps locals cannot do those jobs any more, and I think that is a great concern.

So I agree with Deputy Brehaut before; I support the Open Market, I support the original or the proper intent of the Open Market, which is to bring high net worth individuals to the Island, for them to bring their best skills and their entrepreneurial skills with them, and their abilities and to perhaps bring businesses with them to the benefit of the Island. The trade-off for them is they live in a beautiful Island with many, many benefits to that. The original intention, in my view, of the Open Market was to... it is a two-way thing; people will bring their skills and they will make a contribution – as Deputy Perrot pointed out – via charity work and via employment and making an economic contribution in many other ways, but in turn they will come to live in a beautiful Island with many benefits, with low crime rate etc.; but that has been distorted because this issue has not been addressed quickly enough.

Now, sir, the other thing that I would like to look at is the Advisory Panel that is mentioned on page 1424 of the Report – paragraph 4.0. The Advisory Panel is going to be set up to provide – and I have got this highlighted – ‘... independent advice to the Policy Council in relation...’ – I think it will be the Home Department now, Committee for Home Affairs – ‘... to population management policies.’

So, now, I understand the thrust behind that, but that, to me, is misleading. Bearing in mind that it is very, very, likely – in fact, almost a foregone conclusion – that that Advisory Panel will be made up of representative groups, business representative groups, employers or leaders or managers or owners of large employment and business organisations. I just wonder, by definition, how can that be an independent advisory group when the people sitting on that panel will all have interests, business interests, and be the leaders or the owners of large business organisations?

I think, actually, we are told once again that politicians should be once or twice removed from this process, but I have concerns about that. I do not see a problem with having people

2350 representing the business community and the business sector, but I do have a problem with that panel being only populated by people who are non-politicians. The electorate of this Island have elected us to be leaders, to be responsible, to be accountable, to be involved in the day-to-day management of their Island, and that includes population; and I am very uncomfortable having an advisory panel that is meant to be independent and yet will be largely made up by business
2355 leaders from the community. I think it needs to be perhaps a mix of business leaders and politicians.

Actually, I could go on for a great deal of time because this is such a big issue and there are so many different factors to it, but I do not have a great deal more to say; but I am very concerned about the effect that the growing... I know we are now going to push a lot of these properties into
2360 Part D and that the number of those properties is going to be capped, but actually the damage is already done as far as I am concerned. Many local businesses are now under threat and the value of jobs, that Islanders have always been happy and prepared to do, has been diminished by people who are providing, in my opinion, non-essential labour that live in multiple occupancy Open Market properties, and that is driving the value of these jobs down and it is undermining
2365 the viability of these businesses. That really does concern me. I hope that by moving these properties to Part D and capping the number of them that we can at least take part in a damage limitation exercise, but I feel the damage in many ways is already done.

Deputy Dorey's amendment went a step too far for me – the one that was seconded by Deputy Brehaut. That went a step too far for me, in regard to what Deputy Dorey was trying to do there.
2370 That was too restrictive and too prescriptive, in my opinion, but I feel that equally in regard to Deputy Le Tocq and Deputy Luxon's amendment, that went too far the other way for me. I think actually – Members might disagree with me, but I am going to say watch this space – what we have created there, if we are not careful, is not a Part A but a Part D with a small 'd' – not a capital 'D' but with a small 'd' – but we will have to wait and see on that one.

2375 Thank you, sir.

Amendment by Deputy Brouard/Deputy Lowe:

Carried – Pour 43, Contre 2, Ne vote pas 0, Absent 1

POUR

Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Lester Queripel
Deputy St Pier
Deputy Stewart
Deputy Gillson
Deputy Le Pelley
Deputy Ogier
Deputy Trott
Deputy Fallaize
Deputy David Jones
Deputy Laurie Queripel
Deputy Lowe
Deputy Le Lièvre
Deputy Spruce
Deputy Collins
Deputy Duquemin
Deputy Green

CONTRE

Deputy Harwood
Deputy Bebb

NE VOTE PAS

None

ABSENT

Deputy O'Hara

Deputy Dorey
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam
Deputy Perrot
Deputy Brouard
Deputy Wilkie
Deputy De Lisle
Deputy Burford
Deputy Inglis
Deputy Soulsby
Deputy Sillars
Deputy Luxon
Deputy Quin
Deputy Hadley

The Bailiff: Members, I can announce the result of the vote on the Deputy Brouard/Deputy Lowe amendment. There were 43 votes in favour, with 2 against. I declare it carried.
Deputy Conder.

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

I would like to address the same point, but from an entirely different perspective to that which Deputy Laurie Queripel just addressed. It is the point about the Part D Housing Register. I did endeavour to raise it when we were discussing the first Le Tocq/Luxon amendment. I do not think I explained it very well and I did not actually get an answer from the Chief Minister, but was
2385 because I think I did not explain it very well. I have since had a chance to discuss the Part D of the Housing Register with Deputy Luxon – I think he may refer to it in a later speech – and he has explained it.

The reason I am concerned about this is I share some of the concerns that Deputy Laurie Queripel raised, but on page 1421, paragraph 3.106, it emphasises about approximately 150 Part
2390 A properties being occupied with about 1,000 people living in them will be transferred automatically from Part A to Part D. Now, there are two aspects of this, and a number of us have mentioned it already, and I think there are two sets of stakeholders.

The first are those people who are living in Open Market properties, which will now be on Part D in multiple occupancy, under which it seems to me we offer very little protection. Deputy Perrot
2395 did refer to the fact that some of them were no more than doss houses. I cannot speak with any authority on that, but I think we should be concerned about the welfare of those individuals who come to live and work on this Island and make a contribution, and have to at least question whether there is the potential – I say no more than that – that they may be being exploited.

I am concerned that those properties which essentially were family properties which, for reasons of profit or whatever, have become properties of multiple occupancy, are now enshrined
2400 in a Register Part D, and because they are in multiple occupancy or were in a multiple occupancy on 10th May 2013, will apparently – although I am more reassured after my conversation outside this Assembly with Deputy Luxon, but apparently – with very little control, automatically and in perpetuity, remain as properties of houses of multiple occupancy.

2405 So I am concerned, as I say, on behalf of one set of stakeholders – and those are the people living in them. We as a Government, we as a society, owe them at least recognition that those properties should be fit for them to live in. (**A Member:** Hear hear.)

The second part of my concern is the other stakeholders are the people who live near to them. My friend Deputy Bebb made the point... I think he made the point that he did live in such a
2410 property and had a great time. Well, he might have had a great time but I just wonder whether his neighbours had a great time, when he was having a great time! (*Laughter and interjection*)

But it is a serious point, because a number of my constituents seem to have had Open Market properties of multiple occupancy foisted upon them. They bought a property in good faith, thinking that they would be living next to a family dwelling and then they find, no, they are not

2415 because that property has been bought up by somebody else and turned into a property of multiple occupancy which in perpetuity, now it is transferred to Part D, will remain like that.

No doubt Deputy Bebb and other people did have a good time, or are still having a good time, but it is no joke for those people, in some circumstances, to find they are living in an environment and in the situation which is completely different to that which they expected, and we owe them some understanding, anyway, if no more than that, that their lives have changed perhaps irrevocably.

So I look at it from a slightly different perspective and I think Deputy Queripel made a very good point – a number of very good points – in terms of the effect on the employment market, although I would say, and remind him, that we have virtually no unemployment.

2425 But I do think there is another aspect in terms of the way we should look at this, and there are certainly people out there who are suffering and will suffer, whether they are tenants who are being exploited or neighbours who are having to live with the consequences, who deserve our consideration.

Thank you, sir.

2430 **The Bailiff:** Deputy Dave Jones, Deputy Luxon and Deputy Le Clerc.

Deputy David Jones: Just to cover some of the points that have been made by Deputy Conder, we discussed this at length about multiple occupancy buildings and lodging houses, and of course our job is about population management, and there is secondary legislation that is going to come along that is going to deal with things like overcrowding, poor facilities, minimum standards – all which will come under the Environmental Health legislation when it comes before this Assembly, and I hope when it does it is going to be well supported.

2440 My belief is that you may see actually, when those Laws come in, a decrease in the number of people occupying these house, simply because they will be breaking a number of rules, certainly in overcrowding, in that legislation.

So this is why we have not gone into it in depth at the Population Group – because it will be part of secondary legislation that will come from Environmental Health.

2445 **The Bailiff:** Members, as you have voted to sit through to seven o'clock, I was going to propose that at some stage during the afternoon we take a break. Perhaps I was thinking around five o'clock maybe. I see a few Members are taking a break already, *(Laughter)* but we will see how this debate goes. If this debate looks as if it is likely to close around five o'clock then I will suggest that after this debate is finished we break about 5.00 p.m. otherwise we may break at 5.00 p.m. and then resume this debate if it is going to carry out longer.

I hope that may be helpful to some of you.

Deputy Luxon.

Deputy Luxon: Thank you, Mr Bailiff.

2455 Sir, the reason that Deputy Jones and Le Tocq and myself felt, genuinely, that these proposals were pretty much there was because we know that virtually every sector is a little bit cross with them. Everybody, every sector, every interest group, probably would like to see something slightly different, and that is just a reality.

2460 Sir, Deputy Laurie Queripel made some very interesting points and, of course, he is absolutely right that the multi-occupancy homes were created from a loophole and did start with two and became 100 and become the 150 that we see now housing 1,000 people. But sometimes something good comes out of an unintended consequence.

2465 We have about 330 people unemployed at the moment, and it has been pretty much that run rate for the last couple of years. It lifted to about 500, by memory, not long after the financial market collapse back in 2007/08, but even with fulfilment disappearing with 600 jobs, it has actually stayed at a very benign level of round about 300, 350, 400.

There are 1,000 people living in the multi occupancy sector. Well, if they were not there, where would we have found the people to fill the jobs that they are doing? Those people are working and those people –

2470 I give way to Deputy Queripel.

Deputy Laurie Queripel: Thank you. I thank Deputy Luxon, sir, and thank you.

I do not doubt the point that Deputy Luxon is making. There are people living in these properties that are doing essential jobs and providing a great service to the community. Those are
2475 not the people I am talking about; I am talking about the people that are doing jobs, that are providing non-essential labour.

Deputy Conder just spoke before about – and so did Deputy Luxon – the unemployment figures. My concern is not about the unemployed but the underemployed. That is my concern. My concern is about the people that are contacting me, that run these kind of businesses, that find
2480 that they are struggling to get work now, because they are being undercut and under-priced by people that either run businesses from these properties or employ people that live in these properties. These are jobs that Islanders want to do, they are happy to do, and they have always had a decent or high value attached to them. The value of those jobs is now being undermined and that is the problem I am talking about, not the people that Deputy Luxon is talking about.

2485

Deputy Luxon: Sir, I agree again with Deputy Queripel, because what I was going to go on to say was that his comment was: ‘and these multi-occupancy 1,000 all doing low value jobs’ – I do not think Deputy Queripel actually meant ‘all’ of them, (**Deputy Laurie Queripel:** I didn’t.) because of course a significant amount of them are doing... there are members that work for the
2490 States of Guernsey – civil servants that actually live in these multi-occupancy homes; there are bankers, lawyers, accountants, and so it goes on.

I totally agree with Deputy Queripel; there are people in certain professions – gardening, building and others – where absolutely local firms owned by local people, paying local taxes, have had their business base challenged and undermined by this emergence of multi-occupancy, where
2495 we have people sometimes paying low rent, sometimes not.

So it is an unfortunate dynamic and it has had an impact, and Deputy Queripel is right, it is having an impact; and I have spoken to the Commerce & Employment Minister to ask him to see whether or not there is anything that he can do, either to find ways to enable those local companies who employ local work forces. But it is a tricky territory, but I have asked for that to be
2500 looked at because I recognise the impact it is having on some small Guernsey business owners.

One of the good things is there is a five-year cap going forward. Moving these multi-occupancy homes on to Part D, we are saying that there will be a five-year cap and therefore there may be an impact that that will have on some of these businesses that are being set up that are undermining local businesses.

Sir, Deputy Queripel also mentioned the Advisory Panel and made the point about, we are separating politicians from having direct hands on policy – completely and utterly wrong on this one! The Advisory Panel is purely there to actually give informed advice from people with employment expertise in different sectors, to actually form that advice as a panel of seven people, to feed that into now the Committee for Home Affairs; but it will be politicians, it will be that
2505 Committee and it will be the States of Guernsey who will absolutely dictate the policies about whether or not that advice is taken.

So I say to Deputy Queripel he need not worry that actually it is softening political control in this way; what this is doing is actually saying let us take meaningful, informed advice from those that know – small business owners will be one of the groups that should be represented; it should
2515 not be all about big businesses.

So I would just say to Members the Advisory Panel is there, absolutely, to give we in Government informed information to be able to make informed policies around the work permits that are appropriate. That is part of this Population Management Regime that we will have. For

the first time ever, we will actually be able to manage the population whether increase, *status quo* or decrease, in the way that Deputy Dorey was right, we have not had since 2007.

Sir, I have a particular interest in tourism, I have a love of the tourism sector, and I know that there are members of that industry who would make the point that putting the five-year cap on Part B – those people who work in hospitality and tourism – is going to have a significant impact on them.

What I did was I went and did some research to find out how many employees they actually have of more than five years; it is actually relatively few, but that sector was really concerned about it undermining their ability to run their business. I would just say to Members throughout all of these transitional proposals we have tried to take real deep dive information to make sure that we make them as appropriate as possible.

Finally, in answer to Deputy Conder's point, which Deputy Jones has just answered, not only is the Environmental Health able to actually look into this area, in terms of inappropriate racking and stacking of people in multi-occupancy, but also the Environment Department's planning inspectors also have a role and I think it is fair to say that they currently simply do not have the resources to be able to prioritise absolutely visiting as many of these dwelling as perhaps we would all like to see.

So although, yes, those multi-occupancy residences that have many too many people by our interpretation, yes, they are going to be enshrined within that Part D within a cap, but there will be real scrutiny and challenge about how they operate both in terms of neighbourly issues, but also for the tenants, the residents, within those multi-occupancy homes. We do have a duty of care of the States of Guernsey.

Thank you, sir.

The Bailiff: Deputy Le Clerc.

Deputy Le Clerc: Thank you, sir.

Some of my questions really have been answered by Deputy Jones and Deputy Luxon. But I do agree with Deputy Conder; when I was knocking on doors and particularly around the Collins Road area, there was a little *clos* there and when I knocked on the door there were lots and lots of vans outside... an Open Market house. I was actually surprised there was an Open Market house in that particular *clos*.

Then, going back to the meeting we had last Thursday, that raised some concerns because one of the comments that was made was, 'Well, why should we have to move multiple occupancy from A to D, because actually that means we have got to comply with fire regulations?' and that was quite an alarming thing to have heard at that meeting. So I am reassured by what Deputy Jones and Deputy Luxon have said – that there will be some regulations – and I look forward to seeing that secondary legislation. **(A Member:** Hear, hear.)

It has been very difficult. I do not know – I have swayed one way and then the other as to how I am going to vote on some of these proposals, and the multiple occupancy housing has been one of the difficulties for me.

I do appreciate what Deputy Laurie Queripel has said and I have seen for myself some of the misuse and abuse of the multiple occupancy. However, being a Board member of HSSD, I also know that a lot of people that we have got working in the caring sector of HSSD and caring for people in our community – people that are working in residential and care homes – are actually living in these multiple occupancy. So I am a little bit afraid of throwing the baby out with the bathwater in actually opposing these proposals.

So I will listen to the debate, but I think my view is more perhaps towards the proposals that we have got here and with what is coming up in secondary legislation on improving the living accommodation and potentially reducing some of that accommodation, and I welcome that.

So thank you, sir.

The Bailiff: I see no-one else rising. So the Chief Minister will reply to the debate.
Deputy Le Tocq.

2575 **The Chief Minister:** Sir, I have not got much to say because I think all the questions have been
answered by my two colleagues on the Working Party. I would just underline some of those
concerns. I think all of us had those concerns at the election, particularly when – as Deputy Le
Clerc has mentioned – you come across some of these Open Market homes in multiple
occupancy, and I do believe that this is the right way to go. It does help up to identify them in far
greater measure than we can at the moment, and then the other legislation, which of course is, as
2580 Deputy Luxon pointed out, not just Environmental Health but Environmental Planning as well,
kicks in and some of that could be done now if we are more aware of them. Having the move to D
does enable that to occur and I think will give a greater degree of assurance in the future, along
with the five-year limit as well.

2585 So, sir, can I just ask that Members support all the Propositions in this policy letter as
amended?
Thank you.

2590 **The Bailiff:** Well, Members, as the Chief Minister has just said, there have been a number of
amendments. Proposition 1(b) has been amended by the Deputy Le Tocq/Deputy Luxon
amendment. Proposition 1(o) amended by the Deputy Brouard/Deputy Lowe amendment.
Propositions 1(y) and 1(z) were amended by the Deputy Le Tocq/Deputy Luxon second
amendment, and a new 1.A has been inserted just before Proposition 2, as a result of the
successful Deputy Le Tocq/Deputy Fallaize amendment. I believe those are the only –

2595 **The Procureur:** And paragraphs (t) and (u) in Proposition 1 have been deleted.

The Bailiff: Oh, sorry, yes. 1(t) and 1(u) have also been amended.

2600 **The Procureur:** They have been deleted, sir.

The Bailiff: Oh, sorry, they have been deleted, yes, exactly. Sorry. Thank you. 1(t) and 1(u) have
been deleted. So I think those are the changes. Does anybody wish to vote separately on any of
the Propositions?

2605 **Deputy Laurie Queripel:** 1(b), please, sir, if we could?

The Bailiff: You would like a separate vote on 1(b). Any other separate votes requested? No.
Well, in that case what we will do is we will take 1(b) first, vote on that, and then we will vote
on the remainder together. Proposition 1(b) as amended. Those in favour; those against.

Members voted Pour.

2610 **The Bailiff:** I declare 1(b) carried.
All the remaining Propositions – those in favour; those against.

Members voted Pour.

The Bailiff: I declared them carried.
Well, it is nearly twenty to four. As we are going to go through until seven o'clock, I propose that
we have a short break now and resume in just over 10 minutes at about ten to five.
Thank you.

*The Assembly adjourned at 4.39 p.m.
and resumed its sitting at 4.55 p.m.*

POLICY COUNCIL

**VII. Open Market Housing Register–
Propositions carried as amended**

Article VII

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 1st June , 2015, of the Policy Council, they are of the opinion:-

1. To agree that that Part IV (the Housing Register) of the Housing (Control of Occupation) (Guernsey) Law, 1994, be repealed and that similar provisions be enacted in separate legislation, subject to the following modification:

(a) the States of Deliberation should have the power to amend the cap on the number of properties inscribed in Part D of the Housing Register and any conditions for the inscription of a property in that Part of the Housing Register by Ordinance;

(b) the department responsible for the administration of the Housing Register should be empowered to issue a Compliance Notice if a property is used contrary to the purpose required by its inscription in the relevant Part of the Housing Register, and that the department should have the power to suspend or delete an inscription from the Housing Register if the owner does not comply with such a Notice;

(c) it should only be possible to transfer an inscription to Part D from another Part of the Housing Register if the number of properties inscribed in Part D is less than the cap approved by the States of Deliberation;

(d) it should be possible for a Part A property in multiple occupation and inscribed in Part D of the Housing Register to be transferred to Part A at the owner's request, provided that it has ceased to be used for such occupation and reverts to use as a family home;

(e) the department responsible for the administration of the Housing Register should have the power to inscribe a property on the Housing Register provided that such an inscription is in accordance with any relevant States policies; and

(f) there should be provision for an inscription to be maintained in defined circumstances, provided that the responsible department is satisfied that the circumstances which would otherwise lead to the deletion of such an inscription are temporary.

2. To endorse the proposal that a census of all Open Market properties is carried out to ensure that inscriptions are accurate.

3. To agree that:

(a) eligible Part A Open Market properties in multiple occupation (i.e. those that were in multiple occupation on 10th May 2013) at the commencement of the new legislation should be transferred to Part D of the Housing Register;

(b) owners of properties referred to in paragraph 4.5 of that Policy Letter should be given six months from the commencement of the new legislation to exercise the option referred to in that paragraph; and

(c) if, six months after the commencement of the new legislation, any Part A property remains in use for the multiple occupation of unrelated adults, the owner should be required to return the property to use as a Part A family home.

4. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

2615 **The Bailiff:** Article VII.

The Senior Deputy Greffier: Article VII, Policy Council – Open Market Housing Register.

The Bailiff: The Chief Minister will open debate. Deputy Le Tocq.

2620

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

The policy letter before us is relatively short as the intention is that much of the existing Law should remain unchanged, but it makes a number of proposals that are significant for the future administration of the Open Market Housing Register.

2625

At present the Housing Register is dealt with under the Housing Control Law. This means that the relevant legislation has always had an expiry date, as the Housing Control Law itself has always been subject to periodic review. Now the Policy Council is recommending that the Open Market Register should be dealt with in as separate piece of legislation that, importantly, has no expiry or review date. In so doing it is sending out a very strong message that the Open Market is here to stay.

2630

Given the uncertainty that there has been in recent years over the future of the Open Market, the Policy Council hopes that this will engender confidence in the existing owners, as well as potential purchasers, looking to relocate to Guernsey – a point that is particularly pertinent in view of the recent decision in the UK to abolish permanent ‘non-dom’ status from April 2017.

2635

The Policy Council is also recommending that the way in which the properties are inscribed in the Register should change in the future. At present the only way a property can be added to the Register is by Ordinance. This means that the matter has to be placed before the States, which means it is time consuming and hinders the States’ ability to act swiftly. It also means that these matters are discussed in the public domain, which may be off-putting to Open Market owners who would understandably prefer more privacy.

2640

It is proposed that, in future, additions to the Register should be made by the Department responsible for the administration of the new Law, provided that the inscription is in line with whatever policies the States have put in place at that time. This will considerably streamline the process and make it easier for all concerned.

2645

In line with the decisions made by the States in 2013 regarding a future cap on the number of properties that can be inscribed in Part D of the Register – that is properties in multiple occupancy – the Policy Council is recommending that the States should have the power to amend the cap by Ordinance. This will enable us to react to changing circumstances as necessary, and the need for an Ordinance means that any such changes will be debated openly by the States.

2650

As well as the proposed adjustments to the way in which the Housing Register will be administered in future, the Policy Council is recommending that prior to the commencement of the new Law a census should be taken of all Open Market properties, in order to ensure that entries on the Register are as accurate as possible in advance of the commencement of the new Law. Whilst this does not require the express permission of the States, the Policy Council hopes that this Assembly will agree that this is sensible and endorse this approach.

2655

Amendments:

In Proposition 1, to remove the word ‘and’ at the end of paragraph (e), to replace the full stop at the end of paragraph (f) with ‘; and’, and after paragraph (f) insert a new paragraph (g) – ‘(g) the expression “houses in multiple occupation” should be used instead of the expression “lodging houses” to describe properties inscribed in Part D of the Housing Register.’

In Proposition 3(c), to delete “unrelated adults” and substitute “people who do not have a familial connection to each other through blood or marriage, or a relationship akin to a marriage, and for the avoidance of doubt including step- and adoptive relationships”

The Chief Minister: Finally, sir, as a consequence of the previous debate, I am laying two amendments: the first to rename Part D of the Register 'Houses in Multiple Occupation'; and the second to reflect the amended definition we have just agreed in the last debate, of whom may occupy Part A family homes – and Deputy Luxon will second these, as before.

2660 So, to sum up, sir, the Policy Council believes that the proposals in this policy letter before the Assembly, while straightforward, will make a significant difference to the ease in which the Open Market Register can be administered in the future. I therefore ask the Assembly to vote in favour of them.

2665 **The Bailiff:** Deputy Luxon, do you formally second the two amendments?

Deputy Luxon: Yes, sir.

2670 **The Bailiff:** We will debate, then, the two amendments. Does anybody wish to speak on them?
Deputy Le Clerc.

2675 **Deputy Le Clerc:** Sir, I would just like some clarification – and I will just refer to Volume II of the July Billet. Does that mean that on item 22 here, that we would no longer see the re-registration and removal and transfer of one property to another property, as we currently do under that, because it is not clear – well I do not think it is clear – in what we have got here?

The Bailiff: Deputy Dave Jones.

2680 **Deputy David Jones:** Are you talking about the re-inscription onto the MURA sites? (**Deputy Le Clerc:** Yes.) Yes. Well, that automatically falls away under the new Planning Laws, so once the new Planning Law is passed – if it is passed by the States – the whole MURA system falls away.

The Bailiff: Any further debate? No. Chief Minister, is there any need to –?

2685 **The Chief Minister:** Nothing else.

The Bailiff: Nothing to add. So we vote first of all then on the amendment that relates to Proposition 1 – the amendment proposed by Deputy Le Tocq seconded by Deputy Luxon relating to Proposition 1. Those in favour; those against.

Members voted Pour.

2690 **The Bailiff:** I declare it carried.

Secondly, the amendment proposed by Deputy Le Tocq, seconded by Deputy Luxon, relating to Proposition 3(c). Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

2695 Is there any general debate? Deputy Gollop.

Deputy Gollop: I think it has already been stated here that the Assembly clearly wants to use the Open Market, especially as a resource for the future generation of professional workers, entrepreneurs, digital innovators and so on, and I entirely endorse that. I endorse the recommendations here.

2700 I will just make two comments. The first is that we are going to conduct a census of the Open Market properties. That is long overdue, but it is galling that we abandoned, last year, the

electronic registration of properties for the moment; and indeed the word 'census' is intriguing because I would personally like equality here and an additional census done across the Island, in addition to the electronic work that is being done. So that was a point I would make there.

2705 My second point is, we did not hear the full reasons Deputy Kuttelwascher might have given, but I might suggest that an elephant in the room – to coin a phrase from Deputy Laurie Queripel – that we do not wish to address but is nevertheless implicit in these Propositions, is whether the current mix of properties on the Open Market Register, present or future, is quite the right mix.

2710 Deputy Perrot correctly pointed out that some properties have left the Register – probably mostly at the less affluent end. But I think it could be suggested that the next generation of possible Open Market residents would wish to see an additional number of more exclusive properties, perhaps different kinds of property than is currently available. Now, I appreciate that could be a planning issue, it could be a land utilisation issue, but I think the States will have to consider whether they wish, on occasion, to expand the Open Market, but in a way that could not
2715 be seen to be in any way misusing the Open Market to expand at the lower end, in a way that we do not necessarily wish to see it go, in that respect.

So I think we need a conversation there with various stakeholders as to whether it would be advisable or whether that would create a glut of properties, because one has to be extremely careful in creating registers, that there is not too many or too few in a particular category. But I
2720 think there is work to do here beyond the scope of this particular set of recommendations.

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

2725 When I saw this policy letter I nearly fell off my chair. I thought 'Oh my goodness, things actually happen!' I have to go back about 18 months when I toyed with the idea of having a separate legislation for the Open Market Register and I discussed the issue with my colleague Deputy Perrot, who kindly reviewed the Housing Control Law and he saw no reason why it could not be separated. He then kindly gave me a copy of it – and I must be one of the only people in
2730 this Assembly who have trawled through it.

What is interesting is that they are two different animals. What is being proposed now under the Population Management Regime is a person control issue and this is purely, or essentially, a housing issue a register of properties, and I think this separation is absolutely essential.

2735 The only other comment I have got to make is I think this legislation regarding the Open Market Register should be expedited because, believe it or not, it does not matter what Deputy Luxon or Deputy Le Tocq or anybody says about stability and our intention, until that Law is before us, passed and registered, there will always be an uncertainty because it may not come before the next election – I suspect it would not, but it could, I suppose – we have no idea who will be sitting in this Assembly in the next States and all sorts of things can happen.

2740 So my only plea is, if you can expedite this – assuming it is accepted – I think that will be a real positive for our intent, our objective to attract high net worth individuals and stabilise the whole situation.

So I am very pleased to see it and I hope Members support it.

Thank you.

2745

The Bailiff: Any further debate? Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

2750 I wanted to raise a similar point, raised by Deputy Le Clerc. It was unclear to me. I am sorry, I just read specifically from page 1544. I understand that with the new Island Plan the MURAs fall by the wayside, but inscriptions, as I mentioned in an earlier speech, sir, or re-inscriptions concern me because of the distortion within the Open Market and it says:

'In the interests of streamlining procedures and saving States' time, that in future, under the new Law, additions to the Register should be made by the responsible department under delegated powers, provided that they comply with the requirements of any policies in place at the relevant time.'

And also that these can take place with a policy letter.

I suppose I am looking for something which I probably will not get, which is a definitive statement. Now, are we to see the continuations of re-inscriptions although we no longer have the prescriptive MURA mechanism? Is there a likelihood we will continue to see re-inscriptions?

Thank you.

The Bailiff: Deputy Luxon.

Deputy Luxon: Sir, I only rise to answer that question.

On page 1454, 3.32, that paragraph deals with the point that Deputy Le Clerc and Deputy Brehaut have raised – that there were 13 inscription decisions since 2001; but, yes, Deputy Brehaut is right, those subscriptions would continue but they would be through delegated authority, rather than coming to the States.

The Bailiff: Any further debate? Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

I will vote against 1(c), which is that it should be possible to transfer the inscription from Part D from another part of the Housing Register, as I do not believe that when, as has been mentioned about the loophole that has been identified of multi-occupancy... that was never designed to be there. We have accepted in the 2013, and in these reports, that we had that situation and we have locked it in at 146 which is the number of properties on 10th May 2013, but I do not think having Part D, having these multi-occupancy houses is beneficial to our economy. We have a permit system and the permit system is there so that people can apply if they need it.

Deputy Queripel referred to possible people undercutting local people. I do not think that is beneficial to our economy. The whole point of the population controls is that you can turn on and turn off the system, and you can control... when there are a number of local people unemployed with a particular skill, you can then control the number of people coming in. That is exactly what the Housing Department has done so successfully, which is one of the facts that has kept unemployment levels low.

So having this pool of – 146, plus the 26, makes it – 172 Part D houses. I do not think is beneficial to our economy. It is far better that we have the controls on those people, through a permit system and when we have people who are employed with a particular skill we can then turn off this tap of people coming in, and allow the local person to get a job. That is what we should be doing – protecting our local people. So I will vote against 1(c) because I do not want further houses put on to Part D; when those which are there come off, they should not be replaced.

Also I would like to comment on Part D in relation to the effect it has on some local people and on some... because in the 2011 consultation it looked at the number of people in Part D – at that point there was 556 people. Part D then – you either had to have Housing Licence or you were local. The only other people living in Part D were the owner or the principal tenant, which could be non-local.

So we had 29 properties then, which were on Part D and 556 people living in them, mostly either Licence Holders or local people. We are now going to close all those properties to local people and they will be open to non-local people. Yes, local people still live in them, but I do not think that is beneficial to our population. So I will vote against 1(c).

I will also vote against 1(e). I think that if you want to inscribe a property on to the Housing Register it should come through this Assembly. I think it allows Members to challenge it and we have had that in relation to the MURA policy. I think that is right and I would encourage Members

to vote against 1(e) so that we can decide if a property will be inscribed in the Register, because often policies are written not 100% clear, and to make that decision I think... should be made by this Assembly. The whole point, looking back through history, is that it was closed to adding new properties on to the Open Market; that is a situation that we should continue with and it is only this Assembly which should decide if properties can be added to the Open Market.

Thank you.

The Bailiff: Any further debate? Deputy St Pier.

Deputy St Pier: Sir, I rise just briefly to draw attention to the Treasury & Resources' comment on page 1460, and really emphasising the point which Deputy Kuttelwascher has made around the Treasury view that this legislation, if the Resolutions are approved, should be expedited. We do see this as being an economic development and an issue which affects the public finances, and if we can do all and anything we can to ensure greater certainty in the Open Market – and the quicker we can do it the better by getting this legislation on the Statute Book – we would support that, and again I just draw attention to that comment, sir.

The Bailiff: Anyone else? No. Chief Minister will reply to the debate.

The Chief Minister: Sir, I will start with Deputy Dorey's comments. His comments are consistent with his views in general and the philosophy that he has behind population control and population in general, and I respect him for that but I disagree with him on those views, as he knows. I think also it illustrates his comments on Proposition 1(c), for example, which states, and I will read it:

'It should only be possible to transfer an inscription to Part D from another Part of the Housing Register if the number of properties inscribed in Part D is less than the cap approved by the States of Deliberation.'

That is allowing something to happen; it is not prescribing it, it is not automatic, it is not saying it is compulsory; it is just limiting, in fact, the situations where that can occur.

In terms of 1(e) we could argue this for a long time – Deputy Brehaut raised it as well – but the point is we believe – and it echoes Deputy St Pier's view just now – we need to be as swift, as nimble as possible with this, in order to revitalise the Open Market; and to that end I just echo Deputy Kuttelwascher's words before, 'things actually happen!' I remember that it was, I think, actually the time when we were debating these related issues before, that he, Deputy Kuttelwascher and I, had a conversation outside – we must have been having a fire alarm or something at the time – when he suggested that we might enshrine the Open Market separately in legislation such as this so that we could be more secure in terms of using it for the intentions for which it was originally set out to be used, in more appropriate ways today. I certainly listened to his views at the time, and as a result of that I want to recommend that this Assembly firmly supports these proposals in this policy letter.

Thank you, sir.

The Bailiff: Members, I remind you we approved two amendments: one was to insert a new Proposition 1(g) and the other is an amendment to Proposition 3(c). Just those two amendments.

In view of Deputy Dorey's request that we have a separate vote on Propositions 1(c) and 1(e), I will put those two Propositions to you in a moment, separately, and then I will put the remainder of the Propositions altogether, unless anyone else wants a separate vote. I see no-one asking for that.

So we vote then on Proposition 1(c). Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

On 1(e) – those in favour; those against.

Members voted Pour.

2850 **The Bailiff:** I declare it carried.

We vote on the remainder of the Propositions as amended. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

POLICY COUNCIL

VIII. Maternity Leave – Maternity Support Leave and Adoption Leave – Propositions carried

Article VIII

The States are asked to decide:-

Whether, after consideration of the Policy Letter dated 1st June, 2015, of the Policy Council, they are of the opinion:

- 1. To approve the introduction of previously agreed statutory maternity leave, maternity support leave and adoption leave, referred to in Appendix 1 of that Policy Letter, and other consequential matters, before the introduction of the previously agreed changes to parental benefits.*
- 2. To approve the inclusion in legislation of consequential and supplementary provisions including, but not limited to, appropriate and proportionate mechanisms for enforcing the new rights consistent with those in existing employment legislation and which may necessitate some minor amendments to that legislation.*
- 3. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.*

The Senior Deputy Greffier: Article VIII, Policy Council – Maternity Leave: Maternity Support Leave and Adoption Leave.

2855

The Bailiff: Chief Minister.

The Chief Minister (Deputy Le Tocq): Mr Bailiff.

2860 This short but important policy letter represents one more significant step towards better compliance with the UN Convention on the Elimination of all Forms of Discrimination against Women, or CEDAW as it is more commonly known.

2865 For many in this Assembly – me included – the proposals to make maternity leave compulsory by law are long overdue – no pun intended. Indeed, the proposals in this policy letter were previously agreed by the States in 2012. Since that time there has been various toing and froing about whether the provisions relating to maternity leave could be introduced at the same time as changes were made to parental benefits.

2870 Ideally, this would be the case but, as Deputy Langlois will no doubt expand upon in his speech, the changes to maternity benefits cannot be made at this point. Therefore, rather than delay any further, the Policy Council is recommending that in the interests of women and children, the legislation to deal with maternity leave, maternity support leave and adoption leave be drawn

up as soon as possible. Indeed, if this policy letter is agreed today, then I am advised that the necessary Ordinance can be brought to the States for approval in the near future.

2875 Given the time that has elapsed since the States first considered these matters, employers could be forgiven for forgetting that these changes were on the horizon. With that in mind, various employer organisations and unions have been consulted again, plus it has been agreed that before the new legislation comes into force there will be opportunities for employers to be briefed at seminars to be run by the Commerce & Employment's Employment Relations Service.

2880 However, from a recent, albeit small, scale survey conducted by the local branch of the Chartered Institute of Personnel and Development, many businesses in Guernsey, both large and small, are already offering some form of maternity leave and maternity pay, which is good news, of course. Therefore, there may already be a high degree of preparedness when this legislation is introduced.

Accordingly, sir, I ask the Assembly to agree that the necessary legislation be introduced without further delay.

2885

The Bailiff: Deputy Bebb wishes to lay an amendment. I have had two amendments circulated, I take it one replaces the other. Is that right?

2890 **Deputy Bebb:** The amendment that I have just circulated to you, sir, is the same as the second amendment that has already been circulated, but Members will probably notice that there is a missing paragraph at the beginning, which is, 'To add a new proposition numbered 4, as follows:' and then the rest of the text is the same. I do not think it is necessary to re-circulate that to Members.

2895 Would it be helpful if I read out both amendments, and could I seek your leave to lay both of them at the same time?

The Bailiff: So it is two amendments that you are laying? Yes.

Amendments:

In Proposition 1, immediately after 'that Policy Letter' to insert ', together with an alternative option of statutory paternity and paternity support leave on similar terms to resolutions 2, 3, 5, 6 and 7 as set out in that Appendix if both parents so elect'.

To add a new proposition numbered 4 as follows: 'To direct the Commerce and Employment Department to return to the States by the end of 2016 with a policy letter proposing the introduction of shared parental leave on the same terms as laid out for maternity leave in resolutions 2, 3, 5, 6 and 7 of Appendix 1.'

2900 **Deputy Bebb:** Members, the principle with regards to shared parental leave is one that is now fairly well established. It has been introduced into the UK recently, but it is something that has been the desire in the UK for a long time before that. Indeed, when the Propositions that are before us today were first envisaged, it was on the basis of shared parental leave. That was the initial work that was done. Since then it has changed slightly and is what we have before us.

2905 I would hope that Members are supportive of the principle of shared parental leave, for a number of reasons. The number of men who would opt to take paternity leave, as opposed to women opting for maternity leave, is not likely to be great. However, it is only right that if couples so choose, that they should have that right.

2910 The other aspect which contributes greatly towards the work of CEDAW is that there is a practice that we know that goes on at the moment, but it is illegal... but we are aware that on occasion there are women who are disadvantaged because they are of child bearing age. Evidently, making it a choice removes that perverse incentive and therefore employers would have to deal with women on an equal footing because there would no longer be that perverse

incentive of maybe looking at a woman taking maternity leave when it is equally possible that a man would take paternity leave.

So the principle of shared parenthood is one that is widely recognised, not one person has approached me to say that they object to such a principle and I acknowledge that the numbers that may take it up immediately are likely to be small, but I think that it is the right direction and we should enable people to make that choice if it is appropriate for them.

There are certain institutions and companies here in Guernsey who already afford shared parental leave, and those are generally institutions whose policies are defined by the UK because they are a UK company and obviously the UK, having brought this in, also have those facilities in place already.

The difference between the two amendments, I think, is the one question that should be before this Assembly. I will lay out the differences as such. The first amendment would have an effect of a slight delay in any form of provision of maternity leave. I have had an extensive conversation... I would like to thank the Commerce & Employment Department's staff for the extensive conversations that I have had with them. I was quite impressed actually with the quality of the staff there. (**Several Members:** Ooh!) No, having had many conversations prior to that with people who did not seem to understand the matter but wanted to object to it, I finally came through to someone who had a very good grasp, and that has persuaded me of the need to lay both amendments and to explain the differences so that Members may choose the best approach.

The first amendment would have the effect of delaying the introduction of maternity leave for some period of time. It is felt that there are some complexities, some issues, that would need to be dealt with, that employers may need to be assisted a little bit differently... and all the materials that the Chief Minister referred to in his opening speech, that is currently ready to start in relation to workshops and so forth, that may be delayed.

Whilst I asked for an understanding as to what type of delay we were looking at, it was difficult to put a timeframe on it and I am therefore not willing to speculate any more than the staff were able to, and they did not feel that they could. But it has got the advantage that we would see one change.

The second amendment would see the proposals as they currently stand unamended progress immediately, and my understanding is that the hope of the Department is that the maternity leave would come into effect early next year – definitely by mid next year – and then the proposals for shared parental leave, I understand from the staff, should not be a problem for the first policy letter to be back at this Assembly by the end of 2016, with the provisions maybe coming into place a further year hence.

But it does have the disadvantage of two changes for businesses to undertake. They will have to undertake at the beginning of next year a change in order to facilitate maternity leave, and about two years later they will need to undergo a second change in order to facilitate shared parental leave.

I understand the arguments that were made by the Department. My preference is to go for the first amendment. I honestly believe that we can make the changes with little effort. The work that we are asking employers to undertake will already be undertaken by those in relation to women. I am struggling to understand the complete complexity in relation to men and when I did question one person about it they said, 'Well, it is obvious if a woman is pregnant,' to which I answered, 'Is it obvious when they are adopting?' and of course that is it. We already have the facilities within the current proposals to deal with adoption; there is paternal leave, unpaid, that is also within the current proposals.

So there is a lot, I feel, which is already in place. I recognise that there would be a delay, but I would hope that that delay would be minimal and we would undertake one change. But I realise that some people feel that there are other complexities which may come into force and that is why the second amendment is before you.

Members, I hope that all of us can agree that an equal footing and shared parental leave is something that we all fully embrace, and that is not the question really before us today. The

question before us is whether we want to undertake one change or two changes to businesses with the understanding of whether we have a delay for any form of maternity leave or whether we actually progress immediately.

Thank you.

The Bailiff: Deputy Le Lièvre, do you formally second the amendments?

Deputy Le Lièvre: I do, sir.

The Bailiff: Chief Minister, do you wish to speak on them at this stage?

The Chief Minister: Only to say, sir, that it has been rather late in the day for Policy Council to consider this, and bearing in mind that we are certainly *for* the general – (*Interjection*) Well, we have had quite a number of other things on our agenda as well and when Deputy Bebb laid this before us, the general feeling was: with regard to his first amendment, we could not support that on the basis that there is no research that has been done, or help towards employers, for example, who were not expecting this, whereas they have been consulted over the proposals as they stand; with regard to his second one, which is really asking the Commerce & Employment to return to the States with a report later on, that does give time to do that and I think a majority of Policy Council are minded not to oppose that one. If that is helpful for Members then that is the situation.

The Bailiff: Deputy Burford.

Deputy Burford: Thank you, sir.

I am grateful to Deputy Bebb for bring this amendment. It is the sort of similar amendment that I would have liked to have brought if I had not been quite so bogged down with other things, so I am pleased it is here before us today.

My preference would be to go for the second amendment. The reason is I simply do not want to see any further delay. I am glad we have got this Report here today and I do not want to see any further delay.

I am a little bit perplexed by the second amendment which gives 18 months to the Commerce & Employment Department to come back – or 17 months – because that kind of indicates to me that maybe if we approved the first amendment that would be the kind of delay we would be looking at. I do not know if the work can be done any faster by Commerce & Employment, so I will be certainly supporting that second amendment and hope that the work is undertaken as quickly as possible.

While I am speaking I would just like to set in context what we are looking and what is actually on offer in the UK at the moment – and I am not saying that we should always slavishly follow the UK, but on this point I think they do set a good standard for us. Currently in the UK you can have 52 weeks' leave; that versus the 26 that we are proposing. The entire period can be shared between mother and father – the parents – and you only need to have been employed for six months versus the 15 months that we are proposing.

So, as you can see, we are even with what we are proposing; we are still some ways behind, so I do not think we are dealing with this necessarily fast enough, and I do not think we are necessarily going far enough, but I think the second amendment is another step in the right direction and I will certainly be supporting it.

The Bailiff: Deputy Stewart, Deputy Gollop, Deputy Soulsby, Deputy Fallaize.

Deputy Stewart: Just to say I think the second amendment, from the point of view of the Commerce & Employment Department or whatever it morphs into after the next election, is sensible and I do thank Deputy Bebb for his kind words about our Department.

I had a long chat too with our people in Employment and the reason why this will take some time is it is not quite as straight forward as it seems. We have to be mindful that there are already other employment-related work streams under way. We will have a period of election, we will then have the period of reorganising the departmental work, and then of course you have got that delay of getting it to Policy Council several months ahead.

So I think it was explained at some length that it was not about procrastination, it was about a realistic timetable. So I think 18 months to actually reframe this as the second amendment. I cannot support the first, but I will support the second amendment.

Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Sir, I am often keen to see change on these matters as quickly as possible, but I do not think we are fully aware of all the implications of going for the first amendment, especially as this is something relatively new for Guernsey and has perhaps had a mixed reception from employers; although I think the more modern human resources organisations very much welcome this and I will support everything Deputy Burford said.

To my slight surprise, the Town Douzaine were very welcoming of this whole concept in legislation, and also I think the broad thrust of the Bebb amendments, and they certainly would like to see a culture of more equal parenting and changing attitudes, and for people to feel that they can have it all – a good family life and a meaningful career. So I am going to support Deputy Bebb's second amendment, which allows a more detailed report from Commerce & Employment.

As a member of the Social Security board we are aware that a lot of work has gone on and is going on, almost as we speak, on the other side of this for CEDAW on the work to do with financial provision for the Resolutions; and so I do not think people should think that just by voting for this package today, they are ignoring the other demands. Work is going on and that will be good to hear.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, yes, I am pleased to support the second amendment. I agree with Deputy Bebb that the staff at the Employment Relations Office and senior... are excellent and I am happy to listen to what they say and recommend.

So certainly the second amendment. If nothing else, because we have been waiting for maternity leave to be put in since 2012 and I think it is about time it was put in place. Having said all that, I really, although the Chief Minister said this is an important Report, frankly, I do not know how much difference it will make until we actually have the funding behind it, for how many people are actually going to be able to take so much leave without having the pay behind it. But I will support the second amendment.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I have got something to say about funding, but I will leave that for general debate.

I strongly endorse maternity and paternity provisions, not least of all because of the reason Deputy Bebb laid out – that introducing paternity provision alongside maternity provision militates against the potential for discrimination against women of childbearing age.

I have a slightly different reason for favouring the second amendment and it is because – and this actually relates to the investigation that would be carried out if the second amendment is

successful – I am not in favour of shared leave, because I think that you need to keep parental provision and maternity provision separate, de-coupled; because if you conflate them, because we live in a relatively conservative society, I am very concerned that by bringing them together, the concerns that will be expressed by many people in business and other people in politics, about paternity provision will end up delaying the implementation of maternity provision, and even if it is introduced it could mean that maternity provision is introduced in a less progressive and less ambitious way, because too many people will be afraid of those rights being extended to fathers as well as mothers.

So I am not in favour of shared leave in that sense, I am in favour of retaining separate provision; but I will fully support the second amendment, sir.

The Bailiff: Deputy Langlois.

Deputy Langlois: Yes, thank you, sir.

Like Deputy Fallaize, there will be aspects of the funding of this which will come up in general debate, but I think on this occasion, sir, we cannot miss in this Assembly the unique opportunity that these two amendments present. That is for me to get on to *Hansard* the comment that, on this occasion, I completely agree with Deputy Burford, (*Laughter*) in every aspect of what she said, and I already shocked her by saying that once in Policy Council on Monday, so I repeat it now and I think this is absolutely the right way round – to go for the second amendment, but to reject the first one.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I would be grateful, perhaps for clarification from either Deputy Bebb or the Procureur or possibly the Minister for Commerce & Employment, on exactly what the second amendment would... how it would bind the Economic Development Committee in due course if this is passed; because it is a direction to the Commerce & Employment Department to return with a policy letter proposing the introduction of – it is not an investigation of – so it does seem to me that we would be making the decision today to introduce shared parental leave, and I would be grateful, perhaps before we proceed, for clarification on whether that is indeed the case, because that will affect my comments afterwards.

The Bailiff: Mr Procureur.

The Procureur: I mean it seems to me that when the business of Commerce & Employment is taken over by whatever committee it is, with an italicised middle bit, (*Laughter*) that people considering whether to stand for that new committee will know that that committee comes directed to do something.

Deputy Fallaize: Sir, it will not be Economic Development, it will be the Committee for Employment & Social Security, in any event.

The Bailiff: Deputy Le Lièvre. Sorry, Deputy St Pier, have you finished?

Deputy St Pier: I have not, sir.

The Bailiff: You have not finished?

Deputy St Pier: I do not think that the Procureur answered my question at all, but I take it that it is a direction to introduce, and that appears to be what Deputy Bebb is expecting from the amendment and that does concern me, sir; because although, like others in the Assembly, I am

sure the principle of embracing equality on this issue is one that I think we do all share, but if we make the decision this afternoon to introduce shared parental leave without any consultation with industry and employers, then we simply do not know what the implications of that will be. I am not in a position to advise the States at all on the cost implications for us as the Island's largest employer for granting shared parental leave.

I will give way.

The Bailiff: Deputy Bebb.

Deputy Bebb: I thank Deputy St Pier for giving way.

Just in order to assist him, the amendment is worded so as to direct with the expectation of introduction, but evidently if, as part of the investigation that will be necessary, the Department will find other things, then obviously it is within the Department's gift to bring a proposal not to. But I am advised by the States' Treasurer that there is no financial implication for the States, as employer, towards an introduction of shared parental leave. (*Interjections*)

Deputy St Pier: Well, I have not been advised by the States' Treasurer (*Laughter*) and I simply cannot believe that that is the correct position, because if we are granting leave to employees, which they would not currently have, in respect of their becoming a parent from a partner who is employed elsewhere – so in other words they are getting leave, which they do not now currently have – that must come at a cost to the States. So –

I will give way again.

The Bailiff: Deputy Bebb.

Deputy Bebb: I thank Deputy St Pier for giving way.

I think that for every employee whereby the States would have a paternal leave, it is equally possible that it would work the other way round with a woman who goes back to work and the paternal leave is taken by a different employer. I think that that was the principle behind 'no cost' which is what I was advised of.

The Bailiff: Deputy St Pier.

Deputy St Pier: That may or may not be the case, but I think there is sufficient uncertainty that I am struggling to support this amendment, to introduce such a change on the back of an amendment without any consultation and without truly understanding the cost implications.

Thank you.

Deputy Langlois: Point of clarification, sir.

I am now confused and I would like an interpretation of the wording here, because the way I read this amendment, it say that you are asking the new committee to come back and propose the introduction. Now, if that comes back to the States, the States can say, 'No, you are proposing it. We do not want it,' and that is when the decision is made.

What it is doing *is* it is restricting the amount of work that the committee will have to do, because it does not ask it to do all the fundamental research on whether it is a desirable thing or not. It says if you are going to do it how do you do it?

So I would like clarification from somebody about whether I am voting for a piece of work which leads to a set of Propositions which the States can still reject.

The Bailiff: Deputy Le Lièvre.

Deputy Le Lièvre: Thank you, sir.

3170 Well, do not look to me for clarification! (*Laughter*)

When Deputy Bebb contacted me about his amendment, probably unwisely, I agreed without even looking at it, because I believed what he told me over the phone (*Laughter*) was that – and I am not changing that, I wholly support the amendment... He told me that it was all about fairness and equity and flexibility, and assisting families sort out their financial arrangements so that people could benefit from these proposals. That is eminently sensible and that is why I agreed very rapidly to support it. Then a couple of days ago he e-mailed me to say that the Policy Council was wholly against it to a man, and I realised that my initial thoughts were absolutely correct – it is sensible! (*Laughter*)

3180 I think I do not know how many Deputies have read the 2012 policy letter, but it is a landmark document, as opposed to this rather pallid follow-on document, which takes the emphasis completely away from the all-encompassing view of the original policy letter.

If Members could just bear with me for a minute, I will read one or two of the highlights. Right at the beginning in the Executive Summary it talks about:

'The proposals will also help to meet the social policy's specific objective of the States' Strategic Plan of greater equality, social inclusion and social justice.'

3185 Next paragraph it talks about promoting gender equality, protecting health and supporting the family. Over the page it says:

'The proposals will help to meet the Social Policy's objective [etc., etc.] and according to the States Strategic Plan the States will strive to promote equality wherever possible, especially with respect to previous States' objectives to minimise sex, race and disability discrimination.'

– and 2.7, which I think is probably the most important paragraph in the policy letter, says:

'... that improving maternity provision will also contribute to increased social inclusion, improving child and maternal health, help to reduce child poverty by giving families with new-born children more income security, improving the work-life balance of families and maximising the workforce by making it easier for women to re-enter employment.'

3190 There are a lot of statistics. I am surprised that the Chief Minister says that there are comments that we will have to consult with employers, because the policy letter is full of little graphs where they ask questions of employers – not surprisingly, most of them were against it – and I suspect that the outcomes of any further consultation will prove to be exactly the same. But the overriding thrust of it was support, especially from employees, and support for parental choice.

Now, in paragraph 7.18 of that there is a new-born care allowance, it talks about:

'Whereas the proposed maternal health benefits is for the birth mother only it is proposed that the new-born care allowance should be for either parent.'

CEDAW states in its preamble that:

'...a change in the traditional role of men as well as the role of women in society and in the family is needed to achieve full equality between men and women. Many women choose to reduce their work commitment to look after children, however, traditional gender roles along with the typical lower earnings of mothers have created a strong incentive for women to take on the majority of child care responsibilities. In addition the benefits provide and encourage this behaviour. As a result women take on a larger amount of child care responsibilities than men, which often affects their ability to progress their careers in the short to long term. If benefits were only provided to the mother this would mean that they would have no choice but to be the main carer if the family wants to receive the benefit. It would also mean that men are denied the same opportunity of actively participating in the care of their children. As a result many countries have moved away from the traditional male breadwinner model to a more gender neutral model of parental benefits. CEDAW does not have a specific article regarding requiring countries to provide paternity leave, however there is considerable evidence that these rights play a significant part in achieving gender equality which is the goal of CEDAW.'

3195 Now, against those *high-falutin* sort of qualities of that policy letter, which really was, as I said, a landmark document, what do we get from the Policy Council this time?

'The Policy Council considers that whilst not everyone would be financially able to take advantage of the 26-week statutory maternity leave period until the extended period of benefit was available the full 26-week period of statutory maternity leave would provide additional flexibility for women who could afford to take longer leave but were currently unable to do so.'

So where have all the high moral values gone about child poverty, about new-born children with more income security, about improving the work-life balance of families. This is a weak, soulless policy letter (**Several Members:** Hear, hear.) and the amendment seeks to inject a bit of life into it and to put it back on the right path, because as I read this, parental benefits and the balance, the work life balance of families, will generally drift away. There is nothing in this Report. This one is completely different to this – even the title, Maternity Leave: Maternity Support Leave and Adoption Leave. This one talks about – this is the original of 2012 – Maternity and Paternity Provisions and the United Nations Convention on the Elimination of all Forms of Discrimination against Women. Now, that one gave hope for the future; this one just says, 'Well, we will just introduce something. There is no cash to it, there is no benefit and those that are wealthy enough can take advantage of it.' Where has all the child poverty gone? It has disappeared.

Sorry, I will give way.

The Bailiff: Deputy Burford.

Deputy Burford: I thank Deputy Le Lièvre for giving way.

While I endorse 95% of what he said, I think I would just like to point out that, due to an amendment – well, it is not due to an amendment – the reason I brought an amendment some months back on the issue of parental pay, as opposed to leave, was that the pay part seemed to have got all caught up in the Tax and Benefits Review and was disappearing off the far horizon, and my amendment sought to decouple the two so that we could at least grab one of the prizes in terms of the leave and let that accelerate; and in fact then the pay is going to be reported on, I understand, by SSD as part of their uprating report.

So it was not ideal. It should have been done sooner, but I think that is the reason that there is nothing in this Report about the pay. Indeed, at Policy Council they were looking just to keep the leave portion down to 14 weeks, I think, and I did intervene and said that at least if we have it at 26 weeks those who can afford to take it can. It is not an ideal situation but it is another step in the right direction.

The Bailiff: Deputy Le Lièvre.

Deputy Le Lièvre: Thank you, Deputy Burford.

Well, if somebody handed me a prize like that, I do not want to be ungrateful but I would hand it back.

The amendment seeks, as I said, to inject some life back into what is, I consider, a failing document. I would ask Members to support it. I am not very keen on the second one. Although I have seconded it, it actually kicks the can down the road, it really does and it will give every excuse under the sun not to deliver. We were on the verge of delivering in 2012; we are now a million miles away from doing so and what we will deliver is not going to be effective – and not effective for the very families that need it most.

I would ask the Assembly to support the amendment number 1.

The Bailiff: Any further debate? No. Deputy Bebb.

Deputy Bebb: Thank you, Monsieur Le Bailli.

I believe Deputy Le Lièvre outlined, far better than I could, exactly where we have already agreed we are going. This whole idea with regard to whether we should or should not is a

decision that is already made, and to seek to try and delay things on that basis is to delay things further on decisions that have already been made.

3245 There are certain questions that were raised, specifically in relation to the timeframes of the two. My understanding is that were we to go for the amendment number 1, we are not looking at an 18 month delay, we would be looking at a shorter delay than 18 months.

3250 The reason why amendment number 2 has those timescales is because the staff who would implement the current maternity provisions, as outlined in the original report, are exactly the same people who would need to do the work, and they feel that their workload would be sufficiently full between now and the introduction of the maternity provisions, that they will not be able to undertake the work relating to shared parental leave until after that Law has been introduced.

3255 Evidently, if we choose today to go for amendment number 1, we will not see an 18-month delay but they will have to work through whatever the issues are between now and the introduction. So it would not be an 18-month delay.

3260 I believe, personally, that if we go for amendment number 1 we will keep the pressure on, in order to see a change that is long overdue. My main reason for laying the second amendment is, as I said: there are arguments for introducing the second amendment instead but that would really be a decision here. I felt that if I did not lay it then we would have just the Propositions unamended which I do not think go anywhere near far enough.

3265 Deputy Stewart raised the point in relation to the timeframe, and I fully concur that having discussed with the staff at Commerce & Employment I can attest that my strong belief is that it is not because of procrastination on their part. There was a strong feeling from the staff that they had progressed this as fast as possible, once the leave had been decoupled from the benefits, and that they would wish to progress as speedily as possible in relation to either amendment that we support today.

3270 In relation to whether there is a cost to the States, I am a little staggered that the Treasury Minister seems to be contradicting the Treasurer. I know that the Treasurer and I are capable of speaking the same language, but I think a grasp of the English language is also spectacularly good and it would not take much to pick up the phone. There is no cost to the States. To actually suggest that because certain men might choose to take paternity leave we would actually see a greater cost, because the States employ more men, is false. There are no cost implications, and the other reason for attesting that there is no cost implication is because the greatest difference in pay scale for men and women happen after maternity leave. Therefore, prior to the leave, there are no costs.

3275 Members, I think that the right choice is to go for the first one, accepting that there would be a delay of some form from the introduction of maternity leave, but ensuring that we keep the pressure on to ensure that proper shared parental leave is actually introduced as speedily as possible. But if you are unable to support that, for whatever reason, please support the second amendment because realistically this is something that we need to progress and the timescale of the end of 2016 is one that the Commerce & Employment Department feel is eminently possible.

3280 Finally, the question on the second one was also asked, and it is to direct the Commerce & Employment Department to return with a report in favour, and there is no point in trying to question whether it is appropriate enough for us to be determining the workload for the next Assembly; we already did that in the last debate in relation to Island-wide voting for the next SACC. We are content to do such things and let's not imagine that when we arrived as Members in 2012 we arrived into a vacuum; we arrived into a whole host (**A Member:** Hear, hear.) of States' Resolutions which determined a lot of the work that had to be done this term. That is a false argument and quite frankly it should be rejected. The debate in relation to shared parental leave is had – it is done; there is a States' Resolution that we must do it. This ensures that it is done in a timely manner.

3290 Support the first amendment, in my opinion. If that fails please definitely support the second one, because the message if you do not support either is horrific in my opinion.

Thank you.

3295 **The Bailiff:** Members, we vote on the first amendment proposed by Deputy Bebb, seconded by Deputy Le Lièvre and for the avoidance of doubt that is the one that seeks to amend Proposition 1.

Deputy Bebb: Could I ask for a recorded vote on both, please?

3300 **The Bailiff:** We have a recorded vote on the first amendment proposed by Deputy Bebb, seconded by Deputy Le Lièvre.

There was a recorded vote.

Not carried – Pour 14, Contre 30, Ne vote pas 1, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Alderney Rep. Jean	Deputy Harwood	Deputy Hadley	Deputy O'Hara
Alderney Rep. McKinley	Deputy Kuttelwascher		
Deputy Brehaut	Deputy Langlois		
Deputy Domaille	Deputy Gollop		
Deputy Robert Jones	Deputy St Pier		
Deputy Le Clerc	Deputy Stewart		
Deputy Sherbourne	Deputy Gillson		
Deputy Conder	Deputy Ogier		
Deputy Bebb	Deputy Trott		
Deputy Lester Queripel	Deputy Fallaize		
Deputy Le Pelley	Deputy David Jones		
Deputy Le Lièvre	Deputy Laurie Queripel		
Deputy Dorey	Deputy Lowe		
Deputy Wilkie	Deputy Spruce		
	Deputy Collins		
	Deputy Duquemin		
	Deputy Green		
	Deputy Paint		
	Deputy Le Tocq		
	Deputy James		
	Deputy Adam		
	Deputy Perrot		
	Deputy Brouard		
	Deputy De Lisle		
	Deputy Burford		
	Deputy Inglis		
	Deputy Soulsby		
	Deputy Sillars		
	Deputy Luxon		
	Deputy Quin		

3305 **The Bailiff:** Members, the result of the voting on the first amendment proposed by Deputy Bebb, seconded by Deputy Le Lièvre, was 14 votes in favour, with 30 against, and one abstention. I declare the amendment lost.

We vote then on the second amendment proposed by Deputy Bebb, seconded by Deputy Le Lièvre – the one that seeks to add a new Proposition numbered 4. There is a request again for a recorded vote.

There was a recorded vote.

3310 **The Bailiff:** While those votes are counted, does anybody wish to speak in general debate? Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I am afraid that my instinct is to vote against all the Propositions. I think this policy letter, if it represents any kind of victory at all, for even moderately progressive social policy, it is a pyrrhic victory. I agree with Deputy Soulsby that the provisions are likely to be virtually meaningless without the introduction of the parental benefits – the financial element.

Now, Deputy Le Tocq said that if the policy letter was approved the legislation could be prepared in the near future. Now, I wonder what is mean by 'in the near future'. If one takes a charitable view of that, it may be that in the early months of next year, the States are presented with legislation, let's say January 2016, but in the policy letter it says that it will not now be possible to introduce the approved benefits until January 2017 at the earliest.

Now, I accept it says 'at the earliest', but it does mention January 2017. So quite possibly the difference between approving this policy letter and waiting to do the whole thing – the leave provisions and the parental benefits – at the same time is perhaps 12 months.

Now, that is why I say I think it is a pyrrhic victory. I have a fear that once the maternity leave provisions are in place, it will be the perfect opportunity for the States to back away from introducing the parental benefits – the financial element. As I say, without which the leave provisions will become virtually meaningless, or meaningless to anybody other than someone who can afford to take time off work at their own expense.

So my view is that we are more likely to achieve progress if we do both of these elements at the same time – the maternity leave and the parental benefits. I am prepared to forego the introduction of the former for 10 months, 11 months, 12 months – whatever it would be – in order to put as much pressure as possible on expediting the delivery of the parental benefits, which is the most important part.

Now, I would not feel this way if we had received from the Social Security Department, in the past three years, some indication of what they were going to propose in order to put in place the parental benefits. But we have not received anything.

Now, it is all right for the policy letter to say the soonest this could be implemented is January 2017, but we have had no proposals put before the States in terms of how it is going to be funded. Now, I find it difficult to believe the States are going to decide in October or November of one year to increase social insurance contribution rates with effect from a few weeks later; and I think that there is the strong possibility that at some point the Social Security Department or their successors will come to the States and say, 'If you are going to introduce parental benefits, financial benefits, these are the changes, the increases, that need to be made in the contribution rate,' and the States are going to say, 'Well, okay, we note that that has to be done but we do not want to do it now, it is a difficult time for employers, so we will do it in a year's time or two years' time or three years' time.' I think that once the maternity leave provisions are put in place, it will be a box ticked in the social conscience column, which will be virtually meaningless for most people in Guernsey and I would rather us approach both of these subjects at the same time.

I normally am in the camp of saying that perfection is the enemy of the good, but in this case I think that voting in the way that the Policy Council propose just presents too much opportunity for the important parental benefits to be kicked down the road for even more years than they have been already.

Carried – Pour 35, Contre 10, Ne vote pas 0, Absent 1

POUR

Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Langlois
Deputy Robert Jones
Deputy Le Clerc
Deputy Gollop

CONTRE

Deputy St Pier
Deputy Gillson
Deputy Trott
Deputy David Jones
Deputy Spruce
Deputy Perrot
Deputy De Lisle
Deputy Sillars
Deputy Quin
Deputy Hadley

NE VOTE PAS

None

ABSENT

Deputy O'Hara

Deputy Sherbourne
Deputy Conder
Deputy Bebb
Deputy Lester Queripel
Deputy Stewart
Deputy Le Pelley
Deputy Ogier
Deputy Fallaize
Deputy Laurie Queripel
Deputy Lowe
Deputy Le Lièvre
Deputy Collins
Deputy Duquemin
Deputy Green
Deputy Dorey
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam
Deputy Brouard
Deputy Wilkie
Deputy Burford
Deputy Inglis
Deputy Soulsby
Deputy Luxon

The Bailiff: Well, Members, I can formally declare the result of the voting on the second Deputy Bebb/Deputy Le Lièvre amendment. There were 35 votes in favour and 10 against. I declare the amendment carried.

Does anyone else wish to speak in general debate? Deputy Perrot.

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Deputy Perrot: I rise simply to place on record that, had I been in the States in February 2012, I would have voted against the policy letter and I shall be voting against the Propositions.

The Bailiff: Deputy Bebb.

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Deputy Bebb: Thank you, Monsieur Le Bailli.

In relation to Deputy Fallaize's comment as to when the proposals would be brought into effect, there was an expectation that it would be done with Employment Law generally coming into effect either in October or March/April – that it would be done by March/April next year – but, of course, that is on the basis of the staff at Commerce & Employment and the conversation that I had with them. Evidently, the Ordinance that is being prepared will need to come before the States and nobody should guess whether that would actually go through or not. I would sincerely hope that it does.

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I have to say, evidently, I am disappointed that the first amendment did not go through and I think that the point really is in relation to what we are actually offering. We are offering people who are wealthy enough the opportunity to take leave and we are actually making no provision for those people who cannot afford it. It is shocking that the proposals in 2012 were allegedly caught up in the Personal Tax and Benefit Review, and yet the Personal Tax and Benefit Review made no mention, to my recollection, of maternity provisions – only through an amendment was anything laid. So we really have seen procrastination on an appalling level in this term on this issue and I cannot understand how someone could tie it into another issue and then make no reference to it. It is staggering.

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As to throwing it out, it is tempting and I have to say that I am tempted to throw it all out on the basis that realistically it is a mealy mouthed type of approach, and I am tempted to say, 'Come back with proposals as originally envisaged,' and I believe that there would be merit in delaying it in order to have such proposals before the Assembly; because if we do reject this I am convinced

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that this is something that we consider to be of sufficient import, that it would be progressed. I believe that it would be progressed with some haste. But on the other hand, I do understand the general consensus that we need to have something, and that is the difficulty.

3390 At this point in time I have a preference to vote against all the Propositions, except for obviously the new Proposition 4, which is my amendment, for the simple reason that we need to do something and I believe that that Proposition could be completed if proposals were brought back for parental leave, as opposed to maternity leave.

3395 The other question in relation to the complexities and having to consult with business and all the rest of it – I have to say that one thing that annoys me is that we constantly go on about it and we never say no. On this occasion we need to provide direction. We need to take the bull by the horns.

3400 I was staggered to hear after the Budget debate in the UK that one Conservative Member said, by the introduction of the new minimum wage up to over £9, that realistically what they were doing was giving a kick in the backside to businesses for being so lazy in implementing pay rises. I thought to myself this is the business friendly party in the UK. We, on the other hand, would never even contemplate giving a kick in the backside. We are so beholden to the whole idea that we must consult and consult and consult and regardless of whatever comes out we still find another reason to procrastinate.

3405 Here we have something which does feel tokenistic, and realistically I think that it is a decision that Members should think carefully as to whether or not we put something tokenistic so that we can tick that little box to say, 'I supported maternity leave'; or do we actually go for that bold vision in 2012, that realistically we need to have proper provisions that deal with the social issues around the whole of maternity, the whole of CEDAW, rather than just one simple tokenistic measure.

3410 I am tempted to vote against it and if anybody feels that that is the wrong approach I would be very interested to hear it in debate. At the moment I am unconvinced that it is.

Thank you.

3415 **The Bailiff:** Deputy Langlois.

Deputy Langlois: Thank you, sir.

3420 Well, we have got into tokenistic and we have got into overlaps and differences between umbrella policy and timing and all sorts of things, and we have got amendments that have been passed already saying that our Department should definitely bring forward certain Proposition – which we will be doing in October and so on.

I cannot resist the mention of the baby and the bathwater here, sir. (*Interjection*) I know it sound rather awful at this time of day, but it is there, without a doubt. Whatever you think of the proposals, they are there.

3425 Sir, I will begin by saying that my board is totally supportive of the Policy Council's proposals to introduce the statutory maternity leave, maternity support leave and adoption leave, agreed by the States in February 2012. Right. That is what is in front of you; it is an agreement to implement what was agreed in 2012, ahead of the implementation of the changes to parental benefits.

3430 In 2012 Members also resolved to direct my Board to report back to the States at the same time we report on the funding of other benefits, with proposals for funding the agreed changes to parental benefits and the request for the preparation of the necessary legislation.

3435 Now, can I just briefly remind you, because we are getting a little bit lost here in terms of what is on the table... to remind ourselves the Resolutions were: to change the maternity grant to make it available to all new mothers; to split the maternity allowance into maternal health allowance available only to mothers; and a new-born care allowance available to either parent; to introduce a new adoption grant at the same rate as the maternity grant; and to introduce a new benefit of parental allowance, available to adoptive mothers or father. That is what the Propositions are that we are in the process of supporting.

My board will bring proposals for funding of these new benefits formally to the States in October as part of the Department's uprating report – as directed by Deputy Burford's amendment to the PTR report in March this year. In other words, each of these steps has been forward moving steps. They might not have been quite as big as some people would want. They almost might not be in precisely the direction that some people want, but they are forward moving steps. I think it would be helpful for today's debate if I give early notice of what those proposals will be, because there will be differing reactions to these.

The 2012 Policy Council report stated that the new package of parental benefits would cost, at 2012 rates, in the order of £1.9 million a year. Which would require an increase in social insurance contributions of around 0.2%, and I hasten to add that some of these are indicative-type figures, because there are aspects of indexation and also modelling of the take up of these benefits, which would have to be done before you can get to a closer budget figure.

A Proposition in the joint Treasury & Resources and Social Security Report on Personal Tax, Pensions and Benefits Review in March this year was to undertake this review of funding within the scope of the PTR. This is where the problem starts which has led to some of the concerns which have come out in the last quarter of an hour. That Proposition was successfully amended by Deputy Burford. The effect being to bring the new parental benefits into effect as soon as possible, independent of other pension and benefit considerations. If I hark back to the PTR, this is going to be a pattern which will emerge and which will be repeated, inevitably, over the next few years, because the PTR is all about long-term directions and actually implementing each of these steps is going to be a very different game.

Whilst we are still finalising the October report, my board wants it to be known now that we will be proposing in the October States' meeting that there will be a 0.1% increase in the contribution rate for both employers *and* employees – and before anybody gets confused by the arithmetic, I had to think many times about it; that does actually mean a 0.2% increase, because it is supplied to the total income in each case – to finance the new parental benefits. We will be proposing that the new contribution rate should apply from January 2017, which is when the new benefits should be available.

These proposed contribution rates are consistent with what has been put forward in previous reports on the subject and consistent with what was contained in the wording of Deputy Burford's amendment.

So, sir, more detail will be available in our uprating report, but in the knowledge of what is coming I thought it necessary and helpful to provide that information now. In that connection, I would – with my Policy Council hat on – urge everybody to not take flight from these sensible progressive proposals and to support the Report.

The Bailiff: Deputy Burford, then Deputy Stewart.

Deputy Burford: Thank you, sir.

I do find myself in the strange situation of agreeing with Deputy Langlois, but I am encouraged by the fact that it will probably carry on through to the Transport Strategy, so we are doing well there. *(Laughter)* I am in the equally strange situation of disagreeing with Deputy Fallaize, who usually copies my voting record to the last.

But I have sat in the living room *(Interjection)* of a woman in Guernsey who was about eight and a half months pregnant at the time and we were talking about this. She had asked me to go round and see her. What is apparent from the story that she told me, and also from my own awareness of this situation, is that it is not actually all about money and it is not about dividing the rich and the poor.

I mean at the end of the day these benefits are in the region of £180 a week, I think – it is not an inconsiderable amount but it is not a high salary – and what people are looking for, in addition to the benefits, obviously, where the leave is concerned, is the ability to have their job kept open; and that person wanted to be able to have her baby, to be able to stay at home for six months, to

breastfeed that child without the pressure to return to work or the fear that she would lose her job. I think that this leave is very valuable. I think it is a step in the right direction.

I am very pleased with what Deputy Langlois has said about the pay. I am concerned that it is not going to be until 2017. I do not know if that time scale can be shortened; it is still two years off. But I would urge everybody to support these proposals today.

Thank you.

The Bailiff: Deputy Stewart.

Deputy Stewart: I will keep it brief, sir.

To hear Deputy Bebb speak and say this is tokenism, I could not disagree more. To blindly follow – and it may be nice to – the UK on all sorts of social policies would be foolhardy. Last time I looked the UK is £1½ trillion in debt and is nowhere near fiscally balanced. We are. There are lots of nice-to-haves and it would be lovely to say yes to all sorts of social initiatives.

The fact of the matter is – and when we talk about booting employers – we are very different to the UK in many respects: our economy; we have no natural resources; we cannot possibly have the diversity into large manufacturing that they have. We have a total different economic base and, like it or not, a lot of businesses that are in Guernsey are extremely mobile and if we start talking about booting business and all this rhetoric, I think we are on a very dangerous path.

I think this is not tokenism and I think I take that as an insult. This is about being pragmatic, being Guernsey and to blindly follow just the UK, or any other country for that matter, would be foolhardy and I think we have moved this as quickly as we could and I hope we support the recommendations in the policy letter.

The Bailiff: Anyone else? No. Chief Minister then will reply to the debate.

The Chief Minister: Thank you, sir.

I just want to support Deputy Burford's comments, because really these proposals are before us in this way because she persuaded both Policy Council and this Assembly that it was right and proper to move in this direction in this way.

I recognise what Deputy Fallaize has said – that there is risks involved in this, that the States in the future, this Assembly, may use this as an excuse – but to, be honest, there were risks in the other direction and that is why I think Deputy Burford was encouraging us to move in this direction. I do accept that they are meagre – this is my own opinion – overall, compared to what we should be doing, but I do not share Deputy Le Lièvre's or Deputy Bebb's 'deligmea' over these proposals. I do believe that they will help some people and I believe as a result of that it is better to move forward now with these rather than delay any further.

So, sir, bearing in mind the amendment that has been laid and accepted by this Assembly, I ask that the Members here support the proposals as amended.

The Bailiff: Propositions, Members, are to be found on page 1472 and, as the Chief Minister has just said, you have added a fourth Proposition as a result of the successful second Deputy Bebb/Deputy Le Lièvre amendment.

Does anyone wish some of these Propositions to be taken separately, or can we take...? Deputy Bebb.

Deputy Bebb: Could I ask for Proposition 4 to be separate from 1 to 3.

The Bailiff: Well, let's take 1 to 3. We will take 1 to 3 together and then we will vote separately on 4. So what I am putting to you is Propositions 1 to 3, i.e. the original Propositions. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.
Proposition 4. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

POLICY COUNCIL

IX. The Guernsey Financial Services Commission – 2014 Annual Report – Proposition carried

Article IX.

The States are asked to decide:

Whether, after consideration of the Policy Letter dated 1st June, 2015, of the Policy Council, they are of the opinion to note the annual report and accounts of the Guernsey Financial Services Commission for the year ended 31st December 2014

3545 **The Senior Deputy Greffier:** Article IX, Policy Council – The Guernsey Financial Services Commission, 2014 Annual Report.

The Bailiff: Chief Minister.

3550 **The Chief Minister (Deputy Le Tocq):** Sir, I have very little to add to the Report itself. The States are asked to note this Report.

All I would say is that in my time in the Policy Council I am pleased at the improvements, both in terms of organisation and reorganisation, of the GFSC that have taken place during that time,; but also our ongoing relationship with them, and I think this Report echoes that, and so I ask
3555 Members to support it and note it.

The Bailiff: Deputy Soulsby, then Deputies Conder and Lester Queripel.

3560 **Deputy Soulsby:** Sir, before commenting on these accounts – which incidentally have been prepared in accordance with recognised Accounting Standards (*Laughter*) and are accompanied by an audit report that gives a true and fair view – I would like just to thank the Commission for the informative sessions they have held for Deputies over the last couple of months. I think those of us, small in number that we were, were impressed by the tone of the meetings and the greater approachability that seems to have developed.

3565 For years the Commission has been focused on institutional investors and large international businesses. However, it is evident that there is a strong realisation of the need to protect the smaller local investor. Sadly, this will not help those who have suffered through a lack of focus in the past. However, with a financial services ombudsman and new rules setting minimum qualification for investment advisors, as well as helping the campaign to make people aware of
3570 scams, I think this is changing.

In terms of the accounts, I would like to inform the Assembly that the Public Accounts Committee did contact the Commission last year, regarding disclosures in their accounts relating

to pay bandings. I am thankful to the Commission for taking note of our comments, which has resulted in an improvement in disclosure this year.

3575 Finally, I admire the Commission in the way it has restrained its costs, but note that I believe it likely from the meetings we had with them that we will receive a request for an increase in fees later this year. So whether the savings in 2014 are sustainable, therefore, remains to be seen.

Having said that, the Commission should be commended for listening and taking action at a time of increasing pressure of work from beyond our shores.

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The Bailiff: Deputy Conder.

Deputy Conder: Thank you, sir.

3585 One famous politician said, 'A week in politics is a long time' – two years is an extraordinary time in this Assembly. Two years ago Deputy Queripel and I, and others, led a charge in terms of the GFSC accounts, which were presented to us then – for approval, at that time, not to note. I well remember the Treasury & Resources Minister saying that the Commission was in the Last Chance Saloon and was acting like a spoilt child and would have had its last warning.

3590 I, like others, would wish to commend this team at the GFSC and, no less, the senior members of the Policy Council who engage with them – and I am sure that will include, of course, the Minister of Commerce & Employment, the Chief Minister and the Treasury & Resources Minister, and others if I have missed them out – which has clearly resulted in a change of culture and a change of approach, both towards this Assembly, to this community and, most importantly, to our most important industry.

3595 At the time, two years ago, I was the chairman of a financial services company. I no longer am, but I was well aware then of the antagonism and difficulty that this sector had in terms of its engagement with the Commission. So I applaud the Director General and his team for what has been achieved.

3600 If I can refer to the page numbers used by the Commission, which are the bottom of the page in our Billet, rather than our own, on page 6 in the Financial Director General's Statement he said:

'When I became Director General there was a clear concern in the Bailiwick about the growth in the Commission's cost base and hence the Commissioners and I embarked upon a quite far reaching change programme. We had committed to raise average fees by no more than 2 per cent per annum for three years...'

Then he goes on to mention that the pay of staff in 2014:

'There was no general pay rise... [and] saw the closure, for the Commission staff, of the States' Public Sector Pension Scheme, a defined benefits scheme.'

3605 That has clearly been carried out. If you just turn to the financial statements on page 10, it is interesting to see that the fees that the Commission has raised – I have the 2011/12 accounts in front of me as well, but – for example, the fees raised in 2011 were £12.6 million; by 2014 they had only risen to £12.7 million. In terms of salaries and pension costs, in 2011 they were £7.9 million by 2014 they had increased to £8.7 million. In terms of Commissioners' fees – and I think this is very noteworthy – the Commissioners' 2011 fees charged were £132,000; by 2014 they had only an increased to £214,000.

3610 So I think this is a really good story. Given my antecedents, you will forgive me, I hope, on just one slight sour note, just in terms of its total increase in surplus which has increased now to £1.6 million, can I just remind colleagues that that includes £440,000 unilaterally sequestered from the GTA (*Interjections*) in 2012, which has inflated, and will continue in perpetuity to inflate, their end of year accounts. And, of course, I should remind colleagues who has picked that £440,000 up – the taxpayer, whereas it used to be part-funded by the finance sector.

3615 Like Deputy Soulsby... and this will be – certainly in this States and possibly forever – my last chance to make that. So if I am not here, can somebody else make that point next year on the GTA funding? (*Laughter*) That is my legacy to you. (*Laughter and interjection*)

Finally, in common with Deputy Soulsby, I absolutely applaud greater transparency in terms of the number of staff by salary band. I have made that point every year, and compared the Commissioners' salary banding and statement of salaries, which is on page 55... compared that unfavourably with our own transparency in our own accounts where we are extremely transparent about the number of staff and the pay that they receive.

Interesting to note that in 2013 three staff were on salaries of £160,000 or above; in 2014 only one member of the GFSC staff was receiving remuneration of £160,000 or above.

So I think this is a good story and I think there are congratulations all round, and again I thank our colleagues in Policy Council who have engaged, and clearly do regularly engage, with the Commission; and I applaud the Commission staff, the senior staff, for achieving these outcomes.

Just occasionally we do have an effect. I remember Deputy Dave Jones saying, 'Who regulates the regulator?' Well, they regulate themselves and I think they have done it pretty well. So I think it is time to reflect that we have achieved something, in terms of the performance and transparency of the GFSC, and they have certainly achieved something. So I am happy to recommend that we note these accounts.

Thank you, sir.

The Bailiff: Deputy Lester Queripel, then Deputy Stewart.

Deputy Lester Queripel: Thank you, sir.

Sir, as Deputy Conder has already alluded to, during the July 2013 States' debate this Assembly gave the GFSC a much-needed wake-up call. I said in my speech during that debate that things seemed to have become a little too cosy at the Commission. I was not the only Member of this Assembly to express my concerns, because similar concerns were expressed by Deputies Soulsby, Collins, Luxon, Perrot, Dave Jones and also my St Peter Port North colleagues, Deputies Conder and Sherbourne and the late Deputy Martin Storey.

There was even a suggestion during that debate that we should not approve the Commission's accounts, such was the level of concern amongst the Assembly at that time. Now, as Members will see, sir, the recommendations on page 1535... that it is for us to merely note the accounts and that there is no recommendation asking us to approve them.

So, sir, this Assembly really does deserve credit, I think, for rousing the Commission from its slumbers and not only is that a good news story for our finance industry, but it is also a good news story for the whole of our community, due to the fact that our finance industry, of course, is our main industry.

Like Deputy Conder, I think it is important to give credit to the Commission for responding to that wake-up call, because if we look at paragraphs 5, 6 and 7 on page 1478 we are told that 2014 was a year of intense change at the Commission. I want to repeat that, sir, because it was not just a year of change, it was a year of *intense* change and that came after this Assembly had roused the Commission from their slumbers.

If we look at those three paragraphs we are told that the Commission carried out extensive restructuring of their back office operations to deliver efficiency gains and improve performance; we are told that the Commission comprehensively restructured their objective setting and appraisal process, so that all staff now have objectives, clearly tied to the Commission's strategy; and we are also told that they realise that having an innovations team divorced from supervision was not best practice, so they restructured that as well.

They all sound like major pieces of work to me and it does seem to me as though this is one of those all too rare good news stories that we, the States, should allow ourselves to celebrate, because we do not get many opportunities to celebrate good news stories. (*Interjection and laughter*)

Having said that, sir, I realise we cannot afford to be complacent, so to focus for a moment on the issue of setting fees in the future, we are told in paragraph 2 or page 1477 that the Commission is now in discussion with the Policy Council regarding the fees that will be effective

3670 from 2016. We all know, by reading the Report, that the Commission made a commitment to not increase fees by more than 2% in recent years.

I do have a slight concern that the fees for 2016 may be increased by more than 2% and, having said that, I did take great comfort from the Director General of the Commission saying in the media recently that – or words to the effect – he sees no reason why there should be any
3675 dramatic increase in fees. I do have a question for the Chief Minister, sir, and it is: how much of an influence will the Policy Council representatives actually have on setting fees at the Commission for 2016?

In conclusion, sir – Deputy Conder has already alluded to this – it sounds as though we have finally been given an answer to the question we have been asking for years, and that question is:
3680 who regulates the regulator? It would appear that the regulator is regulating itself and I think we need to take comfort from that.

Thank you, sir.

The Bailiff: Deputy Stewart.

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Deputy Stewart: Sir, just very briefly, I am sure the Commission will be heartened to hear these comments today. Indeed, it has been a journey. We have worked very closely and I heard from industry just the other day from their representative bodies that they all feel that right now we have industry, Government and the regulator working closer together for the benefit of
3690 Guernsey business than perhaps for a long time. But it is still a journey and I do applaud the work that the Commission have done. Later this year we will be bringing our 21st century framework report to this Assembly, also a big piece of work going on is the revision of Laws to make that simpler for businesses to understand. There is the review of the Anti-Money Laundering handbook, and work is going on on that. So there is massive amount of work and no doubt there
3695 will be challenges for the Commission going forward.

The other thing I would really like to compliment them on is starting their innovation section and setting that up. You may have seen the report commissioned by Commerce & Employment which PWC have prepared. If you have not read it I do urge you to read it, because the whole financial sector is changing, through financial technology, and I am really pleased to see that the
3700 Guernsey Financial Services Commission are fully embracing that, so that we can regulate that in an appropriate way, which is not straight forward because there are so many new emerging technologies; it is often difficult to know what you are regulating when it has not quite happened yet, and when it does happen it happens pretty quickly.

So there are a lot of challenges going forward, but I would like to assure the Assembly that
3705 work between industry, business and Government is as close as it has ever been.

Sir, thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Sir, I too, like Deputy Soulsby, have welcomed the opportunity to go to some
3710 of the sessions and I remember going there on a wet afternoon. I missed the second one though, which came at the beginning of the month, but nevertheless the Report, to a degree, is self-explanatory.

I am intrigued to read on page 1518, 44 of the Report, their organisation chart, and it is intriguing the titles that the senior figures there have... Director of Enforcement Division. But I like
3715 these two particularly: Deputy Director of Intelligence Services – we could do with more intelligence maybe in the States of Guernsey (**A Member:** Hear, hear.); and the other one is somebody I used to work with very, very, well, who is the Chief Transformation Officer – now, we hear a lot about transformation in the public sector, but that it is an interesting role to have.

But it is a good news story I think we can generally say. A few points though – one cannot
3720 afford ever to take one's eye off the ball completely. It is interesting that on page 1528, when one

is looking at salaries and related costs, that salaries have come down slightly and they have shaved half a million which is equivalent to about 7%; that is good going, but it is interesting that the one area where they have seen a significant reduction has been in pension costs – £300,000 less – and of course they have made decisions that we have not made.

I would express caution though about the number of staff. I think we identified last year and the year before, the number of staff employed by the GFSC is actually as high as the Jersey equivalent, despite us being a smaller isle and that body covering more say on things. *(External noise)(Laughter)* Oh, they are singing... *[Inaudible]*

I was just going to speculate that we have seen in the media recently some discussion – some of it unfocused – on Civil Service pay and Members' pay. Here we have a situation in 2014 where, whereas we saw in 2013 36 full-time equivalents of the GFSC earning less than £40,000 a year out of 107, now out of a lower number employed – 105 – we see 37, which comes out at about 38%. So the proportion or the percentage of persons who are earning over £40,000 a year, by my estimation, is 62%. I do not think there can be many organisations in that happy position in Guernsey. It is a reflection both of the skill of the persons who work in this and the need to have the best regulation money can buy; but also that this is perhaps an atypical organisation, which in a way is an additional charge on our business community, because inevitably it has to be paid for. We also see a Member of the House of Lords, indeed, having an active role as a Commissioner, and he is clearly very well worthwhile – the contribution that he makes.

So I do support this and I think the Chairman particularly has made a difference, in that he has been very active in talking to politicians and talking down to us on our level perhaps, for those of us who have not had the benefit of a career in the corporate sector.

The Bailiff: Deputy De Lisle.

Deputy De Lisle: Sir, just very briefly, there are lessons to be learnt here across the system of Government in Guernsey, from the actions taken by GFSC, particularly in cost reduction, efficiencies and the focus on pay. Perhaps the Chief Minister can comment on this drive and the way that, in fact, we might be taking this across the system in the next few years.

Thank you, sir.

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

The Chief Minister: Sir, yes, thank you.

Thank you for the endorsement from many who have spoken on the change, or changes certainly, in understanding and relationship, and particularly the way in which the financial affairs of the Commission are now run; and I will echo those views.

To pick up, firstly, on a couple of questions, Deputy Lester Queripel, I think, asked about fees. This Assembly, on the recommendation of Policy Council, changed the governance structure for fees last year and, as a result of that, fees now have to be signed off between the Commission and the Policy Council, so they are set and signed off with the Policy Council, which I think is a major change in the way in which those fee increases are managed.

Deputy De Lisle is absolutely right, in terms of changes in culture and focus there, and I think those are lessons that actually have been learned from both our angles because, as he will know, there have been changes in the Civil Service, particularly, and we have benefited from learning from one another.

Sir, in terms of the relationship, I think Deputy Queripel again, and a couple of others, asked questions or hinted at how the relationship works. The Fiscal and Economic Policy Group which includes myself, the Deputy Chief Minister, the T&R Minister and the Commerce & Employment Minister, meet on a regular basis with members of the Commission for a number of different reasons, and certainly at one point I recollected that we were meeting at least quarterly to discuss matters of significant importance to us.

3775 But on top of that, I meet – and at one point was meeting monthly – with both Dr Schrauwers,
the Chairman, and the Director General, in order to improve the situation that had occurred two
years ago, where this Assembly clearly sent a message that things were not right and there was
perhaps an undermining of trust that occurred in industry; and, as a result of that, I am very
pleased that those relationships – I do not meet so often now, but those relationships – are very
good indeed and when we meet – whether it is here in Guernsey or sometimes it has been in
3780 London as well – to further Guernsey's interests, we talk about a partnership, because we have
different responsibilities as Government, but we work in partnership with them, as does indeed
the Commerce & Employment Department, in terms of setting up what regulation should be
doing in the 21st century and how innovation needs to work in partnership as well, so that we
continue to allow our industry to develop and be fleet of foot.

3785 So I welcome all the comments made. Deputy Soulsby particularly, coming from the position
she wears in terms of the Public Accounts Committee, I think spoke very productively and
positively about the manner in which the accounts are now presented and I ask this Assembly to,
therefore, note them.

3790 **The Bailiff:** Members, there is a single Proposition on page 1535 to note the annual Report
and accounts of the GFSC for the last calendar year. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

HEALTH AND SOCIAL SERVICES DEPARTMENT –

X. Maternity Services and Other Key Reviews – Debate Commenced

Article X.

The States are asked to decide:

*Whether, after consideration of the Policy Letter dated 19th May, 2015, of the Health and Social
Services Department, they are of the opinion:*

*1. To direct the Treasury and Resources Department to increase the 2015 revenue expenditure
budget of the Health and Social Services Department by a maximum of £3.0 million, in
recognition of the in-year cost pressures from the implementation of the recommendations
arising from the Nursing and Midwifery Council's Extraordinary Review, the Children's Services
Diagnostic and the Recruitment and Retention Taskforce, to be funded by a transfer from the
Budget Reserve.*

2. To direct

*a. the Health and Social Services Department to develop and present to the Treasury and
Resources Department by 31st August 2015 an evidence based budget for 2016 – 2018 taking
into account, inter alia, the additional cost pressures identified in this report; the transformational
efficiency opportunities being developed within the Health and Social Services Department; and
the outputs of the Costing, Benchmarking and Prioritisation exercise due to be complete in July
2015.*

*b. the Treasury and Resources Department to take the Health and Social Services Department's
budget for 2016 – 2018 into account when setting the recommended 2016 cash limit and
indicative cash limits for 2017 and 2018 for the Health and Social Services Department in the
2016 Budget Report.*

The Bailiff: We have now got about 14 minutes left, the next Article is the Health & Social Services Department – Maternity Services and Other Key Reviews. Can I just have an indication of how people might wish to speak in that debate? There are a few people standing.

Well, the issue really, for my mind, is whether we start it this evening or whether we rise now and start it tomorrow. *(Interjections)* We will start it. I will put to you that we rise now. I put the Proposition that we rise now. Those in favour; those against.

Some Members voted Pour, others voted Contre.

The Bailiff: Well, I am not going to go to a recorded vote. We will start it.
Deputy Luxon.

Deputy Luxon: Having listened to Deputy Perrot, I have written a short speech, although he did not follow his own advice earlier today, sir. *(Interjection)* I was just complimenting you, Deputy Perrot! *(Laughter, applause and interjections)*

Sir, on behalf of Deputy Soulsby, Deputy James, Deputy Le Clerc, Deputy Hadley, Mr Allsopp and Mr Christou, I am happy to open this debate.

As you know, HSSD has a range of problems and challenges – some historical some external, some internal and some recently unfortunate ones too. It remains not so much a large hill to climb, but rather a tall mountain range.

Sir, back in the 2014 October Budget debate and also within the HSSD board elections debate, I confirmed the new board would bring back to the Assembly a policy letter detailing the costs of the NMC Extraordinary Review, as soon as we had clarity on the full costings.

You will all remember the significant pressure Guernsey was under last year following the serious untoward incident being referred to the NMC and the consequent maelstrom of reviews, audits and regulatory directives. It was a very intense and demanding period. That intensity has not diminished and, in fact, the challenges continue as HSSD looks to lead on the midwifery and associated improvements.

Sir, this policy letter covers four aspects of additional funding, as it would have been disingenuous to have brought forward a report detailing in-year overspend on just the NMC issue, when the Department was already aware of other related budget pressure matters.

HSSD asks the Assembly to approve additional funding of up to £3 million in this financial year, made up of: the NMC rectification of serious failings within our midwifery service – at £1.853 million; recruitment and retention task force action plan to attain safe staffing levels – £572,000; Children's Services Diagnostics urgent findings – £292,000; and finally the Secondary Health Care Contract Review Programme costs of £222,000.

Sir, the Treasury & Resources and Policy Council have been kept informed on a regular basis of the progress of each of these plans and their attendant financial implications. The T&R comment attached to this policy letter, I think, represents well the realities of the situation and, indeed, the possible future implications for the States of Guernsey fiscal strategy. It is a complex jigsaw.

We hope we have set out clearly exactly what the various additional costs are made up from and the compelling reasons for having to sanction these investments as in-year overspends. The board has made every effort to apply challenge and pushback against each demand as it has been presented, recognising our fiscal prudence responsibility to this Assembly. However, when we have been confronted with matters of safety or danger or failing within this Island's Health and Social Care Service we have had to act on your behalf.

Proportionality, context and small scale are criteria we have reminded ourselves of throughout the last eight months. Many times we have been asked for additional monies for what, at face value, are highly reasonable service demands. But we have had to deny or defer very many of them to avoid an even higher escalation of overspend in this year.

Importantly, in the tier 1 crises projects we have made good progress and have continued to make progress. However, it has meant that the day-to-day business as usual needs have often had

to come a deprioritised second, at great frustration to the board, the department and to a particular member of our board.

3845 By any measurement, I can state with certainty that the breadth and depth of issues facing HSSD have been many years in the making and will without doubt take, in the board's view, five to 10 years to rectify fully. This going to be a long haul and extremely difficult choices will have to be made, both by this Assembly and future Governments. There is no magic *panacea*.

3850 Historical underinvestment in cap-ex, equipment, maintenance and training, service provision developed in isolation outside of an integrated long term strategy, medical inflation, ageing demographic dynamics, advances in medical specialisations and new treatments, non-integrated clinical governance processes, qualified nursing staff labour pool shortages, management resource gaps and imbalance of executive management specialisations, and so the list of pressures goes on.

3855 HSSD has begun a transformation of services and organisation reform. There are a range of reviews and work streams currently underway. These, in addition to the day-to-day management of the department, all put pressure on all members of the department. We describe these within the policy letter. There is much to do and, as specialist executive management posts are filled gradually, the speed with which these projects can progress will accelerate and it is important that they are accelerated. We have to plan for the future, sir, we have to build the team to be able to 3860 deliver those reform plans and transformations, and ensure that the tension between service, sustainability and value for money for the taxpayer is balanced.

3865 HSSD has to look to transform what it does. How can we act more efficiently, more cost effectively, where are we wasting resources and why? How can we reallocate resources to higher priority needs? Can transformation and investment deliver cost savings? What level of services can be sustained within the States of Guernsey fiscal envelope?

Sir, the BDO benchmarking project commissioned by T&R in conjunction with HSSD, is a key piece of work, a fundamentally essential piece of work to evidence our understanding of HSSD's services, the early findings which we only just saw yesterday have thrown up as many questions as answers, but at least a base up analysis can inform our choices.

3870 The 2016 Budget and three-year Budget from 2016 to 2018 has to be informed by all of this work and it may not be possible to reach a full conclusion in the time frame we have (a) by the end of August and then for the October debate – the Budget debate for 2016. But the department will continue to develop these critical pieces of work to make sure that we deliver as best as we can.

3875 Sir, I must comment on an item outside of this policy letter, which followed the Royal College of Obstetricians and Gynaecologists' report, which involves both SSD and HSSD, in terms of the additional consultants that we may well be obliged to permanently appoint to have a safe and satisfactory midwifery service in our Island. That work is still underway; we are hoping to get to conclusions over this next month. That also will have financial challenge to the States of Guernsey, 3880 albeit through SSD's funding route.

Sir, underlying this year, the business as normal budget pressures continue to challenge us. Agency costs... and Members will understand well, recent UK media coverage of the high cost of agency staff to be able to deliver a safe and satisfactory health care system. Those problems are very real here in Guernsey and continue to stretch our existing budget.

3885 Sir, in conclusion, I ask Members to recognise the situation HSSD finds itself in. The board is determined, as is the department, to progress these matters and ensure that we make progress around the transformation and reform that is critical to have an adequate and appropriate Health and Social Care Service provision in our Island.

I would ask Members to support the three Propositions.

3890 Thank you, sir.

The Bailiff: Does anyone have a speech of about five minutes or no more than five minutes? No. Nobody is rising to speak so perhaps we can close the debate! *(Laughter)* No. I think that probably the will of the Assembly is that we resume tomorrow morning.

3895

So we will rise now and resume at 9.00 o'clock.

The Assembly adjourned at 6.56 p.m.