



Date of Vote: 17 March, 2016

Billet d'État: VII of 2016
Article: 4
Department: Commerce and Employment Department
Subject: Financial Measures to Mitigate the Likely Adverse Consequences Upon Existing Milk Distributors of the Dairy Being Free to Sell Milk and Milk Product to Any Commercial Customer
Proposition: To suspend Rule 13(2) and any other provision of the Rules of Procedure to the extent necessary to permit the amendment set out below to be debated and take effect.
Proposed by: Deputy L B Queripel
Seconded by: Deputy L C Queripel

To delete "not to approve the payment of financial mitigation to milk distributors" and substitute:

“:

1. *To agree the payment of ex-gratia payments of financial mitigation to existing milk distributors as set out in the succeeding propositions.*
2. *To agree that the payments to existing milk distributors shall be determined on the basis of sub-paragraph (h) of paragraph 4.3 of that Policy Letter, namely: - "The distribution mechanism proposed is based on total milk sales and the proportion of the total milk sales revenue that is made by each distributor. This approach weights the allocations, taking into account different business structures - i.e. the proportion of milk sales conducted via doorstep or commercial and wholesale customers - and the different revenues arising from each type of sale."*
3. *To agree that no existing Milk Distributors shall receive payments exceeding £60,000.*
4. *To note that, as is stated on the KPMG report entitled 'Financial mitigation for milk distributors' attached as Appendix I to that Policy Letter, the maximum difference between the current and future market valuation of existing Milk Distribution businesses is £1.1m; and to agree that the aggregate sum paid to all existing Milk Distributors shall be as close as is reasonably possible to, but in any event shall not exceed, £1.1m.*
5. *To agree that the payments to be made to existing Milk Distributors shall be drawn from the existing cash balances of the States Dairy.*
6. *To note paragraphs 5.6 and 5.7 of that Policy Letter, namely: "Should a financial settlement payment be approved, the Department considers that it is essential that any payments paid to milk distributors are explicitly given on the basis that they are in full and final settlement of all claims in this matter. The Department is advised that distributors wishing to take a settlement should be required to sign an agreement by which they clearly waive their right to seek further damages through civil action."*
7. *To direct the Treasury and Resources Department to administer the payments to existing Milk Distributors as set out in the preceding propositions; and further to direct that payments should be made by the 30th June 2016".*



CARRIED: Pour: 25 Contre: 18 Ne vote pas: 0 Absent: 4

St. Peter Port South

Deputy Peter A. Harwood **C**
Deputy Jan Kuttelwascher **C**
Deputy Barry L. Brehaut **P**
Deputy Roger Domaille **C**
Deputy Allister H. Langlois **P**
Deputy Robert A. Jones **P**

St. Peter Port North

Deputy Michelle K. Le Clerc **P**
Deputy John A. B. Gollop **P**
Deputy Peter A. Sherbourne **P**
Deputy Richard Conder **P**
Deputy Charles Parkinson **C**
Deputy Elis G. Bebb **C**
Deputy Lester C. Queripel **P**

St. Sampson

Deputy Gavin A. St. Pier **C**
Deputy Kevin A. Stewart **C**
Deputy Peter L. Gillson **C**
Deputy Paul R. Le Pelley **P**
Deputy Scott J. Ogier **P**
Deputy Lyndon S. Trott **C**

Vale

Deputy Matthew J. Fallaize **P**
Deputy David B. Jones **A**
Deputy Laurie B. Queripel **P**
Deputy Mary M. Lowe **P**
Deputy Andrew R. Le Lièvre **P**
Deputy Anthony Spruce **A**
Deputy Garry M. Collins **P**

Castel

Deputy Darren J. Duquemin **P**
Deputy Christopher J. Green **P**
Deputy Mark H. Dorey **P**
Deputy Barry J. E. Paint **P**
Deputy Jonathan P. Le Tocq **A**
Deputy Sandra A. James, MBE **P**
Deputy A. Hunter Adam **C**

West

Deputy Roger A. Perrot **C**
Deputy Alvord H. Brouard **C**
Deputy Arrun M. Wilkie **P**
Deputy David de G. De Lisle **C**
Deputy Yvonne Burford **A**
Deputy David A. Inglis **P**

South-East

Deputy Heidi J. R. Soulsby **C**
Deputy Robert W. Sillars **C**
Deputy Paul A. Luxon **C**
Deputy Michael G. O'Hara **P**
Deputy Francis W. Quin **C**
Deputy Michael P. J. Hadley **P**

Alderney Representative Louis E. Jean **C**
Alderney Representative S. D. Graham McKinley, OBE **P**



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Proposed by: Deputy L B Queripel
Seconded by: Deputy L C Queripel

To delete "not to approve the payment of financial mitigation to milk distributors" and substitute:
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1. *To agree the payment of ex-gratia payments of financial mitigation to existing milk distributors as set out in the succeeding propositions.*
2. *To agree that the payments to existing milk distributors shall be determined on the basis of sub-paragraph (h) of paragraph 4.3 of that Policy Letter, namely: - "The distribution mechanism proposed is based on total milk sales and the proportion of the total milk sales revenue that is made by each distributor. This approach weights the allocations, taking into account different business structures - i.e. the proportion of milk sales conducted via doorstep or commercial and wholesale customers - and the different revenues arising from each type of sale."*
3. *To agree that no existing Milk Distributors shall receive payments exceeding £60,000.*
4. *To note that, as is stated on the KPMG report entitled 'Financial mitigation for milk distributors' attached as Appendix 1 to that Policy Letter, the maximum difference between the current and future market valuation of existing Milk Distribution businesses is £1.1m; and to agree that the aggregate sum paid to all existing Milk Distributors shall be as close as is reasonably possible to, but in any event shall not exceed, £1.1m.*
5. *To agree that the payments to be made to existing Milk Distributors shall be drawn from the existing cash balances of the States Dairy.*
6. *To note paragraphs 5.6 and 5.7 of that Policy Letter, namely: "Should a financial settlement payment be approved, the Department considers that it is essential that any payments paid to milk distributors are explicitly given on the basis that they are in full and final settlement of all claims in this matter. The Department is advised that distributors wishing to take a settlement should be required to sign an agreement by which they clearly waive their right to seek further damages through civil action."*
7. *To direct the Treasury and Resources Department to administer the payments to existing Milk Distributors as set out in the preceding propositions; and further to direct that payments should be made by the 30th June 2016".*



CARRIED: **Pour: 13** **Contre: 32** **Ne vote pas: 0** **Absent: 2**

St. Peter Port South

Deputy Peter A. Harwood **C**
Deputy Jan Kuttelwascher **C**
Deputy Barry L. Brehaut **C**
Deputy Roger Domaille **C**
Deputy Allister H. Langlois **C**
Deputy Robert A. Jones **C**

St. Peter Port North

Deputy Michelle K. Le Clerc **C**
Deputy John A. B. Gollop **P**
Deputy Peter A. Sherbourne **P**
Deputy Richard Conder **P**
Deputy Charles Parkinson **C**
Deputy Elis G. Bebb **C**
Deputy Lester C. Queripel **P**

St. Sampson

Deputy Gavin A. St. Pier **C**
Deputy Kevin A. Stewart **C**
Deputy Peter L. Gillson **C**
Deputy Paul R. Le Pelley **C**
Deputy Scott J. Ogier **C**
Deputy Lyndon S. Trott **C**

Vale

Deputy Matthew J. Fallaize **C**
Deputy David B. Jones **P**
Deputy Laurie B. Queripel **P**
Deputy Mary M. Lowe **P**
Deputy Andrew R. Le Lièvre **P**
Deputy Anthony Spruce **A**
Deputy Garry M. Collins **C**

Castel

Deputy Darren J. Duquemin **C**
Deputy Christopher J. Green **P**
Deputy Mark H. Dorey **C**
Deputy Barry J. E. Paint **P**
Deputy Jonathan P. Le Tocq **A**
Deputy Sandra A. James, MBE **P**
Deputy A. Hunter Adam **C**

West

Deputy Roger A. Perrot **C**
Deputy Alvord H. Brouard **C**
Deputy Arrun M. Wilkie **C**
Deputy David de G. De Lisle **C**
Deputy Yvonne Burford **C**
Deputy David A. Inglis **C**

South-East

Deputy Heidi J. R. Soulsby **C**
Deputy Robert W. Sillars **C**
Deputy Paul A. Luxon **C**
Deputy Michael G. O'Hara **P**
Deputy Francis W. Quin **C**
Deputy Michael P. J. Hadley **P**

Alderney Representative Louis E. Jean **C**
Alderney Representative S. D. Graham McKinley, OBE **C**



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Article: 4
Department: Commerce and Employment Department
Subject: Financial Measures to Mitigate the Likely Adverse Consequences Upon Existing Milk Distributors of the Dairy Being Free to Sell Milk and Milk Product to Any Commercial Customer
Proposition: Amendment
Proposed by: Deputy A R Le Lièvre
Seconded by: Deputy A H Langlois

To delete "not to approve the payment of financial mitigation to milk distributors" and substitute:

“

1. *To agree the payment of ex-gratia payments of financial mitigation to existing milk distributors as set out in the succeeding propositions.*
2. *To agree that the payments to existing milk distributors shall be determined on the basis of sub-paragraph (h) of paragraph 4.3 of that Policy Letter, namely: - "The distribution mechanism proposed is based on total milk sales and the proportion of the total milk sales revenue that is made by each distributor. This approach weights the allocations, taking into account different business structures - i.e. the proportion of milk sales conducted via doorstep or commercial and wholesale customers - and the different revenues arising from each type of sale."*
3. *To agree that no existing Milk Distributors shall receive payments exceeding £40,000.*
4. *To note that, as is stated on the KPMG report entitled 'Financial mitigation for milk distributors' attached as Appendix 1 to that Policy Letter, the midway point of the difference between the current and future market valuation of existing Milk Distribution businesses is £750,000; and to agree that the aggregate sum paid to all existing Milk Distributors shall be as close as is reasonable possible to, but in any event shall not exceed, £750,000.*
5. *To agree that the payments to be made to existing Milk Distributors shall be drawn from the existing cash balances of the States Dairy.*
6. *To note paragraphs 5.6 and 5.7 of that Policy Letter, namely: "Should a financial settlement payment be approved, the Department considers that it is essential that any payments paid to milk distributors are explicitly given on the basis that they are in full and final settlement of all claims in this matter. The Department is advised that distributors wishing to take a settlement should be required to sign an agreement by which they clearly waive their right to seek further damages through civil action."*
7. *To direct the Treasury and Resources Department to administer the payments to existing Milk Distributors as set out in the preceding propositions; and further to direct that every effort must be made to make such payments by no later than 30th June 2016".*



CARRIED: Pour: 28 Contre: 16 Ne vote pas: 1 Absent: 2

St. Peter Port South

Deputy Peter A. Harwood **C**
Deputy Jan Kuttelwascher **P**
Deputy Barry L. Brehaut **P**
Deputy Roger Domaille **C**
Deputy Allister H. Langlois **P**
Deputy Robert A. Jones **P**

St. Peter Port North

Deputy Michelle K. Le Clerc **C**
Deputy John A. B. Gollop **P**
Deputy Peter A. Sherbourne **P**
Deputy Richard Conder **P**
Deputy Charles Parkinson **P**
Deputy Elis G. Bebb **C**
Deputy Lester C. Queripel **P**

St. Sampson

Deputy Gavin A. St. Pier **C**
Deputy Kevin A. Stewart **C**
Deputy Peter L. Gillson **C**
Deputy Paul R. Le Pelley **C**
Deputy Scott J. Ogier **P**
Deputy Lyndon S. Trott **C**

Vale

Deputy Matthew J. Fallaize **P**
Deputy David B. Jones **P**
Deputy Laurie B. Queripel **P**
Deputy Mary M. Lowe **P**
Deputy Andrew R. Le Lièvre **P**
Deputy Anthony Spruce **A**
Deputy Garry M. Collins **P**

Castel

Deputy Darren J. Duquemin **C**
Deputy Christopher J. Green **P**
Deputy Mark H. Dorey **P**
Deputy Barry J. E. Paint **P**
Deputy Jonathan P. Le Tocq **A**
Deputy Sandra A. James, MBE **P**
Deputy A. Hunter Adam **N**

West

Deputy Roger A. Perrot **P**
Deputy Alvord H. Brouard **C**
Deputy Arrun M. Wilkie **P**
Deputy David de G. De Lisle **C**
Deputy Yvonne Burford **P**
Deputy David A. Inglis **P**

South-East

Deputy Heidi J. R. Soulsby **C**
Deputy Robert W. Sillars **C**
Deputy Paul A. Luxon **C**
Deputy Michael G. O'Hara **P**
Deputy Francis W. Quin **C**
Deputy Michael P. J. Hadley **P**

Alderney Representative Louis E. Jean **P**
Alderney Representative S. D. Graham McKinley, OBE **P**