



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Tuesday, 29th September 2015**

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**Present:**

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R. Domaille, A. H. Langlois, R. A. Jones

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P. R. Le Pelley, S. J. Ogier, L. S. Trott

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

**Representatives of the Island of Alderney**

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

**The Clerk to the States of Deliberation**

J. Torode, Esq. (H.M. Greffier)

**Absent at the Evocation**

H. E. Roberts Esq., Q.C. (H.M. Procureur)  
Deputy K. A. Stewart (*absent de l'île*); Deputy D. B. Jones (*indisposé*)

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# States of Deliberation

*The States met at 9.30 a.m.*

[THE BAILIFF *in the Chair*]

## **PRAYERS**

*The Greffier*

## **EVOCAATION**

## **CONVOCAATION**

**The Greffier:** Billets d'État XVI and XVII, to the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Courthouse on Tuesday 29th September at 9.30 a.m. to consider the items contained in the Billets d'État which have been submitted for debate.

5

**The Bailiff:** Members of the States of Deliberation, good morning to you all.

Today should have been a day of celebration for Peter Walker and his family; today being the day of his 66th birthday. Sadly, that cannot be. In the early hours of Sunday, 6th September His Excellency Air Marshall Peter Walker, CB, CBE suffered a massive fatal heart attack and died instantly in his home, Government House.

10 It was on 15th April 2011 that Air Marshall Walker was sworn in as Lieutenant-Governor and Commander in Chief of Guernsey and its dependencies, as the Islands are described in the warrant of Her Majesty the Queen appointing him to that office.

15 Peter Walker's appointment in this Bailiwick followed a distinguished career in the Royal Air Force. He has been described as a punchy or aggressive pilot – a description that comes as little surprise to those of us who knew him.

20 The cold war era saw him intercepting Soviet long range bombers on a regular basis. His first experience of Island life was as station commander at RAF Mount Pleasant in the Falkland Islands. Subsequent postings involved him in the policing, by the RAF, of air space over Iraq. Responding to the threat posed by al-Qaeda after the 9/11 attacks on the World Trade Center and then in senior NATO posts, both at the Supreme Headquarters Allied Powers Europe (SHAPE) and in Norway.

25 Ever since their arrival in Guernsey, HE, as we all fondly refer to him, and Linda, Mrs Walker, have endeared themselves to the communities in our several Islands. The affection and respect in which they were both held has been apparent from the extraordinary outpouring of emotion that we have witnesses of the last few weeks.

30 I cannot recall another occasion when there has been such a flood of sympathy from Islanders of all walks of life, of all ages and representing all aspects of our Bailiwick communities. Such a public and genuine manifestation of grief and gratitude for all that the Walkers did for the Islands is the best and most flattering tribute that could possibly be paid to their period of office.

Throughout his time as our Lieutenant-Governor, HE discharged his duties as the personal representative of Her Majesty with dignity and all due respect for that office and for its

constitutional significance in a world where we owe our status to our position as a dependency of the Crown with an ancient and, along with Jersey, unique relationship to our sovereign.

35 I have no doubt that the affection in which H.E. and Mrs Walker are held is due in no small part to the extent to which they involved themselves and took an interest in the charitable and social side of Island life. Not only were both of them patrons of many charities and societies, but they were generous in giving their time and support to many worthy causes, in particular to the vulnerable and those who often feel they have been overlooked. Examples were the warm  
40 welcome with which they received hundreds and thousands of Islanders at Government House, many of whom had never visited the house before and for whom the visit was one that they would remember and savour for a very long time.

In addition to all his public duties and appearances, HE was also keen to make a contribution behind the scenes. There are many institutions and causes that have benefitted from his  
45 involvement. He was particularly good at getting together concerned and interested individuals who he knew could and would be able to support a particular initiative, whether through funding, promoting, assisting or just generally supporting the worthy objectives. For her part, Linda willingly and generously gave of her time and energy by volunteering to work alongside other volunteers in delivering services and support to those in need in the Island.

50 Peter Walker took a close interest in the workings and debates of all three Legislative Assemblies in the Bailiwick. He may have found our ways of working within a non-party system where progress is made through consensual government to be alien to someone like him from a military background where orders are issued and then carried out promptly and efficiently. At times he had difficulty hiding his frustrations but he respected our ways.

55 There were instances when I thought that HE approached his appointment here as if it were a military mission. He had his objectives and plans that he wanted to achieve, his strategies as to how they would be completed and he was determined to finish the tasks assigned to him, including those he had assigned to himself before his term of office ended next year.

60 He would be bitterly disappointed that fate robbed him so harshly of the opportunity to finish the job he undertook on his appointment to this Bailiwick. Sadly, fate robbed us all of the chance to say thank you and good bye to HE; nor will we be able to say a personal goodbye to Linda, but I hope she has been able to take some comfort from the thousands of messages she has received. Our thoughts at this time are principally with Linda and the family. Their loss is, of course, the greatest of all.

65 Linda and HE will long be remembered and will always have a special place in the hearts and minds of this community which they made very much their own during these last four and a half years. To Mrs Walker and the three children, Robert, Susie and James, and their families, we extend our heartfelt sympathy and condolences.

Now the Mother of the House, Deputy Lowe, will just say a few words.

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

Although this tribute is brief, it is no less sincere and I know you are very keen on not having repetitive speeches but, sir, your words today are shared by Members of the States who concur both His Excellency and Linda will never be forgotten for the commitment and loyalty given by  
75 them during the last four years on the Islands, serving our Islands.

States' Members shared the shock that vibrated around the Island when we heard the sad news early on that Sunday morning of the sudden death of our Lieutenant-Governor, Air Marshall Peter Walker. The enormous number of tributes reflected how well respected and liked he was.

80 As we know, HE attended States' meetings and took a great interest in our debates. As the Rules did not allow him to participate, it did not stop him afterwards giving us his views in his usual manner and with a great sense of humour.

It really has been a privilege knowing Air Marshall Peter Walker and having him as our Lieutenant-Governor – a sentiment expressed by so many in an unprecedented number about him and his wife, Linda.

85 On behalf of the States, sir, I would like to send our deepest sympathy to his wife, Linda, and her family. His Excellency will be sorely missed.

Thank you, sir.

**The Bailiff:** Members of the States, I invite you all to stand in memory of His Excellency Air Marshall Peter Walker, CB, CBE.

*Members stood in silence.*

**The Bailiff:** Thank you very much.

## STATEMENT

### **Disability and Inclusion Strategy – Statement by the Chief Minister.**

**The Bailiff:** We move on now with the business for this meeting. We begin with a Statement by the Chief Minister, Deputy Le Tocq.

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

When the States approved the Disability and Inclusion Strategy back in November 2013, the Assembly resolved that the Policy Council should report back to the States by no later than September 2015 with a progress report on its implementation.

100 As will be evident from this month's Billet d'État, this deadline has not been met. I regret that is not been possible due to the extended and unforeseen absence of the staff member responsible for its preparation at a time when Policy Council's limited staff resources were already stretched to cross a number of major projects.

105 However, on a positive note, the delay has also afforded the opportunity to progress some matters to a key stage before the report is presented to the Assembly. It is now planned to submit the update report for consideration at the November States' meeting.

**The Bailiff:** Are there any questions arising from the context of the Statement?  
Yes, Deputy Gollop.

110 **Deputy Gollop:** As a previous Disabled People's Champion, I certainly salute the work of that staff member and the efforts that have been put in, but I would like to know from the Chief Minister: is he satisfied that the staff resources are in place to deliver the next stage, preferably before March of next year?

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

120 **The Chief Minister:** Part of the report in its updated form – which is why I am more positive than I might otherwise be – will deal with the issue of staff resources. It is unfortunate that at a time when the resources were beginning to come together, the key member of staff, unfortunately, had to leave her position.

That having been said, we have liaised closely with the Guernsey Disability Alliance and others involved in the preparation of progress of the Disability and Inclusion Strategy, and they all concur that obviously communication is the most important part on this and that the exercise of progress of the Strategy is actually more vital that it is done properly, than it be done quickly.

125 So, as a result of that, I am confident that we can progress at a speed which is satisfactory and  
a standard that is satisfactory to everyone concerned.

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

130 **Deputy Wilkie:** Thank you, sir.

Would the Chief Minister agree with me that the Disability and Inclusion Strategy, as a States' strategy, has actually moved at an incredible pace – that the actual practical and tangible improvements on the ground to disabled Islanders are so numerous that I could not possibly mention them all in the time I have got to ask this question?

135

**The Bailiff:** Deputy Le Tocq.

**The Chief Minister:** I am not sure if I would use the word 'incredible' but, in terms of Guernsey, *probably* incredible, bearing in mind where we started from I am very pleased at the improvements that have been made so far – in fact, even without legislation coming forward – and I constantly get reminded of that by friends and others who are either disabled or are carers themselves, and long may that continue.

140 This Assembly had lit the fuse and is definitely making a change in our Island life, but I do not want us to become complacent about it. I know Deputy Wilkie is not complacent at all; he is one of the key Members and partners in ensuring that we are not complacent, because there is a lot more work to be done. The worst thing that can happen is that this Assembly, or indeed the next Assembly, could put a tick in the box and think that, by this Strategy coming into play, everything has occurred. That is not the case; we need to work hard and we need to make sure that, as I said, the quality and the standards of what we are doing, in terms of changing the lives, accessibility and inclusion for disabled Islanders, continues to improve all the time.

150

Thank you.

**The Bailiff:** Any further questions? No.

Well, before we move onto Question Time, those Members who wish may remove their jackets.

## Questions for Oral Answer

### COMMERCE & EMPLOYMENT DEPARTMENT

#### Freight and passenger sea services – Contingency strategy

155 **The Bailiff:** We will now commence Question Time and the first Question is from Deputy Gollop to the Minister of the Commerce & Employment Department, which I assume will be answered by the Deputy Minister. *(Laughter and interjection)*

Well, if you wish to forego... *(Interjection and laughter)* Do you wish to be reminded what your question is, Deputy Gollop? *(Laughter and interjection)*

160

**Deputy Gollop:** This does not always work. *(Interjection)*

**Several Members:** Hear, hear.



**The Bailiff:** I think perhaps Her Majesty's Comptroller can assist you.

165

**Deputy Gollop:** Yes, that is it. I had the answers through these iPads but it all went technical again last night. *(Laughter)* The Questions are as follows: has the Commerce & Employment Department been developing, hopefully, in co-operation with the States of Jersey Economic Development Department, a robust and feasible contingency strategy for the continual operation of freight and passenger services on both the northern and southern sea routes in the event of significant problems of operation by the current operator?

170

**The Bailiff:** Deputy Brouard, the Deputy Minister, will reply.

175

**Deputy Brouard:** Thank you, sir, and thank you, Deputy Gollop, for the Questions and the opportunity to answer this to the Assembly.

Mr Bailiff, after extensive discussions on a pan-Island basis, which has been taking place with Condor, regarding contingency arrangements for freight and passenger services over periods of outage, these conversations take place with the Ferry Steering Group at officer and operational level and then are presented to the External Transport Group which is made up of members of PST and Commerce & Employment, where there is given consideration and discussion as appropriate. As with all essential services, risk profiles are reviewed.

180

Condor Ferries had implemented the contingency plan, as previously agreed with the External Transport Group, by scheduling extra sailings, paying for alternative ferry and air travel, and arranging accommodation for affected passengers during periods of technical delay last week.

185

The detailed contingency work that is mapped out ensures that there is a clear plan that reduces risks and in such occurrences as much as possible.

**The Bailiff:** Deputy Gollop, is this a supplementary question?

190

**Deputy Gollop:** Yes, in thanking Deputy Brouard for his answers, I would like to ask: does that contingency plan include a provision when if circumstances demanded a contingency fast ferry could be leased at short notice?

195

**The Bailiff:** Deputy Brouard.

**Deputy Brouard:** The lease of a fast ferry at short notice is not part of the contingency plan, sir.

200

**The Bailiff:** I see no-one else rising. Your next Question, Deputy Gollop.

**Deputy Gollop:** Is the Department actively exploring, for the medium-term future a more sustainable and reliable model of sea services to Guernsey, perhaps involving either/or a supported back-up fast ferry and/or an additional passenger carrying overnight multi-purpose freight and passenger conventional vehicle, similar to the generally respected Condor Clipper?

205

**The Bailiff:** Deputy Brouard.

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

210

Mr Bailiff, the shortage of ships with the required functionality that are suitable for Guernsey and Jersey ports is recognised. This is irrespective to the cross-subsidy required from the rest of the network to support the year-round viability of the northern route. Investment in an additional ship for that route could not be justified on commercial grounds.

215

In addressing this point as part of discussions on pan-Island ferry service provision, the result and considerable indirect costs of additional standby staff, engineering and vessel accreditations

means that it is not economically viable. Mobilising a standby ship for a short period by charter is also a significant challenge for a number of reasons, including the availability of appropriate vessels and the relocation of appropriately trained staff for the vessel type.

220 The delays and cancellations last week were exacerbated by, one, the unfortunate timing of the Clipper being in dry dock for routine maintenance and fitting of fuel emission scrubber technology, as required to meet EU legislation which could not be delayed; and, secondly, from weather cancellations from earlier in the week.

Whilst cancellations would still have arisen due to adverse weather conditions, the impact of them would have been significantly less.

225 Thank you, sir.

**The Bailiff:** Deputy Gollop.

230 **Deputy Gollop:** Whilst fully accepting, on the evidence that we have had, that a second conventional ferry would not be justifiable on economic commercial grounds, would the Department consider working with their counterparts in Jersey and the shipping company to consider a supported additional capacity that might require some degree of States' intervention?

235 **The Bailiff:** Deputy Brouard.

**Deputy Gollop:** Or ownership, such as we do our tankers or buses?

240 **Deputy Brouard:** I think that supplementary goes beyond the Answer that I have given, but at the moment we are not in discussion with anybody about the States purchasing additional resources for the route.

The present private operator covers their contingency and I believe we have at the moment... when the clipper went into dry dock we had the services, or they have engaged the services, of the Arrow. Had they not had the technical difficulties or the weather delays it would have been plain sailing; and Condor have apologised profusely for the disruptions that have been caused.  
245 But there are no intentions at the moment of Commerce & Employment or PSD looking at purchasing or giving additional vessels in a standby mode.

Thank you, sir.

250 **The Bailiff:** I see no-one else... Oh Deputy Brehaut and then Deputy Trott.

**Deputy Brehaut:** Would the Deputy Minister agree with me that the northern route is best secured by an all-weather vessel as opposed to a fair weather vessel?

255 **The Bailiff:** Deputy Brouard.

**Deputy Brouard:** At the present moment, sir, we have a private operator who has been operating the northern route for many, many years. Their experience dictates the sort of ships they wish to put on the route.

I cannot comment further on Deputy Brehaut's assertion.

260 Thank you, sir.

**The Bailiff:** Deputy Trott.

265 **Deputy Trott:** Sir, is the Deputy Minister able to confirm that Condor are well aware that the mood of this Assembly is such that it is unlikely to tolerate a further deterioration in service past what we have experienced in recent weeks?

**Several Members:** Hear, Hear.

270 **The Bailiff:** Deputy Brouard.

**Deputy Brouard:** I would think that would be a pretty good summary of the situation, sir, and I thank Deputy Trott for that clarification.

275 **The Bailiff:** Thank you.  
I see no-one else rising.

## HOME DEPARTMENT

### Joint Emergency Services Control Centre (JESCC) – Cost of overtime

**The Bailiff:** The next Question is Deputy Paint, who has a Question for the Minister of the Home Department.

280 **Deputy Paint:** Yes, sir, my first Question to the Minister of the Home Department is to inform the Assembly how much overtime hours worked by staff and those overseeing the JESCC operation have cost the taxpayer since it was set up?

285 **The Bailiff:** Deputy Gillson will reply.

**Deputy Gillson:** Sir, I can confirm that during the period 1st January 2015 to 31st August 2015 JESCC overtime payments have totalled £109,000.

Annual overtime costs in the separate control rooms prior to the establishment of JESCC also exceeded £100,000. However, the new arrangements also created savings through efficiencies and cost avoidance which already exceed £200,000 and are predicted to grow further in the future.

290 The overtime paid during the period January to August 2015 in the JESCC is attributable, to a large extent, to long-term sickness of two staff members and the requirement to abstract staff for necessary one-off set-up duties and training whilst ensuring that there were adequate numbers of staff in the control room during these periods. The additional costs for set up and training will not re-occur in 2016.

295 **The Bailiff:** Deputy Paint, do you have a supplementary question?

**Deputy Paint:** Yes, sir, just one supplementary, if I can please.

300 Could the Minister inform the Assembly if the tick-box method of receiving calls at the call centre is still in practice or has it been improved; or have the operators reverted back to the processes before the call centre became operational?

305 **The Bailiff:** I am not sure that arises from the Answer you have given, but if you are able to answer it...

**Deputy Gillson:** I would just say that bears no resemblance to the original Question, sir.

310 **The Bailiff:** No. It does not arise from the Answer given and Deputy Gillson, without notice, is unable to answer the question, Deputy Paint.

**Deputy Paint:** Sir, I would be very happy to receive the answer to that at a future date – a near future date.

315 **The Bailiff:** No, doubt if you do not you can ask it as a Written Question for written reply.

## PUBLIC SERVICES DEPARTMENT

### Sea fisheries patrol boat – Details of collision

**The Bailiff:** We will move on then to your next Question, Deputy Paint, which is to the Minister of the Public Services Department.

320 **Deputy Paint:** Could the Minister of PSD inform the Assembly of the details of the collision between a cruise liner tender, or other, and the States' sea fisheries patrol boat, the Leopardess?

**The Bailiff:** Deputy Ogier.

325 **Deputy Ogier:** Thank you, sir.  
I can confirm damage was reported by a crew member of the Leopardess on Wednesday 3rd June 2015.

Around the time the damage is suspected to have occurred, it was reported that both the Trident 6 and the Sark Venture were operating in the area. Following the crew member's report, Guernsey Harbours requested all parties concerned submit an incident report.

330 The findings from the reports received, as to whether the Trident 6 or the Sark Venture made contact with the Leopardess on Wednesday 3rd June 2015, have been inconclusive and there have been no witness reports of any collision.

335 Subsequent assessment has confirmed the damage is a small dent to the aft quarter, which can be remedied without incurring significant cost when the Leopardess is next taken out of the water for maintenance.

**The Bailiff:** Is there a supplementary to that one?

340 **Deputy Paint:** I have two, sir. (**The Bailiff:** Yes.)  
Could the Minister confirm that the Harbour is covered by CCTV cameras and if the answer is yes, why the vessel which caused the damage to the Leopardess could not be identified?

**The Bailiff:** Deputy Ogier.

345 **Deputy Ogier:** There are CCTV cameras on the Harbour, yes. I am unable to say, personally, why they were not covering the area at the time. I do not know if they cover the area. I can find out and let Deputy Paint know, but the Harbourmaster and his staff have looked into the incident and they are unable to find the root cause of that problem.

350 **The Bailiff:** Deputy Paint.

**Deputy Paint:** Can the Minister explain why the Trident 6 and the Sark Venture are used in his response where it must be clear that visiting boats and yachts, and local boats and yachts, fishing vessels, charter vessels, and now Herm and Sark boats, are using the vicinity of the Albert Pier pontoons when cruise liners are visiting?

355

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** I am sorry; would Deputy Paint repeat the first part of that question please?

360

**Deputy Paint:** Sir, my Question 2: 'In the –

**The Bailiff:** No, I think he is happy... He is asking you to repeat the first part of your second supplementary question.

365

**Deputy Paint:** Oh sorry, I could not hear, sir. He must have added, sir. I am either going deaf or...

Can the Minister explain why the Trident 6 and the Sark Venture are used in his response where it must be clear that visiting boats and yachts, local boats and yachts, fishing vessels, charter boats and also Herm and Sark ferries are using the vicinity of the Albert Pier pontoons when cruise ships are visiting?

370

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** This is the information that I have received from the Harbour Authority: that the Trident 6 and the Sark Venture were operating in the area at the time; all parties concerned with the incident, or potential parties concerned with the incident, had been asked to put forward reports to the Harbour and, as a result of those reports, they are inconclusive.

375

**The Bailiff:** Deputy Lowe.

380

**Deputy Lowe:** Could I ask the Minister, sir, to please confirm that there was actually a request from those involved with the Leopardess to have it moved from where it was being moored, because of the potential of it being hit by boats coming to the Albert Pier pontoon?

385

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** As a safety measure, the mooring of the Leopardess has been moved further north.

390

**The Bailiff:** Deputy Paint, your next Question.

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

In the event that the tender, or other, that struck the Leopardess can be identified, will the liner's, or other, insurance be attributed to the costs of the repairs to the patrol vessel?

395

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** The Harbour area is no different to any other location in that if a vessel owner believes another has caused them loss or damage they can claim against them directly. The Harbour Authority plays no role in such claims, other than to assist, where appropriate, in relation to the reports and the evidence that the Harbour holds. In this case, Guernsey Harbours has no evidence which would support a claim or defence.

400

Staff of Guernsey Harbours also fulfil rôles under the Merchant Shipping (Accident Reporting and Investigation) (Bailiwick of Guernsey) Regulations 2009, but this Law is clear that the purpose of any investigation is not to determine liability or apportion blame. The purpose of such investigations are to establish the root cause of the incident so that lessons can be learnt or measures put in place to try to prevent it happening again.

**The Bailiff:** Any supplementaries? No.

Your third Question then, please, Deputy Paint. (*Interjection by Deputy Paint*) Oh, sorry, your supplementary then.

**Deputy Paint:** Would the Minister confirm that if such a collision had taken place and was witnessed by a third party, the information obtained would be passed to the owners of any vessel damaged by the authorities?

**Deputy Ogier:** Yes, sir. The Harbour Authority plays no role in the claims other than to assist where appropriate in relation to the reports and the evidence that it holds.

**The Bailiff:** Deputy Paint.

**Deputy Paint:** Sir, Question 4.

**The Bailiff:** Well, Question 3, I think. If you do not wish to put your Question 3 that is fine, we can move to Question 4.

**Deputy Paint:** No, that is fine. Can the Minister explain how such an accident could happen when Marina staff in dories are escorting tenders from the pier heads to the disembarkation pontoons at the Albert Pier?

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** Mr Bailiff, the Question presupposes that it was a cruise tender which caused the damage. The Harbourmaster has confirmed that there were no reports from Marina staff about the incident.

It also needs to be understood that, while Harbour staff are present in dories and small boats around the port, they are there to offer assistance and guidance but the safe handling of any vessel remains at all times the responsibility of the vessel's master. There is no evidence to confirm that any cruise liner tender was involved in the incident.

**The Bailiff:** Deputy Paint.

**Deputy Paint:** Just one... [*Inaudible*]

**The Bailiff:** Can you put your microphone on? It is on now.

**Deputy Paint:** I have got my helper.

Would the Minister and his board now agree that following the many incidents that have occurred in the area of the approaches from the outer Harbour to the Albert Pier is at times very heavily congested and that more problems will occur until the matter is hopefully, eventually, resolved?

**The Bailiff:** I am not sure that arises from the third Question. Do you wish to answer, Deputy Ogier?

455 **Deputy Ogier:** All I would like to say is that the problems at the White Rock have been significantly reduced in moving to the Albert Pier. When you look at the problems that were occurring and the risks that were potentially occurring at the White Rock and the liabilities that the States had there, it has all been significantly removed and reduced by moving to the Albert Pier.

460

**The Bailiff:** Deputy Paint.

**Deputy Paint:** Can the Minister further inform the Assembly what measures have been taken to prevent tenders, or others... including other vessels in the Harbour?

465

**The Bailiff:** The route to and from the Albert Pier pontoon is by following an internationally recognised, marked fairway which assists with the control and flow of vessel traffic in the area.

470 Navigational guidance is provided to the Cruise vessel, prior to arrival, through the shipping agent. All tender operators are then further briefed by Harbour staff when first arriving at the pontoon. The brief includes: weather, tides, operations, other vessel movements and navigational advice.

In addition, a standard operating procedure 'Cruise Vessel Tendering Disembarkation/Embarkation Arrangements' is in force, detailing arrangements for cruise liner tenders using the Harbour.

475 The Leopardess has now been relocated to a mooring at some further distance from the Albert Pier pontoon.

480 There have been no collisions reported involving tender vessels since the relocation to the Albert Pier. *There have been no collisions reported involving tender vessels since the relocation to the Albert Pier.* The investigation into the cause of the damage to the Leopardess was inconclusive and is thought to be unlikely that it was caused by a tender.

**The Bailiff:** Any supplementaries?

**Deputy Paint:** Just one, sir.

485

**The Bailiff:** Deputy Paint.

490 **Deputy Paint:** The balance of probability is used in any courtroom to see if any person is guilty or not of an offence. Surely it must be obvious that a number of new incidents that have happened... the balance of probability that a serious incident will occur in the future. Does the Minister agree or disagree with that statement?

**The Bailiff:** Deputy Ogier.

495 **Deputy Ogier:** I do not suppose it is really for me to state what happens in a court of law but the legal eagles in this Assembly are shaking their heads at Deputy Paint as he strays outside the international recognised markings for this Question. *(Laughter)*

**Coastguard operations –  
Weekly costs in overtime**

**The Bailiff:** Deputy Paint, your final Question.

500

**Deputy Paint:** My final Question, sir, can the Minister of PSD further inform the Assembly of the current weekly costs in overtime attributed to the Coastguard operations, including the cost of present Harbour staff and others overseeing the operation of the Coastguard's call centre?

505

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** The new Joint Emergency Services Control Centre's (JESCC) call handlers have undergone significant and appropriate training to fulfil the role of the Coastguard radio station for the service.

510

During the current busy service, which is a transitional stage for JESCC, Guernsey Harbours has also provided oversight that has incurred overtime totalling approximately £34,000 to the end of August, plus external support from search and rescue consultants and trainers, Sartacs UK, totalling a further £35,000.

515

These costs can be offset against some savings at the Port Signals Office, which will total £54,000 by year end and a total saving in excess of £70,000 a year from 2016 onwards, which represents good value for money.

520

Personnel working in JESCC have maintained a listening watch on the Coastguard radio station continuously since commencing operations in May. JESCC have assisted the Coastguard in successfully dealing with 39 incidents, ranging from reports of red flares through to rescues such as the incident where a group of young people were stranded on the rocks off Grandes Rocques, and the Clarence battery emergency where a young person fell over the edge. The Joint Control Centre has also assisted with combined Police and Coastguard investigations.

525

**The Bailiff:** Any supplementaries?

**Deputy Paint:** Two, sir.

**The Bailiff:** Two, Deputy Paint.

530

**Deputy Paint:** Would the Minister agree that the 39 incidents mentioned in the reply... that the radio callers involved have been supervised in their responses to any of those incidents by experienced local radio operators, assistant Harbourmasters and the UK Coastguard staff especially brought in to oversee the operation of the new staff?

535

**The Bailiff:** Deputy Ogier.

**Deputy Ogier:** Yes, sir, during this period where the move from the Coastguard has occurred, to JESCC, at all times operators have been supervised by suitably qualified and appropriate staff.

540

**Deputy Paint:** Thank you, sir. I will ask my second supplementary.

Before JESCC came into operation for the Coastguard service the equivalent of eight full-time staff – that is six part-full-time and two full-part-time... at the Harbour, managing both Port Control and Guernsey Coastguard. Now there is the equivalent of six managing just Port Control – five full-time and two part-time – and they operate this 24/7.

545

At JESCC there are eight full-time staff managing Guernsey's Coastguard. The two services are now equivalent to 14 full-time staff managing Port Control and Guernsey Coastguard, where the equivalent of eight full-time staff managed both services.



550 This means that the separation of the two services... six extra full-time staff have had to be employed. Could the Minister confirm that this information is correct and explain how splitting the services is cheaper for the taxpayer?

**The Bailiff:** Deputy Ogier.

555 **Deputy Ogier:** This bears no resemblance to the Question on overtime whatsoever. There is a lot of information in there with a lot of numbers. I cannot possibly be expected to be able to confirm or deny the validity of Deputy Paint's figures.

If he wants to provide that question to the Department I am sure we will provide him with an answer.

560 **The Bailiff:** There are no further supplementaries.

## ENVIRONMENT DEPARTMENT

### Bus Services – Parish Link costs and night services to the West

**The Bailiff:** We will move on to the final series of Questions, to be asked by Deputy De Lisle.

**Deputy De Lisle:** Thank you, sir.

These Questions relate to the bus services, the P1 bus trial and night services to the West.

565 The first Question: what has been the cost of the driver and the bus to sustain the P1 service since beginning operation of the route?

**The Bailiff:** And the Environment Minister, Deputy Burford, will reply.

570 **Deputy Burford:** Thank you, sir.

When the Parish Link, or P1 service, first commenced on 6th October 2014 it was resourced through the leasing of a 16-seat Mercedes Sprinter vehicle. The cost of operating this service including the driver, fuel, maintenance and the leasing of the vehicle was £463 per day. This amounted to a total expenditure of £70,376 for the period October 2014 to 31st March 2015.

575 Since the awarding of the new bus contract to CT Plus on 1st April 2015, the cost of the P1 service has been integrated within the overall annual contract cost and has not therefore been priced separately. However, given that the P1 service represents approximately 3% of contracted services then between 1st April and 30th September 2015 the operational cost could be estimated at £74,253. This would give an overall 12-month cost of operating the service of £144,629, which is not dissimilar to most other routes.

580

**Deputy De Lisle:** I thank the Minister for that.

The second Question: how many passengers have used the service and what income has been derived to offset that cost?

585

**The Bailiff:** Deputy Burford.

**Deputy Burford:** Since commencement of the services on 6th October, 2014 a total of 3,730 passengers have been carried on the P1 service and the fare income has amounted to £1,724.

590

**The Bailiff:** Deputy Brouard, do you have a supplementary question?

**Deputy Brouard:** It was, sir, really a supplementary on the previous question – I was about to stand up –

595 **The Bailiff:** Yes, there are three questions which all sort of hang together. I wonder whether it would be helpful to get all three answers and get supplementary questions, perhaps, to all three?

**Deputy De Lisle:** I thank you for that intervention, sir.

600 **The Bailiff:** Yes. *(Laughter)*

**Deputy De Lisle:** What has been the subsidy on the route since operation?

605 **Deputy Burford:** For the year to date the subsidy has been £128,705. The P1 route was specifically designed to link various parish facilities in the West including doctors' surgeries, shops, post offices and parish churches, and to provide links to network hubs at the Airport and Vazon. However, the take-up has been very poor and the route will be terminating at the start of the winter timetable and the service will be redeployed to another area. Indeed the first part of the schedule has already been cancelled to cover demand on a different route.

610 **The Bailiff:** Right, any supplementaries to all three questions that we have had, before we move on to the next Question?  
Deputy De Lisle first.

615 **Deputy De Lisle:** Yes, sir, I have a supplementary –

**The Bailiff:** Can you switch your microphone on?

620 **Deputy De Lisle:** I thank the Minister for the details and researched Answers on cost, income and subsidy of the P1 service.

Can I ask the Minister: could not the service have been stopped earlier to save money?  
**(A Member:** Hear, hear.) I note that the bus is still working with no passengers and sometimes a large bus is being used rather than the small bus that was being trialed.

625 **The Bailiff:** Deputy Burford.

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

630 The reason for the large bus occasionally being used is, of course, when the small bus is on maintenance and the service needs to continue as published in the timetable as people would have an expectation.

Certainly the board decided some time ago that it was unlikely we would continue with the route, but as the summer was here with many tourists, the decision was taken that as it was published in the timetable we did not want people standing waiting for a bus that would never appear – and the reasonable time to change it would be at a timetable change.

635 **The Bailiff:** Deputy De Lisle.

**Deputy De Lisle:** Yes, a further supplementary, sir.

640 The Department and the Minister state that the service will be redeployed to another area. Can the Minister give comfort to this Assembly that the scale of these losses will not be repeated in a new experiment?

**The Bailiff:** Deputy Burford.

645 **Deputy Burford:** Clearly I cannot give Deputy De Lisle any guarantees on that. However, the reason the service was originally put in the West was that the West – as he will know, being his own parish – was one of the areas that was least well served by buses and it was felt that this route would gather passengers, hopefully, for changing at the hubs. However, when we redeploy we are looking at placing the bus service in a much more populated area of the Island.

650 **The Bailiff:** Deputy Brouard, do you have a supplementary?

**Deputy Brouard:** Thank you, sir. The Minister has answered Deputy De Lisle's Questions very well.

655 What I would like to ask is, in view of the cost of running the P1 service and its disappointing result... two points: would the Minister agree that perhaps if we do a trial in the future that it is for a shorter time rather than for £144,000? And possibly look at other alternatives such as taxi buses, which is something that the Environment Department were pushing at one time?

Thank you, sir.

660 **The Bailiff:** Deputy Burford.

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

665 I think the issue with taxi buses is when we examined them they have proven to be significantly more expensive than a scheduled bus service. I think the important thing is that when we went out to tender – a very detailed tender – and invited the industry to give all different solutions, not one of the tenderers considered that taxi buses would be a reasonable operation for the demographic and the set-up that we have in Guernsey.

Sorry, could you remind me of the other part of your question? Oh yes, I recall, it was that we would not continue a trial so long.

670 I think that is very reasonable and I think we need to make a decision within at least one timetable, which would be a six-month period.

**The Bailiff:** If there are no further supplementaries... then your final Question, Deputy De Lisle.

675 **Deputy De Lisle:** Yes, thank you, sir.

What is being done to extend the night services on Friday and Saturday evenings into the West to the Longfrie, L'Eree and Pleinmont? My request in July 2013 resulted in a service to the Airport only.

680 **The Bailiff:** Deputy Burford.

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

685 In determining the new five-and-a-half-year contract with CT Plus the Department did its utmost to provide as comprehensive a service as possible, and managed to increase provision across a number of important daytime services. However, in order to manage costs the decision was taken to reduce off-peak Friday and Saturday late night buses to an hourly frequency, between 10 p.m. and midnight on routes 11, 41 and 95. This ensures that services are provided to some of the more densely-populated areas of the Island including The Bridge, L'Aumone, Grandes Rocques, Cobo, St. Martin's and as far as the Airport.

690 There are many other parts of the Island in addition to those that Deputy De Lisle mentions that do not currently benefit from the provision of late night services, including L'Islet, Route Militaire, Capelles, Camp du Roi and much of the central and western part of the Island. Any further development of these services would require additional funding or the reallocation of existing resources.

695

**The Bailiff:** Deputy De Lisle.

**Deputy De Lisle:** I thank the Minister for the Answer there, but I would wish that perhaps some of the money saved from the P1 could be more appropriately spent perhaps on night services into the West.

Thank you, sir.

**The Bailiff:** Is that a wish or a question? I am not sure! *(Laughter and interjection)*

**Deputy De Lisle:** It is both a wish and a question, sir. *(Laughter)*

**Deputy Burford:** Well, I would respond to Deputy De Lisle that I think our view would be that given the poor showing of the P1, the sensible thing to do with the resources is to reallocate them into a more populated daytime route.

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Sir, there are some very popular pubs in the Vale. *(Laughter)* Would Deputy Burford consider relocating some of the resources to services for example to The Parrot or The Mariner's? *(Laughter and interjections)*

**Deputy Burford:** I think that is unlikely at the moment. *(Laughter and interjections)*

**A Member:** Shame.

**The Bailiff:** Well, that concludes Question Time.

## Billet d'État XVI

### PROJETS DE LOI

#### I. The Parochial Collection of Waste (Guernsey) Law, 2015 – approved

Article I.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Projet de Loi entitled 'The Parochial Collection of Waste (Guernsey) Law, 2015', and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.*

**The Bailiff:** We move on to legislation.  
Greffier.

**The Greffier:** Billet d'État XVI, Article I, the Parochial Collection of Waste (Guernsey) Law, 2015.

**The Bailiff:** Members, this is at pages 1 to 37 of the brochure. Is there any request for debate or clarification?

Deputy Adam.

730

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

735

I rise to speak on this Law because it has actually very significant changes compared with the 2001 Law. In the 2001 Law, Douzaines simply had the power to make whatever arrangements as necessary for collection and disposal of household waste. This Law is really being put in place to cover the new Waste Strategy and I must congratulate the Law Officers for getting it ready and published and authorised before the Waste Strategy has actually moved down that same road – it is still some distance from that.

740

But what this Law does is it gives an awful lot more power – whether the Douzaines wish it or not – to the Douzaines. The Douzaines now have to have regard to the waste management plan and submit to the demands of Waste Disposal Authority in respect of all aspects of collection and disposal. There is now a duty on occupiers to put out waste in accordance with the Waste Disposal Authority's dictate. There are provisions for enforcement – householders have to comply or face fines. Douzaines will have to police these measures – in fact if you put the rubbish out, the authority can come and check to make sure it is the correct objects in the correct bags and not necessarily general household waste.

745

As I say, it is quite impressive and if nothing else I would advise Members to read the explanatory memorandum on page 1913 of the States' Report.

Thank you, sir.

750

**The Bailiff:** Is there any further debate?

Deputy Ogier, do you wish to reply to Deputy Adam?

755

**Deputy Ogier:** Just, if any clarification is required for Members, what householders will not be able to do is to put non-recyclables into recyclable containers, so if you have a bag for paper and cardboard you will not be able to put engine blocks and bicycles in with the paper and the cardboard, because that obviously causes disruption for the material recovery facility.

So that is what it is designed to do. You can still put all your waste into a black bag; it is all voluntary, there is nothing mandatory. If you are putting out recycling bags you need to make sure that the right recycling goes in the right bags and that it is not abused.

760

The issue of a fine is for persistent and regular abuse, so someone who, over a period of time, over a number of occasions, deliberately mixes in other waste with their recyclable waste, either to avoid putting it in their black bag or for other reasons. Those people could be liable to a fine.

765

**The Bailiff:** Well, I think that concludes the debate – it is not a question. So we must now vote on whether to approve the draft Projet de Loi entitled the Parochial Collection of Waste (Guernsey) Law, 2015.

Those in favour; those against.

*Members voted Pour.*

770

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

**II. The Environmental Pollution (Guernsey) (Amendment) Law, 2015 – approved**

Article II.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Projet de Loi entitled 'The Environmental Pollution (Guernsey) (Amendment) Law, 2015', and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.*

**The Greffier:** Article II, the Environmental Pollution (Guernsey) (Amendment) Law, 2015.

775 **The Bailiff:** This is at pages 38 to 66 of the brochure. Is there any request for debate or clarification of this Projet? No. We will go to the vote. Those in favour; those against.

*Members voted Pour.*

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

**III. The States (Reform) (Guernsey) Law, 2015 – approved**

Article III.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Projet de Loi entitled 'The States (Reform) (Guernsey) Law, 2015', and to authorise the Bailiff to present a most humble petition to Her Majesty in Council praying for Her Royal Sanction thereto.*

**The Greffier:** Article III, the States (Reform) (Guernsey) Law, 2015.

780 **The Bailiff:** Pages 67 to 78. Any debate or clarification? No. Those in favour; those against.

*Members voted Pour.*

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

**ORDINANCES**

**IV. The Income Tax (Pension Amendments) (Guernsey) Ordinance, 2015 – approved**

Article IV.

The States are asked to decide:

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

**The Greffier:** Ordinances, Article IV, the Income Tax (Pension Amendments) (Guernsey) Ordinance, 2015.

785 **The Bailiff:** Pages 79 to 82. Any debate or clarification sought? We vote. Those in favour; those against.

*Members voted Pour.*

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

**V. The Children (Child Minders and Day Care Providers)  
(Guernsey and Alderney) Ordinance, 2015 – approved**

Article V.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Ordinance entitled 'The Children (Child Minders and Day Care Providers) (Guernsey and Alderney) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.*

**The Greffier:** Article V, the Children (Child Minders and Day Care Providers) (Guernsey and Alderney) Ordinance, 2015.

790 **The Bailiff:** Any requests for debate or clarification?  
Deputy Bebb.

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

795 Very briefly, given that this is actually a new form of regulation here in Guernsey – one that I believe is welcome within the Children and Young People's Plan and serves well within the expectations of that plan – I would just like to ask, is the Department at any point thinking of reviewing the Law to see its efficacy?

800 If so, what is the timescale that they are looking at within that for revision? Obviously we need to make sure that these new regulations are fit for purpose and do not catch those for which guarantees were given that they would not catch – but also that they prove themselves to be effective in regulating exactly what they say that they would.

Thank you.

805 **The Bailiff:** Is there any further debate before I invite the Minister to reply to the debate?  
No?  
Deputy Luxon.

**Deputy Luxon:** Sir, there are no plans that I am aware of, but I will take away Deputy Bebb's sensible comments and write back to him.

810 Thank you.

**The Bailiff:** We are voting on the Children (Child Minders and Day Care Providers) (Guernsey and Alderney) Ordinance, 2015.

Those in favour; those against.

815

*Members voted Pour.*

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

**VI. The Noise Abatement (Amendment) Ordinance, 2015 – approved**

Article VI.

The States are asked to decide:

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

820 **The Greffier:** Article VI, the Noise Abatement (Amendment) Ordinance, 2015.

**The Bailiff:** Pages 150 and 151. Any debate or clarification sought? No. Those in favour; those against.

825 *Members voted Pour.*

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

**VII .The Criminal Justice (Sex Offenders and Miscellaneous Provisions)  
(Bailiwick of Guernsey) Law, 2013  
(Amendment) Ordinance, 2015 – approved**

Article VII.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Ordinance entitled 'The Criminal Justice (Sex Offenders and Miscellaneous Provisions) (Bailiwick of Guernsey) Law, 2013 (Amendment) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.*

**The Greffier:** Article VII, the Criminal Justice (Sex Offenders and Miscellaneous Provisions) (Bailiwick of Guernsey) Law, 2013 (Amendment) Ordinance, 2015.

830

**The Bailiff:** Pages 152 to 155. Any debate or clarification? We vote then. Those in favour; those against.

*Members voted Pour.*

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

**VIII. The Financial Services Ombudsman (Bailiwick of Guernsey)  
Law, 2014 (Commencement) (No. 2) Ordinance, 2015 – approved**

Article VIII.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Ordinance entitled 'The Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014 (Commencement) (No. 2) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.*



835 **The Greffier:** Article VIII, the Financial Services Ombudsman (Bailiwick of Guernsey) Law, 2014 (Commencement) (No. 2) Ordinance, 2015.

**The Bailiff:** Pages 156 to 158.  
Her Majesty's Comptroller.

840 **The Comptroller:** Yes, sir – just a minor clarification.

There is a typo in the explanatory memorandum; I would just like to draw Members' attention to that. It states that the Ordinance commences with effect from 14th November, but in actual fact the Ordinance will commence from 16th November as is confirmed in the legislation brochure. It is just to correct that please, sir.

845

**The Bailiff:** Thank you.  
Any further debate or clarification? No. Those in favour; those against.

*Members voted Pour.*

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

#### **IX. The Income Tax (Guernsey) (Approval of Agreement with Gibraltar) Ordinance, 2015 – approved**

Article IX.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Ordinance entitled 'The Income Tax (Guernsey) (Approval of Agreement with Gibraltar) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.*

850 **The Greffier:** Article IX, the Income Tax (Guernsey) (Approval of Agreement with Gibraltar) Ordinance, 2015.

**The Bailiff:** Pages 159 to 160. Any debate or clarification? Straight to the vote. Those in favour; those against.

*Members voted Pour.*

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

#### **X. The Income Tax (Guernsey) (Approval of Agreement with Bulgaria) Ordinance, 2015 – withdrawn**

Article X.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Ordinance entitled 'The Income Tax (Guernsey) (Approval of Agreement with Bulgaria) Ordinance, 2015', and to direct that the same shall have effect as an Ordinance of the States.*

855 **The Greffier:** Article X, The Income Tax (Guernsey) (Approval of Agreement with Bulgaria) Ordinance, 2015.

**The Bailiff:** Here we have a motion to withdraw, to be proposed by Deputy St Pier and seconded by Deputy Le Tocq – just that the Ordinance be withdrawn.  
860 Deputy St Pier.

**Deputy St Pier:** Sir, if I could just briefly explain the motion to withdraw.  
As is noted on page 161 of the brochure, this agreement was signed on 20th May and 11th June, respectively, by Guernsey and the Republic of Bulgaria. Subsequent to that signing, of  
865 course, the EU commission produced its so-called blacklist or 'list of lists' which has subsequently been renamed the 'Tax Good Governance in the World as seen by EU Countries' list. (*Laughter and interjection*).

As Members will know, Guernsey is one of the 30 jurisdictions on that list because it appears – apparently, according to the EU Commission – on 10 or more national lists, and Bulgaria is one of  
870 those. Of course we have been seeking to establish why we are on those national lists and looking for countries to confirm to the EU Commission that we are co-operative. I am pleased to say that we have been making good progress in that regard.

In that context, I wrote to the Ambassador of the Republic of Bulgaria on 23rd June and said:

'I am aware that in December 2013 the Bulgarian Parliament passed the Economic and Financial Relations with Companies Registered in Preferential Tax Regime Jurisdictions, the Personnel Related to them and their Beneficial Owners Act which came into force on 1st January 2014, and introduced measures limiting the ability of companies based in listed jurisdictions from carrying out certain activities. I understand that Guernsey was included on this list, albeit under the generic heading 'Normandy Islands', which would encompass both Guernsey and Jersey. I would like to understand how, given the Tax Information Exchange Agreement and our commitment to early adoption of the common reporting standard, Guernsey can now begin the process to remove itself from the list. I would be very grateful if this request could be passed on to the Finance Ministry in Sofia through the Embassy.'  
875

Subsequent to that letter I met with the Economic Attaché in London on 25th August, and on 26th August the Finance Ministry in Bulgaria produced a press release which advised that the Bulgarian cabinet was recommending the ratification of the agreement to which this legislation relates.

880 There is also a second issue in relation to Bulgaria: the EU savings directive comes to an end at the end of 2016 and for all EU countries, with the exception of Bulgaria, then automatic exchange of information will be undertaken through the multilateral Convention on Mutual Administrative Assistance in Tax Matters. But Bulgaria is not currently a signatory to that agreement, so there is no mechanism to allow us to exchange information which was previously exchanged with them  
885 under the savings directive, for that to continue after the end of 2016. So on 27th July I did write to the Minister of Finance in Bulgaria and invited Bulgaria to negotiate a bilateral agreement such as a double tax agreement which would allow the automatic exchange of information.

On 26th August following the meeting with the Economic Attaché I wrote again to Mr Goranov, the Minister, to say:

890 'I wanted to update and inform you that the bilateral Tax Information Exchange remit that we signed in June 2015 will be put before Guernsey's Parliament for ratification in September 2015. It will be necessary for my statement to our Parliament to set out the importance of this agreement, therefore further to my letter of 23rd June to the Bulgarian Ambassador please could you confirm the timeframe in which the Ministry of Finance will delete Guernsey from the list of jurisdictions included in the Formations Act...'

– I will not go through it again –

'... given that the agreement is in place.'

895 – and also seeking a response to the previous question about what Bulgaria would like to do  
in relation to the EU Savings Directive.

Sir, the Fiscal and Economic Policy Group of Policy Council, is of the view that we ought,  
reasonably, to allow the Ministry of Finance in Bulgaria more time to respond to our enquiries on  
the two outstanding issues, in order that this Assembly can make a decision which is properly  
900 informed by those responses. Therefore, for that reason, sir, I move to withdraw this legislation.

**The Bailiff:** Deputy Le Tocq, do you formally second that motion?

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

905

**The Bailiff:** Is there any debate on the motion to withdraw? No. We vote on it. Those in favour;  
those against.

*Members voted Pour.*

**The Bailiff:** I declare it carried, and the Article is withdrawn.

#### ORDINANCES LAID BEFORE THE STATES

##### **The Sark General Purposes and Finance Committee (Transfer of Functions) (Guernsey) Ordinance, 2015**

The States are asked to decide:

*Whether they are of the opinion to approve the draft Ordinance entitled 'The Sark General  
Purposes and Finance Committee (Transfer of Functions) (Guernsey) Ordinance, 2015, and to  
direct that the same shall have effect as an Ordinance of the States.*

**The Greffier:** Ordinances laid before the States, the Sark General Purposes and Finance  
910 Committee (Transfer of Functions) (Guernsey) Ordinance, 2015.

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

**STATUTORY INSTRUMENTS LAID BEFORE THE STATES**

**The Sex Offenders (Prescribed Information) (Bailiwick of Guernsey) Regulations, 2015;**  
**The Sex Offenders (Prescribed Jurisdictions) (Bailiwick of Guernsey) Regulations, 2015;**  
**The Sex Offenders (Travel Notification Requirements)**  
**(Bailiwick of Guernsey) Regulations, 2015;**  
**The Liquor Licence (Fees) (Amendment) Regulations, 2015;**  
**The Parochial Administration Ordinance, 2013 (Commencement) Order, 2015;**  
**The Financial Services Ombudsman (Case Fee and Levies)**  
**(Bailiwick of Guernsey) Order, 2015;**  
**The Financial Services Ombudsman (Exempt Business) (Bailiwick of Guernsey) Order, 2015;**  
**The Export Control (Miscellaneous Goods) (Bailiwick of Guernsey)**  
**(Amendment) Order, 2015;**  
**The Electoral Roll (Public Inspection) Rules, 2015**

915 **The Greffier:** Statutory Instruments laid before the States: The Sex Offenders (Prescribed  
Information) (Bailiwick of Guernsey) Regulations, 2015; The Sex Offenders (Prescribed  
Jurisdictions) (Bailiwick of Guernsey) Regulations, 2015; The Sex Offenders (Travel Notification  
Requirements) (Bailiwick of Guernsey) Regulations, 2015; The Liquor Licence (Fees) (Amendment)  
Regulations; The Parochial Administration Ordinance, 2013 (Commencement) Order, 2015; The  
Financial Services Ombudsman (Case Fee and Levies) (Bailiwick of Guernsey) Order, 2015; The  
920 Financial Services Ombudsman (Exempt Business) (Bailiwick of Guernsey) Order, 2015; The Export  
Control (Miscellaneous Goods) (Bailiwick of Guernsey) (Amendment) Order, 2015; and the  
Electoral Roll (Public Inspection) Rules, 2015.

**The Bailiff:** I have not received notice of any motion to annul any of those Statutory  
Instruments, so we can move straight on to other business.  
925 The Greffier.

## Billet d'État XVI

### TREASURY AND RESOURCES DEPARTMENT

#### The States of Guernsey Accounts 2014 – Propositions carried

**The Greffier:** Billet d'État XV, Treasury & Resources Department – The States of Guernsey  
Accounts 2014.

930 **The Bailiff:** The debate will be opened by the Minister, Deputy St Pier.

**Deputy St Pier:** Thank you, sir.

I shall keep this opening speech to the debate relatively short, given particularly of course that  
we are now debating this nine months after the financial year end, and in many ways things have  
moved on, as we know, with the Budget for next year being published today.

935 So, these accounts really do speak for themselves. Each committee is of course accountable to  
the States for the resources which are entrusted to it, and if there are any specific questions in  
relation to any particular committee then I would hope that the Chair or another member of the  
committee would respond to that in debate, if appropriate.

940 Sir, I know that Deputy Soulsby, as Chair of the Public Accounts Committee, does often comment on these accounts, and not only the content but also their structure and other appropriate comments, much of which I am sure I will agree with, but I will say otherwise in summing up.

945 In terms of key headlines, of course, the deficit in 2014 was £4 million *less* than was budgeted, but I should point out that because of the cash accounting, in other words the fact that we account for income tax receipts in the year in which they are received, that may be part of the cause for the shortfall in receipts in 2015. In other words, we may have effectively over-accounted in 2014 and then subsequently under-account in 2015, because of the year in which we receive tax and then subsequently repay it once final assessments are made. So that may be an issue which has moved on since these accounts were prepared.

950 In terms of headlines, I think it is worth drawing attention of course that the transfer to the Capital Reserve last year at £35.3 million was an increase of £10 million over 2013, and as recently as 2005 the transfer was only £10 million a year. So our ability to fund a capital project through the Capital Reserve has been substantially increased by the transfers to the Capital Reserve.

955 Income Tax was up 4.3% in 2014, which was a 3.7% real terms increase. But, importantly, Income Tax from corporations was 16.6%, or £7.3 million, and a substantial part of that is as a result of the extension of the 10% intermediate rate to fiduciaries and general insurance businesses which we would have benefited from 2014. And of course it is worth noting, sir, that the extensions which have been to Corporate Income Tax have now brought the sums that we received from the corporate sector – albeit through different sources – to the same level as they were before the introduction of Zero-10.

960 The expenditure in real terms reduced by 1%, or £3.3 million. The headcount for the States fell by 25 full-time equivalents, which was £2.4 million and the equivalent of 1.2%, and pay as a percentage of the total costs also fell by 0.4% to 53.2%. There was also a decrease in spending on Supplementary Benefit in 2014. I think those are some of the notable features of the accounts.

965 In terms of the future, that is very much a debate we will have, I am sure, at the end of next month, sir, on the Budget; but the issues that arise out of these accounts are very much the same that arise out of the Budget – the need to retain the no real terms growth in spending whilst recognising the very real pressures in health, the need to continue to deliver ongoing transformation, and the need to deliver a proper prioritisation process.

970 Finally, sir, in relation to the Core Investment Reserve at the year end of 2014, it had a balance of £143.3 million – that amounts to 40% of annual expenditure. It is worth remembering that in 2006 the equivalent sum was 64% of annual expenditure. So that gives you an indication that over that period of 2006 to 2014 we have depleted our reserves in the support of the tax strategy, by that 24% figure of annual expenditure. I would suggest, sir, that it should be a medium-term objective for this Assembly and this States to seek to rebuild those reserves in time back towards that 64% level or more in due course.

975 On that note, sir, I will leave it for others to speak.

980 **The Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, speaking on behalf of the Public Accounts Committee, I would like to state up front that whilst the Committee does have a query surrounding the numbers, from the Committee's perspective a big issue is not the numbers, rather the process around them.

985 For the third year running, the audited accounts overran the proposed internal timetable and a financial penalty is likely to be imposed by the external auditors. The Committee believes that the audit needs a greater level of support to ensure slippage from the timetable does not occur again and incur financial penalties – appropriate people, not volume of staff, push individuals in the correct fashion to enable them to achieve deadlines. Due to this slippage, the accounts were signed three weeks after the Committee was formally notified that they were going to be and, despite requests, no updates were forthcoming.

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However, once they were signed they were circulated to the media but not to the Committee, the States' financial watchdog. This is unacceptable. The Committee has written to the Minister expressing its dissatisfaction with this process this year and hopes that the Minister will ensure that this will not happen again.

995 I would like to continue by again covering some areas that the Committee has highlighted in previous years. The Committee is still concerned that there is no specific time set aside to consider and debate the States' financial affairs, apart from within the agenda of the scheduled monthly States' Meeting. The fact that the accounts are delayed two months and are once again being shoehorned into a packed agenda is unacceptable.

1000 As an aside, although I am aware that the original intention was to submit the accounts to the June States' Meeting, had the audit been completed in a timely manner this would have been achieved and Members would have been able to debate the accounts in a rather less busy meeting.

1005 The Committee feels that the States' financial affairs should have more priority within the Assembly and I will be making the submission to SACC, in addition to including this as one of the proposals in the upcoming policy letter on how the Scrutiny Management Committee should operate moving forward.

Deputy St Pier expects me to speak about the structure of the accounts and I am pleased I am not going to let him down again. Within the balance sheet on page 9 it once again states it is, and I quote:

'not the policy of the States to capitalise fixed assets.'

– and –

'The States made a decision in 2012 to adopt International Public Sector Accounting Standards and the intention is that this will be incrementally introduced commencing with fixed asset valuation and accounting.'

– but no comment as to when or how the Department intends to do so.

1015 Although the Minister recently informed the Assembly that the plan for moving to a new set of standards was already underway, the Committee, through the work of its audit panel, does not believe that there has been any tangible response to its enquiries in this regard and does not have confidence that it is being given the priority it deserves.

1020 In addition, the Minister stated in his response to me last year in this same debate that it was the Department's expectation that, as a minimum, the trading entities would be FRS 102-compliant this year. This has not happened and the Committee would like the Minister to confirm that there will be substantial movement on this issue within the coming months, and keep the Committee informed of progress.

In terms of presentation, there is still no clear explanation as to the rationale for the uplift from Original Budget column to Total Authorised column within the main Income and Expenditure section, despite the Minister agreeing last year to consider some changes for this year's accounts.

1025 In fact, the overall clarity of the content within the accounts is still poor and does not appear to have improved. For example, within pages 3 and 6 there are three paragraphs giving explanations for the increase in both income and expenditure as relating to the revision to the funding arrangements for the corporate housing programme. This is very opaque and does not help the reader to understand what has actually occurred. This lack of transparency within the accounts prompted the Committee to conduct a review of how similar jurisdictions and large organisations produce their annual accounts, with recommendations for improvement to be published later this year.

1035 For the last three years the external auditors have supported the Committee's concern that the States of Guernsey does not have a current comprehensive set of financial directives in place. This was also highlighted in the Committee's report on Financial Controls which was published in July. This issue has been raised to the Treasury & Resources Department by the Committee on a regular basis, as the Committee believes that this should be a fundamental priority for any

organisation, but especially one that has gone through the transition to centralising the finance function as the States did in 2013. Whilst the Committee has been informed that that this is in hand, it would like confirmation that this is a priority of the Department and will be completed with some expediency and certainly before the end of this term.

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The total authorised budget for routine capital expenditure in 2014 was £14.759 million but actual costs were just over £8 million; therefore over £6 million was authorised for departmental usage but not spent. The Committee questions whether this means that the departments are initially over budgeting or not maintaining the properties under their care, as scheduled to do. However, the Committee is also concerned that Departments are unclear what actually constitutes maintenance or routine capital expenditure, and feel that the clarity of accounting standards would help rectify this uncertainty.

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Also in respect of capital generally, the Committee is concerned that although £36 million was transferred to the Capital Reserve, the level of capital expenditure was only £18 million and falls woefully short of the fiscal policy framework parameter of 3% of GDP. The level of GDP at approximately £2.2 billion, that figure should approximately be about £66 million.

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Looking at pay costs, and more particularly the Senior Employees Gross Cost Analysis on page 25, the 2013 analysis and total number of employees shown are different from what appeared in the 2013 accounts. These accounts show a reduction of 16 new employees compared to the 2013 comparative. However, taking the 2013 figure, there has actually been an increase of two. The Committee would appreciate some clarification on this, in respect of... the Committee believes that there should be much more detail in this area and that the higher paid posts should be identified in the accounts, as the States of Jersey details theirs.

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As mentioned in my speech on the GFSC accounts earlier this year, the Committee wrote to the organisation last year on this very issue and is grateful that it has taken on the Committee's comments and made improvements.

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In closing, the Committee would like to comment on the bond issue. The Investment Panel of the Committee met with the State's Treasurer to discuss the governance arrangements around the bond issue and to try to comprehend returns anticipated in both the lending and investment of the surplus funds.

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The Committee also wrote to the Department for further clarification on particular concerns it had and, although a reply has been received, feels that it needs to highlight some of its concerns to the Assembly.

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Firstly, the Committee finds it surprising that there was no commitment from the trading bodies as to the amounts they intended to borrow before the bond was finalised, as this would surely have helped to determine how much the States would need to raise.

The external auditors informed the Committee that as of May 2015 no external borrowings have been repaid, nor have any loans been made by T&R to the respective States bodies to utilise the monies raised. It said the proceeds had been invested in the short term in the general investment pool.

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The Department, in its response to the Committee's recent enquiry, advised that approximately £100 million of both internal – that is Cabernet, JamesCo and HSSD – a combination loan, an external GHA £52.9 million borrowings have been, or are in the process of being, transferred to be funded from the bond issue proceeds.

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However, some States entities still have external borrowings guaranteed by the States where it would not be cost effective to break existing arrangements and utilise the bond issue, and others where the timing of funding arrangements have changed and the funds are not now required.

A major concern of the Committee is that the States may now have found itself in a position where the overarching debt limit, as detailed in the current fiscal policy framework, has been reached, whilst there is also additional external borrowing on behalf of some of the trading bodies.

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1090 The Committee is therefore disappointed that there is no narrative included in the accounts regarding post balance sheet events and would appreciate an up-to-date position being given to the Assembly, as soon as practically possible.

1095 Secondly, the Department informed the Committee – again in response to the Committee’s recent enquiry – that there was no direct benefit to the States in having issued a bond; rather lowering the cost of capital to the entities to which loans are made could result in a significant downstream saving to their customers. But this is in contrast to the Minister’s Budget speech last October when he stated that the States would be acting like a bank:

‘We will borrow on the one hand and then we will lend on with a small mark up on the other. The taxpayers will have obtained a small return in the process and the entities and their customers will be better off.’

Finally, information given to the Committee has resulted in some uncertainty over the returns currently being made on the bond proceeds and we would welcome confirmation from the Minister that these do at least match the costs of finance.

1100 **The Bailiff:** Deputy Trott and then Deputy De Lisle.

**Deputy Trott:** Sir, can I draw attention to page 2 of the Minister’s foreword, where I think there must be a spelling mistake or an omission of a word, at the very least, or the absence of an additional sentence. Because on page 2 in the second paragraph, which reads as follows:

‘It is important that, although the States’ finances are expected to return to a surplus position in the coming years, a culture of good fiscal discipline is maintained. Since 2010, the States have operated with a fiscal policy which imposes a real terms’ freeze on aggregate States’ revenue expenditure. This objective has been a keystone in successfully maintaining restraint in public sector expenditure over recent years and in the opinion of the Treasury and Resources Department must be continued.’

1105 Now, I think, sir, the word ‘not’ appears to me missing from that sentence, because just a few months later we had a Budget presentation last night that shows that the real term freeze in public sector expenditure is indeed *not* being continued. Or it might be, sir, that the word ‘not’ is not missing and the extra sentence, ‘Other than next year because we have changed our mind’...

1110 So I would appreciate the Minister expanding on comments that he gave last night about this issue. He is, of course, quite right in what he says in this foreword and circumstances have changed very materially.

1115 It is probably also worth the Minister, in answering the questions from Deputy Soulsby, giving us an update on the superannuation funds, sir. Markets have not been favourable of late, and I would anticipate that our superannuation fund has dropped in value quite significantly. This is to be expected, and reflects in no way negatively on either the Treasury & Resources Department, or indeed its advisors, its discretionary fund managers, but I think it would be of value as we approach quarter end – quarter 3 – of 2015, to have an update on the current value of the superannuation fund at the same time.

Thank you, sir.

1120 **The Bailiff:** Deputy De Lisle.

**Deputy De Lisle:** Yes, sir, thank you.

1125 The Minister’s foreword actually was quite optimistic, several months ago when it was written, and very upbeat. In fact, the overall general revenue income increased, I think it was 6% – £21 million – that he referred to a few moments ago and Income Tax receipts from individuals showed a real term increase of 3.7%. Also, the overall deficit for the year was £10.4 million, which was a reduction from £20-odd million the year previous to that.



1130 He also makes the point, though, the 2015 Budget report set out that 2014 was the last year in which there was expected to be an underlying deficit. Now, can I ask the Minister how close to reality is the expectation that 2015 was the last deficit?

1135 I would also, secondly, note that the UK Budget was released recently and the Head of Tax for EY said that the cut in the UK corporate tax below 20% would have a knock-on effect in these Islands and may prompt a change to the Guernsey Corporate Tax Legislation. I would like to ask the Minister: is this a likely scenario? Could the Minister inform the Assembly on the probable additional tax take that could be achieved should the Islands switch to a territorial tax system in the future?

1140 Thirdly, I note his medium-term objectives, looking forward, in the accounts: to restore the Contingency Fund to 2006 level, to continue restraint in public expenditure and to support reforms to the public service. Can I ask: are we looking towards a substantial reduction in the Public Service? I see some slight reduction in the numbers in the 2014 accounts and I would ask what targets are projected into the future, into his medium-term forward looking watch glass.

Thank you, sir.

1145 **The Bailiff:** Deputy Gollop and then Deputy Domaille.

**Deputy Gollop:** Thanking you, sir.

1150 Building on what I think Deputy Soulsby has pointed out, it is fair to say there has been a degree of interest on the Island – disquiet even – about the size of the public sector expenditure, particularly on people we term to be civil servants.

I use that word advisedly because I think there is a popular misconception on the Island that everybody who is employed by the public sector is a civil servant. In reality, the States does things a bit differently than the United Kingdom, and all kinds of people in various professions and trades and skilled areas are regarded as civil servants here when they would not be elsewhere.

1155 Nevertheless, if one turns to page 25 one can see that in 2013, according to *these* figures, not perhaps the more detailed ones Deputy Soulsby has researched, there were 445 employees in the senior officer category, above £70,000 a year – significantly more than any politician could be paid, I hasten to add – has reduced to 439.

1160 A more detailed analysis of those figures though show that the very senior officers who earn £90,000 or more have dropped by 19, but the number of upper middle officers who are earning between £70,000 and £90,000 has gone up by 13, which indicates that there may well have been some judicious early retirements, reorganisations, vacancies, but the trend upwards looks like it still might be rising.

1165 Indeed, I think one problem the States has had with fundamental transformation and FTP and all their similar measures has been the reality that most States' Members – possibly not even the Chief Minister – have day-to-day control over the costs of establishment. So when we try to strip out costs we are usually looking at efficiencies in terms of delivering services or cuts and subsidies.

1170 But I think management of the human resources element is going to have to become more central to the States for the future, because if you ask members of the public what they think we spend money on they will often come up with various categories – they will include welfare, they will include subsidies to transport, they will imagine States' Members are earning a king's ransom and all those things. Well, that may be true, but if you actually look at figures (*Interjections*) – well, true in a narrow sense – you will see that for 2014 established staff cost £82 million; that is considerably higher than the kind of costs that people usually are talking about.

1175 The point I am making is that to achieve lasting work with the Budget one cannot go for just populist, easy-to-hit targets, as to where money appears to be draining away. The costs that we have as an Assembly and as a Government are overwhelmingly within the cost of the established staff. And that category of established staff – the £82 million I have referred to – does not, in fact, include public sector employees, nurses and medical consultants, teachers, fire officers, police

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1185 officers, prison officers, crown officers, judges or some of the other groups. That is very much more the core civil service. And £82 million or £83 million is... Maybe it is money well spent but we do need, I think, to have a much greater analysis, understanding and public scrutiny by Scrutiny and Public Accounts and their successors to ensure that that figure remains value for money and preferably can be reduced without any detriment to our society.

**The Bailiff:** Deputy Domaille, Deputy Gillson and then Deputy Conder.

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

1190 The foreword referred to by Deputy Trott was written in June this year – only a couple of months ago. Given the recently published Budget, can the Minister please explain why the foreword is so optimistic when the Department must at least, or should at least have been, aware that the position was in fact not rosy, to put it politely?

1195 The final paragraph of the foreword refers to supporting the reform of the Public Service and how important that is in moving forward to make us more efficient. Does the Minister agree that complying with proper accounting standards is an essential part of that process and can he inform the States – I am building on Deputy Soulsby's comments here – *when* they will be introduced, not so much as to progress but when they will actually be introduced?

Thank you, sir.

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**The Bailiff:** Deputy Gillson.

1205 **Deputy Gillson:** Sir, I want to pick up a point about the proposed changes to IAS and the format of the accounts. We currently have a system of cash accounting, really, which is easy to understand but of limited information, and the move to IAS will provide a lot more information, but be potentially more difficult for people to understand the multitude of rules within it that create an ability for some creativity in the way accounts are produced. Now, I am not suggesting anything improper; it is just an ability to – as I would describe it – to hide in plain sight.

1210 To explain what I mean, sir, I will give you a story of when I first joined the civil service at Guernsey Telecoms. I remember one day going to see the finance director and he said he had a problem with the accounts, in that there was too much profit and he was frightened that the public would not like it, because of the fees and expenses, but more worrying than that, A&F would try and grab their money.

1215 That was at the time in 1981 when, if people remember and cast their minds back, almost every phone was rented and you would rent this 746 old dial phone – buying phones was a new concept – and a few days later I passed his office and he called me in to say that he had solved the problem. He had managed to get rid of umpteen million pounds of profit. What he did was: the depreciation on the stock of phones was at 15 years and, because of the change to people buying phones coming in, he decided it was logical to change that to seven years. Depreciation meaning value of the asset was cut; depreciation went through P & L account – absolutely no real profit. That went through, the auditors were okay with it; nobody had advised me in finance, no-one in the States, no media, questioned it. He successfully did that. In fact, he successfully did that twice and then the auditors pointed out he is not going to get away with it a third time.

1225 The ability to interpret and understand accounts when you go to any accounting system, other than cash book, means you have to really understand the notes to the accounts and interpret them. And my plea to this next Assembly is that if and when the move to IAS happens there has to be adequate training of Deputies to understand the accounts. Otherwise there will be a tendency just to look at the P & L account and, as with telecoms in the early 1980's... all looked wonderful, but anybody who looked at the notes would have understood that in plain sight there had been a whopping great profit.

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So my plea to this Assembly is when IAS come in, have a very good, robust training programme for Deputies to be able to make the best use and understand them.

**The Bailiff:** Deputy Conder.

1235 **Deputy Conder:** Thank you, sir.

I refer to page 12 of the Report, particularly in relation to the States of Guernsey Bond and the narrative says:

'The bond issue, which has a final maturity date of 2046, was over-subscribed with a strong level of investor interest which enabled the States of Guernsey to secure an issue of the full £330 million at a fixed rate of interest of 3.375% which represented the lowest ever coupon for a long-term fixed rate sterling bond...'

1240 Sir, my question to the Minister is: in the light of the dramatic slowdown in the macro-economic position of the world in general – particularly in terms of the main driver of the world economy, China – and the consequences of long-term downturn in demand and GDP for the world economy, which of course impacts upon our own economy, and the public expectation that quantitative easing across major economies will have to continue and be expanded, and the likelihood that negative interest rates will be introduced by a number of major international economies, and already exists, for example, in Sweden, is the Minister, in the light of those  
1245 changed circumstances, still satisfied that reaching the long-held convention that Guernsey's Government had no long-term or no debt on its balance sheet, that that bond issue still remains good value for money (**A Member:** Hear, hear.) and the statement that a fixed interest rate of 3.375% was good value, still holds?

1250 Thank you.

**The Bailiff:** Deputy Dorey.

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

1255 Just a number of points. The Deputy referred to in his opening speech about... the percentage of the core reserve fund is down to 40% of the annual expenditure, but of course that situation is being made worse because of the £32 million which was transferred to the Economic Fund and also to the Transition Fund, which was, in fact, not originally proposed when the Zero-10 was set up which was to be used up to half of the fund and they have used the full half, not for the Zero-  
1260 10 but for other reasons which have effectively increased expenditure above real terms because that has added to revenue expenditure.

On page 3 there is the table which refers to the Budget estimate and the actual. The Budget estimate was £14 million and the actual outcome of the year was £10.4 million deficit. What is interesting is that a year ago or 11 months ago, in the Budget, the prediction was £14 million –  
1265 the same as the original Budget with the outturn for the financial year 2014 – and looking back, there is a history of always being pessimistic in terms of prediction for the outcome of the year and, of course, that is influential in the Budget.

I wonder – I know the Budget report is now being published – but it would be better if it came with a range and a mid-point range for the predicted outturn for the year, because that, I believe,  
1270 has an influence on Members when they are talking about a Budget, but it tends to be... There has been, I think, one year recently where it was too optimistic, but the norm is that it is pessimistic in terms of its prediction and the actual outcome is considerably better than the predicted position, and normally that is within a very short period of the year-end. So I think it would be better if he could come with a range and perhaps a mid-point.

1275 I notice in the text below that table on page 3, again it refers to document duty receipts being low, and I urge once again, although my amendment was rejected, them to consider getting a more predictable income from property, which is what we should do in terms of having so many income sources which are variable. Property gives one opportunity to have a predicted income source and I do think that it will not be done overnight and there should be a gradual move to  
1280 that.

My final point is on page 7 it refers to the pay bands which are on page 25 of States' employees and on page 7 it talks about... for consistency reasons, they have used the same £70,000 in the same band limit; but I would actually argue that what we should be doing is increasing those bands with inflation so in real terms that they do change. I think that makes a better comparative because the likelihood over time is that you would just get more and more people in those bands if they are not increased. A better comparison, although it is slightly more complex, is that they do increase in real terms each year so that you can make a real terms comparison.

Thank you.

**The Bailiff:** Deputy Le Clerc.

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

I just wanted to pick up on the point that Deputy Gillson was saying about the transparency of the accounts. For the last three years that I have been in the States I have been trying to fathom out the Housing Department accounts and, in particular, the Corporate Housing Programme Fund because every single year it seems to change, and there are numerous notes throughout the reports about, 'This has changed, that has changed' and it is very difficult to understand exactly the funding arrangements and the income and the expenditure of that Department and, as I say, the Corporate Housing Programme Fund.

But I just wanted to pick up in particular and clarify one... if I could have clarification on one matter, and that is I note on page 6 that it says the miscellaneous income had increased, and that was due now on to page 24... the inclusion of the Net Housing Rental Income, but in 2014 the actual was £4,880,000.

However, if you look at page 102 and you look at the net rents receivable from 2013, that was something like £7.6 million, and I do not know if it has all been lost in translation somewhere across various accounts and accounting methods and a different pot that it is hiding under or hiding in, but it seems to me that is a considerable drop in rental income if we are comparing like with like. I am not sure on that, so I would just like some clarification on that.

Thank you.

**The Bailiff:** Nobody else is rising so the Minister can reply to the debate when he is ready, Deputy St Pier.

**Deputy St Pier:** Thank you, sir. Thank you to Members for contributing to the debate.

Thank you, Deputy Soulsby, for her comments. I must acknowledge the delays that there were in finalising the accounts and signing off. That is a valid observation and I can only apologise for that and seek to improve the performance and timing for next year.

With regard to seeking to make progress on developing of accounts to the agreed and appropriate international standards, that is a work in progress; that is ongoing and I will seek to advise Members of the current timeline that we are working to.

I would, in fact, invite Deputy Soulsby's Committee – I think last year it was perhaps an informal invitation which I extended in my response to this same debate in relation to the detailed comments of that Committee on the current format of the accounts. But perhaps I could seek more formal input from Deputy Soulsby's Committee and invite the Committee to write to me with detailed comments and suggestions on what they would like to see changed and how. She did make reference to having undertaken a similar exercise with the Financial Services Commission, particularly in relation to the disclosure of salary information for some employees.

In relation to the bond issue, there is a more detailed update on what has gone on with the bond in the Budget report and so I would invite Deputy Soulsby and Members to take a look at that – and no doubt that will form part of the debate in a month's time.

1335 With regard to the costs of finance: again, it is of course a very valid question to ensure that as the funds are invested, pending their being lent on, we are indeed covering the cost of finance. Of course, the investment objective of our medium-term fund is inflation plus 3.5% and for the long-term fund, is inflation plus 4%.

1340 We are obviously seeking, through a normal Treasury management operation, to ensure that we retain the funds for no longer than we need to in terms of liquidity, and that we can therefore place funds out for as long as we can to obtain the best return. So, certainly, if those investment objectives are delivered then, pending their being lent to the various institutions, we would expect to be achieving an above-inflation return.

1345 But clearly this is a 32-year programme and there will be investment cycles, and this year is one... and perhaps at this point it is appropriate to move to Deputy Trott's comment about seeking confirmation and the performance of the superannuation fund and indeed our other investment funds this year.

1350 Of course, the normal quarterly figures will be produced as they are in conjunction with the Social Security Department shortly but, broadly speaking, the funds are flat this year; they had a very good first quarter and markets peaked in April and have come off since then. So, broadly speaking, we are flat on the year.

1355 Deputy Trott... and it was a classic Deputy Trott speech, if I may say so, sir, asking a question to which he knew the answer (*Laughter*) which, in relation to his question as to whether there was a typographical error in the Minister's foreword... of course, he knows full well there was not. It is very firmly and quite clearly the Treasury & Resources Department's view that the fiscal policy of no real terms growth in the expenditure until we have firmly come out of deficit is, and should be, a central feature of our fiscal policy and fiscal management.

1360 However, as he will also know from the presentation of the Budget and having had an opportunity to study the Budget report overnight, we are seeking to manage the realities of the Health budget in 2016 ahead of entering a programme of transformation and change with subsequent reductions in the cost of funding that Department. That is reflected in the medium-term forecast for Health – we are assuming that there is – and budgeting for – those savings to come through.

1365 So the deviation from the no real terms growth is intended quite firmly from my perspective, and from that of my colleagues on the board, to firmly be an exception *only* for Health and only short-term whilst they can manage the extensive transformation programme that they themselves know is possible – and that they must get on with.

1370 Deputy De Lisle commented that the Minister's foreword seemed quite upbeat. Sir, actually I think I am *more* upbeat in relation to the economy than I was when that statement was written in June. I think the evidence that has come through is firmly that Guernsey's real economy has been in a recovery for an extended period, and it has picked up pace in the last 12 to 18 months – and all that is very positive. There is clearly a distinction though between the real economy and our public finances, and that is why we believe this is merely a timing lag rather than a systemic or embedded problem that we need to manage.

1375 In relation to the proposed changes of corporation tax in the UK – which of course is scheduled to come down to 18%, from memory, in 2020 and beyond... Of course our general rate of tax does remain 0%, but the developments of corporation tax in the UK are indeed one of the international moves that will need to continue to be monitored by the States of Guernsey and responded to. So I cannot say exactly what impact it will have at this stage, but it is certainly a very interesting key development that a key economy like the UK is moving to below 20% in relation to its corporation tax. However, that is merely a trend which has been going on since the 1950s, of substantial reductions in corporation tax. That is part of the international corporate arena that we are part of and it is just an ongoing trend.

1380 Specifically in relation to a territorial tax system, I think it is fair to say that there is no evidence that I have seen, or is available, that a territorial tax system would raise any more (**A Member:** Hear, hear.) from our corporate tax base than the current system that we have, particularly after

1385 the changes which have been made by this States during this term, sir. As you have seen from the Budget report the more recent extensions are producing diminishing marginal returns in terms of the sums that they produce. So it is pure speculation that a territorial tax would produce more.

Indeed, there is a substantial risk of substantial damage to parts of our productive economy, (**A Member:** Hear, hear.) in particular the captive insurance industry which represents 2% to 3%, which is £50 million to £60 million directly into our economy, and more indirectly through investment management and ancillary parts of the finance industry – 700 jobs and all the ETI that depends on that is dependent on that sector.

1390 These are *substantial* challenges that would need to be addressed in any change in our tax system, together with all the uncertainty that would come from a change. And an absolute bedrock of our system must be to provide a stable platform for business, in which business can flourish and employ people – which is so key to our economy and to our public finances. So it is wishful thinking in my view.

Deputy Domaille again queried why the statement appeared to be so rosy and shouldn't we have known better? – I am paraphrasing. (*Interjection*) Pardon?

1400 **Deputy Domaille:** Better than I did!

**Deputy St Pier:** I was going to say... Deputy Domaille *should* have well remembered that when he was on the Department I am sure the information would have been produced in the same sort of timely fashion.

1405 And as I indicated in my statement to the Assembly in May when I reported the first quarter's figures on ETI, there were risks around other income and we would not know the position on other income until after the end of the second quarter – this statement was actually dated 30th June, the second quarter had not yet ended. We simply did not know, and my board was not aware, of the change in the revenue position until we were in the midst of doing this year's Budget – and obviously that is now a well-documented fact. And I know Deputy Domaille was not suggesting that there was any intention to mislead with a rosy statement in June, followed by the current reality, but I can of course give him that reassurance.

1410 Deputy Gillson makes a very good point about appropriate training being needed to understand 'more sophisticated accounts'... I think is probably a better way of putting it, and I think that is entirely right. And I am sure the Chairman of SACC will perhaps take that away as an issue that needs to be considered by his Committee, in conjunction with Treasury & Resources, as to the training that would be appropriate as we move to that new environment.

1415 Deputy Conder – not often a Jeremiah, but certainly when it comes to anything related to the bond he is! (*Laughter*) (**Two Members:** Hear, hear.) He referred to a 'dramatic slowdown'. There is *not* a dramatic slowdown – absolutely there is not a dramatic slowdown – in the world economy, or indeed certainly in our economy. There has been a *financial* crisis to some extent in some markets as a result of a *moderate* slowdown in China, which of course is not unanticipated. There is plenty of growth in the US; growth is returning to Europe, the UK is growing well – and there is no suggestion that there is a dramatic slowdown.

1425 Yes, there are risks in the economy as there always are, but in relation to his specific question of do I 'regard the bond issue a year ago as having been good value?' yes, I do. If you look at the current bond yields we would strike pretty well the same deal if we were doing it today. So all the rationale for doing it remains entirely in place.

1430 Deputy Dorey makes a very good point about there being a history of being pessimistic – that is a very valid observation and one that I again have made myself. I think, as I have indicated in relation to the Budget, that any surprises in relation to 2015 could well be on the spending side rather than on the revenue side – and I would hope that they are pleasant surprises rather than more unpleasant surprises as we have had in recent weeks.

1435 I am not sure that having a range would necessarily... I have never seen a corporate prepare a budget that uses *ranges* of income and expenditure. I am not sure that we would be any more

accurate at necessarily predicting a range and trying to predict the mid-point, than we are at picking a number in the first place. So I am not convinced it would make a significant difference to our budgeting.

1440 I think the real challenge is to ensure that we do set appropriate budgets and therefore we would expect modest over- and under-spends each year, which would be the normal process if you have got the Budget about right. Consistent underspends would suggest that we still have got some way to go with our budgeting process to ensure that we are setting appropriate budgets. But I have to say we have got better at it. Those underspends have come down as a result, I would suggest, of the Financial Transformation Programme – and other initiatives have  
1445 helped. But it is a valid observation and I cannot take that away from Deputy Dorey.

In relation to document duty – a familiar topic for Deputy Dorey, and he knows that, as I said last night, sir, I do share his views in relation to document duty and how it would be better to have designed a tax system without it... But we do have it.

1450 Having said that, of course we do have the review of document duty underway which we announced in last year's Budget, and that may provide an opportunity for a long-term programme to deal with it for the very challenge with which he presents. But we should be under no illusions, even though it has fallen off this year as a result of the number of transactions, it does produce a substantial amount of revenue which would need to be replaced from somewhere. So we have to deal with that very practical reality, but, as I say, maybe there is an  
1455 opportunity through the review of document duty that may provide the opportunity he seeks.

I think the other final point he made in relation to the bands of employees and increasing those in real terms, that is a very valid point. It does become a bit of a nonsense if more and more people get dragged into those bands, and it becomes less and less useful as information to the reader of the accounts.

1460 I think the response to Deputy Le Clerc's question is the figure on page 102 is *gross* rental income and the figure referred to earlier in the Report – I cannot remember what the page reference was – is the *net* expenditure – so the gross rental income, less the costs of managing those units. I believe that is the answer and if there is a difference to that I will come back to Deputy Le Clerc in due course.

1465 On that note, sir, I ask Members to approve the accounts.

**The Bailiff:** Members, the Propositions are to be found on page 113 of Billet XV. There are three Propositions. I put all of them to you together. Those in favour; those against.

1470 *Members voted Pour.*

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

## Billet d'Etat XVII

### HOME DEPARTMENT

#### I. St Peter Port North By-election – By-election (Saint Peter Port North) Ordinance, 2015 and Electoral Roll Ordinance, 2015 – Propositions carried

Article I.

The States are asked to decide:

*Whether, after consideration of the Policy Letter dated 10th August, 2015, of the Home Department, they are of the opinion:*

*1. To agree that the validity of the current Electoral Roll should cease at 23:59 hours on 14th October 2015 and to the closure of the new Electoral Roll between the 15th October 2015 and the date of the By-election.*

*2. To rescind Resolution 2, Article XVI, Billet d'État XXIV of 2014, namely: To direct the drafting of legislation that shall provide for the validity of the current Electoral Roll to cease at 23:59 hours on 29th February 2016 and for the closure of the new Electoral Roll between that date and the date of the Election.*

*3. To agree to the closure of the Electoral Roll between 29th February 2016 and the date of the 2016 General Election and to direct the preparation of the necessary legislation.*

*4. To agree that the maximum for electoral expenditure shall be prescribed as £2,300 per candidate for the purposes of the St Peter Port North By-election.*

*5. To agree that each candidate in the St Peter Port North By-election to be held on 2nd December 2015 shall be entitled to claim from the Registrar-General of Electors a grant not exceeding £600 towards the costs associated with the production and distribution of manifestos in accordance with such administrative arrangements as shall be determined by the Registrar-General of Electors.*

*6. To establish for the purposes of the 2015 St Peter Port North By-election a polling station at:*

- Beau Séjour Leisure Centre, Amherst*
- The Skill Centre. Waitrose, Admiral Park*

*7. To approve the draft Ordinance entitled 'The By-election (Saint Peter Port North) Ordinance, 2015' and to direct that the same shall have effect as an Ordinance of the States.*

*8. To approve the draft Ordinance entitled 'The Electoral Roll Ordinance, 2015' and to direct that the same shall have effect as an Ordinance of the States.*

1475 **The Bailiff:** Well, Members, next we have a procedural motion that Billet XVII, concerning the St Peter Port North By-election, be taken before any other business.

Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** In that case, we will take the Billet now. If you could formally announce it, Greffier.

1480 **The Greffier:** Billet d'Etat XVII, Article I, Home Department – St Peter Port North By-election which also includes the By-election (Saint Peter Port North) Ordinance, 2015 and the Electoral Roll Ordinance, 2015.



**The Bailiff:** The debate will be opened by the Minister of the Home Department, Deputy Gillson.

1485

**Deputy Gillson:** Thank you, sir, and thanks to the Assembly for bringing this forward.

I shall be incredibly brief and say I am happy to lay this before the Assembly. It is self-explanatory and I will answer questions that anybody has.

1490

**The Bailiff:** Yes, Deputy Lester Queripel.

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

1495

I support Propositions 1, 2 and 3, but I cannot support the proposals to hold a by-election in St Peter Port North. The reason I cannot is because once you add four months' salary to the £51,100 that T&R tell us a by-election would cost, you get a figure of £63,264 – and that is for a Deputy elected via a by-election, to be in office for four months.

1500

I cannot possibly support a proposal to spend that amount of taxpayers' money to put a Deputy in office for a mere four months. I do not think that is using taxpayers' money wisely at all, especially when one bears in mind that we will be dispensing with that seat when we reduce the numbers of Deputies from seven to six at the general election anyway.

The reason I have added £12,164 to that £51,100 by-election cost, is because as a backbencher I get paid £3,041 a month, and if you multiply that by four you get the sum of £12,164. When you add that figure to the £51,100 by-election cost you get a total sum of £63,264.

1505

I would just like to spend a moment or two breaking down that cost, sir, because – (*Laughter and interjections*) I will wait for the marathon moment to die down, sir – £63,264 for four months' work breaks down to £15,816 a month, which in turn breaks down to £3,954 a week. For a five-day week, that is a cost to the taxpayer of £790 a day – and I will just wait for Deputy Bebb to stop groaning, sir, so I can concentrate on what I am saying. (*Laughter*) It could be a long speech, sir – it depends how long Deputy Bebb takes to stop groaning.

1510

**A Member:** Get on with it!

1515

**Deputy Lester Queripel:** And if the newly-elected Deputy, elected via a by-election, works part-time for, say, three days a week then that is a cost to the taxpayer of £1,318 a day. I think there are far more important things for the States to spend taxpayers' money on than to spend £63,264 to put someone in office for a mere four months. Therefore, I urge my colleagues to vote against Propositions 4, 5, 6, 7 and 8 – and to avoid the States being put in this position in the future I will be pursuing the laying of a requête.

1520

But moving back to what is before us today, I may be wrong but I do not think it would be too much of a problem for the Home Department to draft an amended ordinance if we were to reject Propositions 4, 5, 6, 7 and 8. There may even be a possibility that an amended ordinance could be laid before us within an hour, but due to an ordinance not needing to be sanctioned or ratified by the Privy Council...

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I appreciate I might be wrong in saying that, sir, so seeing that I have now finished my speech, could I ask Her Majesty's Comptroller please, through the Chair, to clarify that point before we move on – whether or not an ordinance *does* have to be sanctioned or ratified by the Privy Council, and also whether or not it is a legal requirement for us to hold a by-election by 2nd December this year.

Thank you, sir.

1530

**The Bailiff:** Madame Comptroller, do you wish to reply?

**The Comptroller:** Thank you, sir.

1535 There seems to be perhaps a conflation of two issues: the expenditure as noted *is* a consequence of the legal requirement to hold the by-election.

Sir, that legal requirement to hold the by-election arises under section 29(2) of the Reform (Guernsey) Law, 1948, and it is a legal requirement; it is not something that can be obviated at the whim of the States effectively through this Assembly. That legislation would require to be amended.

1540 As regards the drafting of an ordinance, I have perhaps misunderstood but in relation to the amendments of section 29(2), that section cannot be amended by ordinance. There is no power under the Reform Law 1948 to amend that particular section by ordinance, so any amendment to that section would have to be made by *Projet de Loi*, as currently drafted, which is why it would need royal sanction and would take considerably longer than the drafting of an ordinance.

1545 Sir, it is correct that an ordinance does not require royal sanction and could be laid before the Assembly, however, obviously it would need to be drafted pursuant to instructions from a policy letter – but in this particular context in relation to the legal requirement under section 29(2), that would not work, for the reasons I have just expressed, because that amendment can only be amended by *Projet de Loi*.

1550 I hope that has clarified matters for the Assembly, but... that should cover it.

**The Bailiff:** Thank you.

Deputy Domaille and then Deputy Bebb.

1555 **Deputy Domaille:** Sorry, sir, as always a very clear explanation. I am very grateful.

Could I just seek confirmation that the States' Report refers to the by-election having to be held by 1st December. Is that actually correct, or is it just saying within a reasonable time or something?

1560 **The Comptroller:** The issue regarding the date is simply that under section 29(3) of the Reform Law, the date for holding the election is appointed by ordinance, so this ordinance is fixing the date.

1565 The agreement of the dates is something that I know SACC has been heavily involved in, and it has been very complicated, obviously, because of the deadlines relating to the Billets and when this can best be published – so that is a slightly separate issue. But the reason the Ordinance is here is not to fulfil a legal requirement under section 29(2) – that is a requirement of the law – but just to fix the date – that is to clarify.

**The Bailiff:** Deputy Bebb.

1570

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

1575 I did not expect to be responding to some of Deputy Queripel's comments, but I think that we should actually note that, for instance, the cost that he actually talks of is to replace Deputy Storey. Therefore to imagine that the whole of the cost that he was talking of was specifically for the replacement of someone ignores the fact that under the current construct of the States... obviously some people in the North should have seven Members and we are missing one.

I think it is inappropriate to actually be talking of someone who has passed away, and such a great colleague as Deputy Storey was... to be thinking of his salary as being a saving. I think to allude in that way was inappropriate, hence my groaning. Also, I am sorry –

1580

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

**The Bailiff:** Is this a proper interruption under the Rules?

1585 **Deputy Lester Queripel:** Well, it is a point of correction, sir, please.

**The Bailiff:** A point of correction.

**Deputy Lester Queripel:** I did not at any stage refer to Deputy Storey. I simply made a speech that focused on the cost from now until the end of the term of this Assembly for a Deputy to be elected via a by-election.

I had tremendous respect for Deputy Storey, sir.

Thank you.

**The Bailiff:** Deputy Bebb.

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

As I said, it is actually to replace Deputy Storey that we are talking of in this by-election.

The idea that this Assembly has a set of Laws that we disregard, whilst we demand every other member of this Island to abide by the Laws, is farcical. The idea that we would *not* uphold the law by not having a by-election would simply bring this Assembly to such great disrepute on an international scale, that I cannot imagine it. (**Two Members:** Hear, hear.)

It is folly to think of any such measures, attractive as they may be in our current financial circumstances, and given the circumstances and the times involved, I am sure that many Members will have considered it. But we cannot in any way abandon our democracy and think that we are actually above the law – we are all servants of the law, and if we do not like it we should amend it.

As Members will note, the proposals for the future change of the election date – so that it would be in May – did not coincide with the requirement of the change within the Reform Law that the by-election would need to be held if an office was vacated prior to December, and therefore the period of time between the legally-necessary point for holding a by-election and the general election will be extended naturally. I am unsure of any great benefit of revisiting an issue which has been decided upon by this Assembly already.

Moving on to the Billet itself, of course I welcome the Billet and I agree with virtually everything that it says, but I am a little concerned with regard to the Electoral Roll and the creation of the actual roll, and the points that I have made here in paragraph 3. It implies in paragraph 3 that we are going to have a fairly substantial and concerted effort to increase the registration on the Electoral Roll – which of course is welcomed – but anyone who saw the recent mailshot encouraging Members to register on the Electoral Roll will possibly be as dismayed as I was in seeing how uninspiring and how dull a piece of paper it was.

I have heard the media generally talk of a 'Westminster bubble' but I did not realise that we in Guernsey had a 'Royal Court bubble', where on the back of the form telling people that it is important to register to vote, we go on to explain the changes in the Government next time round – as though that was something that was of great interest and would encourage greater voter participation. I simply do not believe it to be so.

We may find these things very interesting, but the truth is that the general public do not find them to be of such great interest as to make them think that it is necessary to vote upon it. Indeed what point? Voting will not change the system of government – they are two separate issues.

Therefore, rather than focusing on what is important in every member of this Island registering to vote, the importance of their voice being heard, their ability to participate in a democratic manner... all of that gone in favour of talking about ourselves and our structures – and things which, quite frankly, do not interest people.

I sincerely hope that the remaining campaign will not be so focused on the inner workings of this Assembly, but more on how this Assembly can engage with the public, and that the election process is the true democratic virtue by which they are able to engage in the most effective manner. Therefore, apart from that type of criticism, I would urge all Members to fully endorse all of the Propositions as laid out.

Thank you.

**The Bailiff:** Deputy Gollop.

1640 **Deputy Gollop:** I probably disagree with Deputy Bebb on the last point because I think  
constant reiteration of the significant – and hopefully *better* – changes we are making to the  
system of government has to be seen as a tinderbox for this States and a legacy... and something  
that, in theory at least, should inspire people to continue to vote, or vote for the first time. If they  
are not supportive of the changes that are being made and perhaps would see more reform, or  
1645 greater democracy, or greater executive or whatever, then they really do need to vote now. I  
commend the Home Department for the work they have done in raising awareness and the high  
profile personalities from diverse communities that they have brought on board.

I do, however, share Deputy Bebb's concerns about the leaflet in another respect. If one looks  
at it and takes a copy from a community centre, one sees that the box for where you put your  
1650 address is not at all clear – it is not even mentioned you are supposed to *put* your address.

I went to a disability meeting at the weekend and people who are quite well up on community  
matters realised they had filled in the form wrongly, because they had not necessarily put their  
address or their parish, or their postcode. I would suggest that the Home Department, in  
consequence of that, perhaps redesign that form.

1655 Like Deputy Bebb, I think abandoning any prospect of a by-election would send out all the  
wrong messages and would encourage conspiracy theories for the wrong reasons. It is part of our  
constitution to have it and we have to go ahead. I regret that it is being delayed as late as early  
December but there are good reasons for that – a matter of timing.

I remember, as one of the longer-serving Members of this Assembly, that quite a number of  
1660 years ago the legislation was itself amended so that a by-election that occurred after November  
would not need to be held. Clearly the mood of the Assembly is to look at that again, and I am  
sure SACC and the Estates Reform Committee will consider the matter, and perhaps bring more  
like a *year's* grace into the system for the future. But of course we would have to be careful that it  
did not lead to a culture of empty seats. Despite the costs I will of course support the holding of  
1665 the by-election.

But I have a more general concern about the Electoral Roll – that it has been rather confusing  
that persons for St Peter Port North have been advised through the media that they have to re-  
enrol by the middle of October to find themselves on the roll for the by-election. No doubt many  
people assumed that when they registered just before the last election they were on for a full  
1670 four-year term.

When I enquired further about the matter – and whether that would lead to a different roll for  
when they have, say, the Douzaine or Constable elections at the end of the year, separate from  
the by-election – I was informed that all seven electoral districts, including both halves of St Peter  
Port, will require people to get on the roll as soon as possible... Not just to re-enrol, but to *enrol*  
1675 as soon as possible to ensure that they can nominate the candidates, or indeed vote, at the parish  
elections – because for all 10 parishes, should there be contested elections in November or  
December, I understand that they will not be able to use the 2008 Electoral Roll, and I am not sure  
many stalwarts of our community are fully aware of that.

So I think perhaps the way this has been done, and the communication, have not been ideal so  
1680 far. And, like Deputy Bebb, I would certainly welcome a more participatory approach for the next  
round of advertising – but I do not think we can afford to change course at this time.

**The Bailiff:** Deputy Perrot, and then Deputy Le Clerc and Deputy Dorey.

1685 **Deputy Perrot:** Before you rule me out of order, sir – and I am sure that you would like to –  
but in my referring to the Constitution Investigation Committee, there is reason for my doing it...  
Incidentally, progress is far too slow but I am hoping that something will come before the States  
in January of next year. But that is my little advertising to one side.

1690 Part of that process in respect of our work on the Investigation Committee is to convince the government at Westminster, through the Ministry of Justice, that Guernsey is well placed to take on further responsibilities in respect of our law-making. We wish to convince the Ministry of Justice that we are a mature and reasonable jurisdiction which abides by the rule of law.

I think that if we start playing fast and loose with amending important constitutional Laws late in the day, just in order to meet a perceived late lead, then that does not reflect terribly well on us.

1695 Incidentally, I think we did ourselves no favours insofar as that argument was concerned, when we changed the Rules in 2012 in allowing us to have a Chief Minister who would not otherwise have qualified under the Rules – however excellent that person might have been and whatever his qualities. I do not think we did ourselves any good and I do not think we ought to change things just to satisfy whatever may be our latest perceived requirement.

1700 As far as the order in Council is concerned anyway, it is my experience that these things take some time. You also cannot be absolutely sure that you are going to get the order in Council through in time. One of the problems of our legislative procedure is that there have been massive delays in the past because the Privy Council has sat on something, or the Ministry of Justice has sat on something – or the Lord Chancellor's Department, when it was Jack Straw, sat on something (*Laughter*) on a number of occasions. So we cannot guarantee that the amendment would get through in any event.

1705 The only other thing that I would like to say – and partially in answer to Deputy Lester Queripel... I think maybe this was answered by Deputy Bebb but he was being so indignant at the time in response to Deputy Queripel that I was more interested in his theatre (*Laughter*) rather than in what he was saying. But my take on the unfortunate death of our esteemed colleague, Deputy Martin Storey, was that had he continued in office as a Deputy until the next election, the States would have been paying his salary down to that date. So quite why Deputy Lester Queripel is adding in another £12,000 to the cost of the by-election I do not quite know.

1710 That is all, sir, thank you.

1715 **The Bailiff:** Deputy Le Clerc – Deputy Lowe.

**Deputy Lowe:** Sir, I just wanted to say, I think we have to be very careful because any Member can decline to take their pay, so I do not think we can actually say a Member did take that money.

1720 **A Member:** We do not know if he did, actually.

**The Bailiff:** Deputy Le Clerc.

1725 **Deputy Le Clerc:** Thank you, sir.

I just want to agree with everything that Deputy Perrot has said. As the St Peter Port North Deputy, I also want to add that I feel I must support the recommendations in the Report because I do not want to be seen as dissuading candidates from this election who might also have stood for election in April of next year. So I just wanted to clarify my point there.

1730 I also wanted to just say that the team who are assisting the Home Department in the promotion of the Electoral Roll were working very hard on Friday evening at the quiz that we had to raise funds for the Christmas lights – so a bit of a plug there for the Christmas lights fund. (*Interjection*) But I just wanted to say they are working incredibly hard, out of hours, and they are doing a *really* important job. (**A Member:** Hear, hear.)

1735 So if they are listening in to the debate today, I just want to say that I do not want the criticism of the forms etc. to reflect on them because they are doing a fantastic job – and I hope they do really well in attracting as many people for the by-election for St Peter Port North. I would also like to say that I want to see some women standing in that by-election as well, sir.

1740 Thank you. (*Interjections*)

**The Bailiff:** Deputy Dorey, then Deputy Fallaize.

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

1745 I fully agree with Deputy Bebb, and although I have concerns about the money I think the right thing is to support these proposals.

1750 I just want to speak on the Electoral Roll and, having been a candidate at the 2008 election, I fully understand the problems of 'rolling over' – is used on page 2697 of the 2004 Electoral Roll – and the many significant errors that were in it, and the problems that caused to candidates. Also, why we have a system where we have to always enrol before each election... although I think there are not many other countries in this world where they have to do that.

1755 But what I would like to ask the Minister is: one of the advantages I talked about the time when we were discussing the electronic census was the ability it would give to have automatic enrolment, which will save the significant costs of having a publicity campaign, and the problems of people who decide they want to vote who are not on the Electoral Roll, and people who think they have put their forms in etc.

So I ask him: do they have any plans to use the electronic census? Admittedly, there is still a problem I think with 1,057 people of unknown address, but putting that to one side... to have automatic enrolment for future elections? If he could answer that I would appreciate it.

Thank you

1760

**The Bailiff:** Deputy Fallaize.

**Deputy Fallaize:** Thank you, sir, and congratulations to Deputy Le Clerc and her team for winning the quiz (*Laughter*) all because people on my team –

1765

**Deputy Brehaut:** I did demand a recount on the evening –

**Deputy Fallaize:** – insisted that the Corbière was in Torteval when I insisted it was in the Forest – but anyway...

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I think Deputy Bebb was being too indignant, because the proof of the good work that is being done by the very small group of staff working on this, is that the numbers signing up to the Electoral Roll are already very reasonable. In fact, I think they are at least as good as in previous years – so they must be doing something right.

1775

I do take the point he made about the form that was sent out, but that information would have needed to have been sent out in any event, and it was probably cheaper to send it out in that way than it would have been otherwise. But, generally speaking, the good work that is being done by the staff is evident in the numbers that are signing up, including in St Peter Port North.

1780

I have to take some issue with Deputy Perrot, who sought somehow to compare the idea of the States effectively *retrospectively* changing important aspects of constitutional law, with the States in *advance* of considering a matter, changing its own Rules of Procedure. The two are so completely different that they really cannot be compared. I think he is right to say that it would be reputationally damaging for the States to change the Reform Law simply because an issue has arisen which may be temporarily inconvenient.

1785

It is totally different doing that, to changing the States' own Rules of Procedure which have absolutely no standing in law whatsoever. The States' Assembly and Constitution Committee – and this part of it would fall, I think, to SACC rather than the Home Department – would be sympathetic to Deputy Lester Queripel's requête, if he was to lay such a requête, as long as the period was not extended beyond a year.

1790

I think it would be quite wrong for the States to decide that if a seat is vacated more than the year before a general election that it would be left vacant. But at the moment it is, effectively, five or six months... As Deputy Bebb said, it would be extended from the next term of the States,

because the date of the general election is being pushed back to June 1st – but the 1st December date in the Reform Law is not changing.

1795 If Deputy Queripel wishes to submit a requête which takes the relevant date back from 1st December to 1st July, I think SACC would be reasonably ambivalent – Deputy Bebb is looking at me quizzically – but we did discuss this at our most recent meeting and opinions on the Committee differ. We have written to the Chief Minister in response to a letter he sent us, to advise that the Committee can see arguments both ways in respect of extending the period slightly, but doing it beyond the year – in the Committee’s view – would be unreasonable.

1800

**The Bailiff:** Deputy Perrot.

1805 **Deputy Perrot:** Sir, I think a point of correction. It was difficult to know when to intervene because I wanted to make sure that I did before Deputy Fallaize actually sat down. But he said earlier that the States’ Rules of Procedure have no standing in law whatsoever. That is not true, and if something was done in the States which fell outside our Rules of Procedure and somebody felt aggrieved by that, he or *she* (*Laughter*) could bring legal proceedings. So he is *not* correct.

1810 **Deputy Fallaize:** Yes I accept that, but the States’ Rules of Procedure are a collection of States’ Resolutions; they have no more or less force in law than other States’ Resolutions and changing the Rules of Procedure is not comparable to, effectively, retrospectively changing primary legislation –

1815 **Deputy Perrot:** In his opinion.

**Deputy Fallaize:** – which relates to our Constitution. It is my opinion which is why I am expressing it. (*Laughter*) I can express Deputy Perrot’s opinion another day if he would advise me what he wants me to say! (*Laughter*)

1820 The final point I want to make is about auto-enrolment because Deputy Dorey, I think, must be right that auto-enrolment would be a sensible move. It is somewhat regrettable that we do not have auto-enrolment already and the electronic census must be a sufficient platform from which we could build the rolling Electoral Roll, as it were, and the States’ Assembly and Constitution Committee and the Home Department are already talking about ways in which that could be done in advance of the 2020 Election.

1825 So, speaking personally, I hope that the 2016 General Election is the last election when we will not have a rolling Electoral Roll.

Thank you, sir.

1830 **The Bailiff:** Deputy Brehaut.

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

1835 Very briefly, I think to have people out there now campaigning to get people on the Electoral Roll, encouraging them to vote and then this Assembly saying, ‘Thanks for taking the time but actually the election and by-election in the North is being postponed, called off or whatever,’ would be wholly inappropriate and would not be the right thing to do.

1840 Also we cannot ignore the fact that two individuals have declared – I know that is not quite the right word but two individuals have expressed – an interest in standing in this election. If you were to postpone the election then I am sure that it is possible that any individual may say, ‘Well, it gives them a very good platform, doesn’t it, to take them into the General Election, because I am the person they did not want in and why don’t they want me in?’ So there is a risk in that.

I would like to get enrolment onto a roll to feel as formal a process as a TV licence renewal or a driving licence application, rather than... I do not know what. When I have an envelope that drops through my letterbox and the former Editor of the *Press* is asking me to get on the Electoral Roll I

1845 am almost inclined to resign! (*Laughter*) It had that sort of impact on me – that such individuals are trying to persuade me to act in a certain manner. We live in a democracy and it should be from a very young age that people have a formal process whereby you are enrolled and have the ability to opt out if you so wish and do what we could, obviously, to persuade people not to do that.

1850 But I think the time before last it was a donkey encouraging people to get on the Electoral Roll – I think for the 2000 changes – and it is very difficult to get these things right. I appreciate that people do try hard to engage with the public, but I feel a bit like Deputy Bebb; it did not quite work for me either and I think if we could get some more formal structured process where it does not feel like you are getting a spoof lottery result through your front door, or something of that nature... It does not need to be bright and colourful, and entertaining and engaging. Final reminders do not look like that. So there are other ways to get people's attention.

1855 Thank you.

**The Bailiff:** If no-one else is rising, Deputy Gillson will reply to the debate.

1860 **Deputy Gillson:** Thank you, sir.

I will break with tradition and deal with the speakers in reverse order – or almost reverse order.

Thank you for the support, Deputy Fallaize, and a number of issues relating to SACC.

Deputies Brehaut and Dorey both referred to auto-enrolment and I agree; we should have a system where it is more automatic. The system we have got now is not a particularly good system.

1865 One of the plans is that the Roll, when it is completed in February, will be compared against the electronic census data to identify those people who are on the Roll but not on the census data, because those were people who would have been missed off and that will identify where the census data capturing process needs to be improved.

1870 It was considered whether the census data could be used, but we have to remember these are elections for our parliament, our Government and so to run the risk of creating a Roll on inadequate or inaccurate information would be deemed to be just too great a risk. But I think for 2020 the intention is that there will be some form of automatic enrolment.

Deputy Le Clerc, thank you for the support for the team and some very good points.

1875 Deputy Perrot made a very valid point about how a negative decision would be viewed by the MOJ. I think that should not be understated.

Deputy Gollop, again, thank you for the support of the staff. They are working incredibly hard. You made an interesting point about the format of the form. I think if anybody has got points like that, it is to raise them with the Registrar of Electorates as quickly as possible and not just wait for a States' debate to raise them.

1880 I think that Deputy Bebb made a comment about the form as well... valid comments, but I think I should just remind Members that the process of running the election is not a political process. We are – the Home Department – the conduit to this Assembly; the responsibility of all of the process lies with the Registrar of Electorates so that it is not a political process. We, as a department – the Home board – did not sit down and design those forms.

1885 The issue of being confusing for Members of St Peter Port having a new Roll... The reason it was decided to go for a new Roll for the by-election, rather than try to use the old one, is that of all the electoral districts, St Peter Port has the biggest turnover, so their 2012 would be the least accurate and it was really deemed to be that a new Roll for them, with all the timing and possible confusions, was the least bad option that we had. To try to use the 2012 Roll, I think, would have been worse.

1890 Deputy Gollop made a very valid point – absolutely, members of the public should be aware, if they want to vote in the parish elections they do need to be on the Electoral Roll. We liaised with the parishes and they are fully aware of this.

1895 I think I have just commented on Deputy Bebb's comment about the form... a valid comment on the back of the form. It is always a difficult decision – what information do you put there?



Some people are interested in the structure of Government; other people might need something on health or education to encourage them to vote. So it is a difficult decision. I do not think there is a perfect answer.

Deputy Domaille – I think H. M. Comptroller adequately answered your questions.

1900 Finally, the first speaker, Deputy Queripel, talking about not supporting it because of the cost. I smiled to myself when he mentioned about breaking down the cost of salary on a daily basis... that the new Deputy might work five days a week or three days a week. It is strange how when Deputy Queripel talks about himself he always talks about working seven days a week! (*Laughter*)  
(**Two Members:** Hear, hear.)

1905 But, more fundamentally, I am very surprised that a Deputy for St Peter Port North is happy to have his electoral district under-represented. I can understand any other area saying they do not need it, but for somebody from that district to be saying that he is happy for his own electorate to be under-represented for the last quarter of the Assembly... We must remember that we have got a lot of very serious subjects coming up (**A Member:** Hear, hear.) in January, February, March –  
1910 *huge* issues – and it is not uncommon for this Assembly to pass things by a vote of one. (**A Member:** Hear, hear.)

Now, I think if people reject this and there is a vacancy, and something goes through on a vote of one at the next one there will be a lot of people wondering, 'Well, actually would that have happened if we had had the election?'

1915 I think the comment about, 'Oh, well, that district is going to lose a Member in May is a total red herring because we have now got a number of Deputies and it is balanced across the electorate; there is a balance in Deputies. If you remove one from one district you change that balance. Now, in May St Peter Port North is going to lose a Member, but that is as part of a process of reducing and rebalancing all electoral districts; it is not just taking one and saying,  
1920 'Tough luck, St Peter Port North, you are going to be under-represented for three months'.

So I appreciate the cost is a cost. Actually because a lot of costs have been incurred now, if today we were to decide not to have the election it would save about £25,000. I appreciate there is a cost. I do not think we should play it fast and loose with our Constitution and so I do not think that any of the case that Deputy Queripel made to vote against these Propositions is sound.

1925 I would urge all Members to support it and I do hope that Members do support the Propositions. Thank you.

**The Bailiff:** Deputy Lester Queripel.

1930 **Deputy Lester Queripel:** Sir, could I have a separate vote on Propositions 1, 2 and 3 and a recorded vote on 4 through to 8, please?

**The Bailiff:** I propose to take 7 and 8 separately. As they are for the approval of Ordinances, I propose to take those separately. Will you require separate votes on 7 and 8? It would mean three  
1935 separate votes – three separate recorded votes. Sorry, I am going to take separate votes on 7 and 8; do you wish them to be recorded, because that will require three recorded votes?

**Deputy Lester Queripel:** Yes, please, sir.

1940 **The Bailiff:** Well, Members, you will find the Propositions at the back of Billet XVII, pages 2706 and 2707. We will take first Propositions 1 to 3 *aux voix*. They are concerned with the Electoral Roll. Propositions 1 to 3. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried. Next, we will take Propositions 4, 5 and 6 which are concerned with the St Peter Port North by-election and for those there will be a recorded vote –  
1945 on Propositions 4, 5 and 6.

*There was a recorded vote.*

**The Bailiff:** Madam Comptroller, I think as we are dealing with two Ordinances, I will have to take 7 and 8 separately, won't I?

**The Comptroller:** Yes, sir, I agree with that. Yes.

1950

*Propositions 4, 5 and 6:*

*Carried – Pour 32, Contre 10, Ne vote pas 1, Absent 3*

**POUR**

Deputy Harwood  
Deputy Kuttelwascher  
Deputy Brehaut  
Deputy Domaillé  
Deputy Langlois  
Deputy Robert Jones  
Deputy Le Clerc  
Deputy Gollop  
Deputy Sherbourne  
Deputy Conder  
Deputy Bebb  
Deputy Gillson  
Deputy Ogier  
Deputy Fallaize  
Deputy Lowe  
Deputy Le Lièvre  
Deputy Spruce  
Deputy Collins  
Deputy Duquemin  
Deputy Green  
Deputy Dorey  
Deputy James  
Deputy Adam  
Deputy Perrot  
Deputy Brouard  
Deputy Wilkie  
Deputy De Lisle  
Deputy Inglis  
Deputy Sillars  
Deputy Quin  
Deputy Hadley  
Alderney Rep. Jean

**CONTRE**

Deputy Lester Queripel  
Deputy St Pier  
Deputy Le Pelley  
Deputy Laurie Queripel  
Deputy Paint  
Deputy Le Tocq  
Deputy Burford  
Deputy Soulsby  
Deputy Luxon  
Deputy O'Hara

**NE VOTE PAS**

Alderney Rep. McKinley

**ABSENT**

Deputy Stewart  
Deputy Trott  
Deputy David Jones

1955

**The Bailiff:** Well, Members, the voting on Propositions 4, 5 and 6 was 32 in favour, with 6 against and one abstention. I declare Propositions 4, 5 and 6 carried.

Next we have Proposition 7, which is, 'To approve the draft Ordinance – '

**Deputy Dorey:** Sir, you read out there were 6 against. I counted more than that.

1960

**The Bailiff:** Sorry, did I read that out wrongly? (**A Member:** Ten.) It is 10. It says 10 on the sheet. Did I say...? Sorry, it is 32 in favour, 10 against. (**Deputy Dorey:** Thank you.) Sorry, that was my mistake. Did I read out 6? My mind must have been somewhere else. Sorry, (*Laughter*) 32 in favour, 10 against, with one abstention. I apologise.

Next, Proposition 7:

1965

'To approve the draft Ordinance entitled "The By-election (Saint Peter Port North) Ordinance, 2015" and to direct that the same shall have effect as an Ordinance of the States.'

Proposition 7, a recorded vote and I will try to call it correctly. (*Laughter*)

*There was a recorded vote.*

*Carried – Pour 32, Contre 10, Ne vote pas 1, Absent 3*

**POUR**

Deputy Harwood  
Deputy Kuttelwascher  
Deputy Brehaut  
Deputy Domaile  
Deputy Langlois  
Deputy Robert Jones  
Deputy Le Clerc  
Deputy Gollop  
Deputy Sherbourne  
Deputy Conder  
Deputy Bebb  
Deputy Gillson  
Deputy Ogier  
Deputy Fallaize  
Deputy Lowe  
Deputy Le Lièvre  
Deputy Spruce  
Deputy Collins  
Deputy Duquemin  
Deputy Green  
Deputy Dorey  
Deputy James  
Deputy Adam  
Deputy Perrot  
Deputy Brouard  
Deputy Wilkie  
Deputy De Lisle  
Deputy Inglis  
Deputy Sillars  
Deputy Quin  
Deputy Hadley  
Alderney Rep. Jean

**CONTRE**

Deputy Lester Queripel  
Deputy St Pier  
Deputy Le Pelley  
Deputy Laurie Queripel  
Deputy Paint  
Deputy Le Tocq  
Deputy Burford  
Deputy Soulsby  
Deputy Luxon  
Deputy O'Hara

**NE VOTE PAS**

Alderney Rep. McKinley

**ABSENT**

Deputy Stewart  
Deputy Trott  
Deputy David Jones

1970 **The Bailiff:** Well, Members, the voting on Proposition 7 was 32 votes in favour, 10 against and 1 abstention. I declare that Proposition carried.

Next, we vote on Proposition 8:

'To approve the draft Ordinance entitled "The Electoral Roll Ordinance, 2015" and to direct that the same shall have effect as an Ordinance of the States.'

1975 **Deputy Lester Queripel:** Sir, in an attempt to save a bit of time, might it be an idea to go *aux voix* on this one?

**The Bailiff:** *Aux voix*. If nobody else wishes to have a recorded vote we will go *aux voix* on Proposition 8. Those in favour; those against.

*Members voted Pour.*

1980 **The Bailiff:** I declare it carried.

## Billet d'État XVI

### POLICY COUNCIL

#### XI. Public Service Reform – Debate commenced

Article XI.

The States are asked to decide:

*Whether, after consideration of the Report dated 27th July, 2015, of the Policy Council, they are of the opinion:*

- 1. To endorse the document entitled 'A Framework for Public Service Reform 2015-2025'.*
- 2. To demonstrate their commitment to public service reform by endorsing the principles set out in Section 13 of that report.*
- 3. To note that the resource implications associated with delivery of the actions identified within the document entitled 'A Framework for Public Service Reform 2015-2025' will be developed as set out in section 10 of that report and applications for funding from the £25m to be allocated from the Transformation & Transition Fund will be made at the appropriate time.*
- 4. To note that those reform activities involving major costs or policy considerations will be referred to the States by the Policy Council or the appropriate Department for a decision.*
- 5. To direct the Policy Council to submit annual reports to the States on the progress being made together with other relevant information in connection with the delivery of public service reform.*

**The Greffier:** Billet d'État XVI, Article XI, Policy Council – Public Service Reform.

**The Bailiff:** Debate will be opened by Chief Minister, Deputy Le Tocq.

1985 **The Chief Minister (Deputy Le Tocq):** Sir, 15 years ago the Vaccine Alliance, commonly known as Gavi, was established to save children's lives and to protect people's health by increasing immunisation in poor countries.

1990 This was not a new goal but crucially the organisation challenged itself to think about how to achieve its objectives in a different way. It has used the expertise of both the public and private sectors to create sustainable models of delivery to ensure that it would succeed in its desired outcome.

1995 To date, it claims to have reached more than 500 million children and prevented seven million deaths. The Head of Public Services at the CBI used this illustration in a recent article to argue for a radical new approach to how UK local authorities reconciled rising demand for public services with reduced budgets and fewer employers.

For him, the goals for Gavi and local authorities are the same: to deliver high quality sustainable public services and both require involving everyone in the community – private, public and third sectors – and to work together to rethink traditional problem-solving methods.

2000 The parallels with Guernsey are striking. Through the FTP, we have just been through a major efficiency drive, but simply making savings alone is no longer an option. Doing what we have always done for less can only go so far. Instead, quoting from the Public Service Framework:

'... tackling the fiscal, economic and social challenges that face the community and public services over the coming years will demand innovation. Attempting to do the same things, in the same way, but more efficiently and more effectively will not be enough. Innovation and creative thinking is therefore essential for public service reform.'

I would go further, sir. Doing things differently and in a more joined up manner cannot be just fine words and empty ambition; it is a commitment that we must all make – public and private alike; Government and the community – for the future of our Island.

2005 Many of you attended the presentations that the Chief Executive gave to explain the plans for public service reform. Many other people in our community have attended other meetings to hear the vision for transformation first-hand.

2010 No-one who has participated in these meetings can be left in any doubt as to the commitment there is among the Public Service to make this succeed, but we all have a part to play if transformation and reform are to become a reality.

2015 So, while it is not the role of politicians to reform the Public Service *per se*, it is vital that all of us in this Assembly give it our full support. Indeed, it is essential for our Island community that we do so and that we carry it over and pass that on to our successors in the next Assembly, for without reform dividends from service transformation there is likely to be very limited, if any, monies available to fund future service developments; and if anyone is in any doubt about this then recent announcements about the 2016 Budget bring the need for change into even sharper focus than when these reports were first written.

2020 But the tremors these announcements inevitably cause must not deflect us into short-term sticking plaster fixes. The issues that this States will pass onto its successors require long-term sustained action. They require determination and political resolve and courage. They also require us to devote the necessary funds to enable change to be properly designed and implemented.

2025 The forthcoming Budget will be the first opportunity to decide how and where that investment can best be made, as we are asked to decide on the priorities for the use of the transformation and transition fund that will kick-start this new reform era. This will not always be easy as there are limited funds allocated and available for significant public service transformation in the States' substantial policy agenda. However, in supporting reform, we must acknowledge that investment will be required to deliver and secure long-term reform dividends and that the delivery of those benefits will not always be realised in the short term.

2030 The framework before us has a 10-year horizon which is well beyond the lifetime of any one term of Government. There will, therefore, be a need for this Assembly and its successors to exercise responsibility and discipline on every occasion when it is asked to support and invest in the long-term transformation of public services.

2035 Therefore, sir, in making all of these investment decisions, I ask you to bear in mind the principles of public service reform set out in paragraph 13.2 on page 1938, which is before the Assembly to endorse today. It would be all too easy to agree these principles without giving serious thought to what they mean, but I liken them to a contract between us as the elected Governments of this Island, with our responsibilities, and the Public Service to deliver to the people of our community, which we will expect to deliver on what is promised here and by the decisions that we make in this Assembly. But, like any contract, there are obligations and responsibilities on both parties and successful delivery requires each party to fulfil its obligations and responsibilities.

2040 Sir, I ask this Assembly to unanimously support this Report.

**The Bailiff:** Does anyone wish to make a short speech before we rise for lunch?

2045 Deputy Gollop. Then Deputy Bebb immediately after lunch, unless Deputy Gollop is very short.

**Deputy Gollop:** It will have to be short, especially as we have got meetings too.

2050 It is interesting. The community service that we have seen – a survey around – has usefully been put in many areas, and diverse languages too, but I must admit I found it rather heavy going to fill in.

But the Framework for Public Service Reform, shorter version, is a commendable document with good graphical expressions. I must admit the idea of a reform dividend was new to me, to ensure any savings we make can be recycled back into services, but I do support it.

2055 I hope, from what we heard from Deputy St Pier on the radio this morning, that he is looking for a reform dividend across the Public Sector, with particular regard to HSSD, where maybe when efficiencies and restructuring can take place we will see even better services done in a reform dividend kind of way.

2060 I think perhaps some of us misunderstood this programme when it was first announced, as we saw it initially as predominantly public relations driven. But it has real substance. It is about not cost-cutting but social modelling. It maybe is not about corporatist centralisation but supporting centres. It very much wants a focus on the customer, a focus on value and a culture of innovation and continuous improvement, whereby positive thinkers within the organisation are given greater leeway and hopefully the political structure and the Civil Service structure will work as one.

2065 I was heartened, indeed, to meet the Chief Executive recently, who is very confident that this can be delivered and that hopefully the new Policy & Resources Committee, with its structure, can, early on in the next Assembly term, come up with an equivalent of Government Business Plan, but one which is much shorter, that is focused on perhaps one or two or three sides of paper, that can really engage the community and this Assembly to ensure that everything becomes more possible and more deliverable within a 12-month or 18-month timeframe, rather than a four-year  
2070 timeframe; because some of this progress will take a lot of investment and a lot of time, but others can be delivered much quicker.

But I support the work as far as it has gone.

**The Bailiff:** Deputy Bebb, I am afraid you will have to wait until after lunch. We will rise now.

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

## POLICY COUNCIL

### **XI. Public Service Reform – Debate continued – Propositions carried**

2075 **The Bailiff:** Well, we continue the debate on Public Sector Reform.  
Deputy Bebb.

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

2080 Just a brief, few things that I noted in relation to this Report. I think that Members will struggle to vote against the Propositions. There is nothing in there that is particularly outstanding or bizarre and that is actually part of what I feel is actually missed: an opportunity to be slightly more creative, slightly more revolutionary in our attitude.

2085 But there are some things in the Report that I simply cannot let go without correcting them. Paragraph 2.1, for instance. If anybody wanted a paragraph that would annoy the vast majority of people were they to read it, I do not think that they could come across a better paragraph than this:

'2.1 The manner in which the public service<sup>1</sup> is designed and operated is no more a political decision than the organisation of the system of government is a matter for the public service to decide.'

2090 Now, at no point did I hear that the Public Service and the Civil Service was so separated that it deserved the same status as the judiciary. I cannot imagine any other government saying that they would not involve themselves in the reorganisation of the Civil Service. Indeed, it is staggering that someone thought it appropriate to include such a sentence.

I frequently get approached by people who feel that the Island is too much controlled by the Civil Service. I do correct them. I do feel that they actually take their points too far, but if any statement made there ... those fears, felt that they were justified, I do not think that we could have anything better than that.

2095 The other point that I want to make was in relation to paragraph 4.3 and specifically the last bullet point. It reads:

'Internal "customers": each department and its staff are customers of each other, as the policy decisions and operational actions of one department will almost invariably impact on many of the policy decisions and operational actions of another department.'

2100 Well, nothing there to disagree with. However, I do seem to recall a requête that I placed and one of the central things that was very popular, even with those who did not agree with the premise of a political intervention in every Civil Service appointment... but the one thing that was very popular was the need for service level agreements to be put in place between various Government departments.

2105 At the time, of course, we were suffering a very bad introduction to SAP; HSSD were crippled by the poor implementation of that piece of software. I know that things have improved, but I am sure that the problems have not disappeared completely, and yet I am unaware of any service level agreement that has been put in place since that requête, despite the fact that the requête asked for service level agreements to be put in place between different parts of the Civil Service, to ensure that there was proper accountability for failures within one part or another.

2110 If we are to see internal customers treated and dealt with appropriately, surely it is essential for us to now progress by having appropriate service level agreements in place between various departments, especially those functions that have been centralised into what we call, rather ominously and George Orwellian-like, 'the centre'. I feel that it is essential that we actually progress along those lines.

2115 Apart from that, I find little that you could disagree with, but I do think that the Civil Service could do with some form of PR, for lack of a better term. The accusations that are levied on a regular basis, as to the control of the Civil Service over political decisions, is unfair and unfounded, in my opinion, but the function of the Civil Service is frequently misunderstood on the Island and, therefore, a plain English version of what the changes would be, in a simplified form, would go a great deal in order to improve that image in Guernsey.

2120 It is obvious that we have an issue that we rely on the Public Service to give us information in the way that, in the UK, would be done by think tanks, for instance. We do rely on the Civil Service in a very different way here and it is that reliance, that work that needs to be explained better, so that the people of Guernsey understand, as the Report talks about, the value for money that they get from their Civil Service.

2125 We talk on a regular basis that we, as the States, should improve our image, but I think that something of selling what the Civil Service does is necessary in the public as well. And a simplified version, plain English, two sides of an A4 paper, would be a far better accompaniment to the recent imploring letter for registering on the electoral roll, than what we did include on the back of it, in my opinion.

2130 Thank you.

**The Bailiff:** Deputy Laurie Queripel and then Deputy Hadley.

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

2135 Sir, I do applaud the Chief Executive Officer and the Policy Council for their intention and their plan to reform the Public Sector and for the stated objectives. That is not to say, of course, that the current system is broken; those within it provide good services, but it certainly could be improved, sir.

2140 I do have a question – I was going to say, for the Chief Minister, but it might be better directed at the T&R Minister: would it not be a good idea that we should have, maybe, an in-depth analysis or review regarding SAP, its implantation, its operational effectiveness, the value for money it has provided etc, before we meaningfully launch into the Civil Service reform, which includes, of course, a great emphasis on IT and electronic working?

2145 And I would like to ask the T&R Minister, sir: when is the SAP review going to occur, because I can well imagine that PAC are quite interested and are pressing for information in regard to SAP?

2145 So this Report calls for political buy-in, which is understood but, for me, political oversight and scrutiny must be facilitated and applied and if we cannot even, at this stage, understand the issues around SAP and apply scrutiny and accountability in that area, I do wonder or worry about where we are going in regard to the Public Service reform, sir.

2150 I am probably wrong, sir – I often am – but there is an element in this Report... there seems to be an inference that is sort of, saying 'Give us your political approval and leave the rest to us'. Now, I find that somewhat discomfoting, sir. I know it is a 10-year plan and we are told we will not really see or feel the full benefits until we get towards the end of that period. But I think it will require political interest and oversight all the way through, because this project will mean that there will be very significant resource and investment expenditure, and its progress and its effectiveness will have to be understood and be measureable at political level, because ultimately – I know this Report also goes on, later on, to talk about... and Deputy Bebb was alluding to this to some extent, the split between the operational and the political and it was talking about... there will be greater accountability at Civil Service level from now on but actually I think all Members know, sir, that when we get calls from the members of the public and members of the public raise issues with us and ask us to help them or to represent them, 99% of the time, I would say, in my experience anyway, it is because there is something happening at operational level; something happening at service level that they feel they have been disserved or have not got the answers they require or have not got the service they require.

2165 So, to me, regardless of what this Report says – and I understand what it is saying – you can never separate totally the political from the operational. Most issues, most problems, most things that the public bring to us are because of something that has happened at operational level. So we cannot be divorced from the operational.

2170 So, sir, okay, obviously I am being fairly critical. I understand that but that is because we have been elected, first and foremost, to apply scrutiny, to make sure that the service is accountable to us, because ultimately we are accountable to the electorate.

2170 So I would just ask the T&R Minister, sir: are we going to see any time soon a proper analysis and review in regard to SAP, the operational issues; is it operationally effectively; is it efficient, is it effective; is it providing value for money?

2175 And in T&R's letter of comment, it actually says – now I cannot remember where I wrote it down now, sir – that:

'The CEO cannot give any assurances, at the moment, in regard to when we will really see the benefits for the investment.'

2180 And I really hope that T&R will be watching that very carefully. We have heard about the dividends, sir, the payback that should occur, should these reforms be effective. But we need to watch it from the very start; it is no good getting to the end of this process or five or six years down the line and finding out that, actually, things have not quite worked out; there has been a great deal of investment, but things have not worked out the way that we had hoped they would.

2180 So we cannot just sit back and hope and watch, as politicians. Yes, we have to buy into it, we have to approve it, but we have to scrutinise it properly, sir, and understand what is going on, because it needs to be accountable to us and we need to be accountable to the public.

2185 Thank you, sir.

**The Bailiff:** Deputy Hadley and then Deputy Langlois.



2190 **Deputy Hadley:** Mr Bailiff, I think this compliments the 2020 Vision very well. Motherhood and apple pie, an American would say. I think that, when you look at the jargon that comes out of it – ‘outcomes for customers’, ‘stronger partnerships’, ‘proud to serve’ – throwing these phrases at the people of Guernsey does not improve the way we deliver services.

Having read this, I would struggle to sum it up in a few words and I think the more PR exercises we do, like the 2020 Vision and like this and the Government Service Plan, the more we disengage with the electorate who say, ‘You have got all these fine plans, but you are not actually delivering’.

2195 So I shall not be supporting this.

**The Bailiff:** Deputy Langlois.

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

2200 This Report, I guess, will not take us too long to debate because there are quite a lot of pages on loads of other reports to get through in these few days but in some ways it can be seen as one of the most important moves forward that certainly the Civil Service and all other public sector employees will experience during the coming term. It is a lot more important than it seems.

2205 Now, I apologise for reminding people, I spent over 25 years in active involvement in a thing called ‘organisation development’ and that is what this is all about; it is a multifaceted progression, movement, improvement of the way we organise things and I think we should, as we go past it... we can easily fall into a trap of being negative about every single thing that happens in the public sector. There should be decent recognition of the achievements so far.

2210 My, probably, first involvement went back further that in terms of student jobs and so on, but my first real involvement in the public sector of Guernsey started in around about 1980 and so I can talk back that far. Rest assured, I am not going to give a history lesson, year by year, since 1980. I leave that to other people who are far more skilled at that sort of approach. But we have, in particular, made huge progress in the last 10 years, around about the time of the 2004 Machinery of Government. That was the biggest shakeup. We went from 46 committees to 10 departments at that time. It did change the shape of things. You may not feel that it did, now, because you will see a certain amount of silo mentality, even within departments, and so on still to be sorted out. But it did change hugely.

2220 Then if you look at the last 10 years, that change has largely been embraced. There have been pockets of resistance. There have been massive disappointments; disappointments I share, like Deputy Soulsby’s mention of yet again a delay in the new accounting systems, which should have been brought in in the early 1990’s, when asset accounting should have been put there; but it is not and we will continue to press for it.

2225 The public sector, in this sort of development, still lags behind the private sector and the depressing thing is that it always will. What organisation in – I was going to say, very rudely, ‘in their right mind’ but I must change that, that would sound wrong – what sensible organisation would produce, for a committee of 47, a set of decisions to be made, spread over four days, supported by this sort of volume of paperwork and information? It is not the way efficient organisations work, it is not the way they get things done and so on, but because of our democratic accountability, as mentioned by Deputy Queripel just now, it has to be done in that sort of way. It has to move at a pace which it can stand and it will continue to lag behind the private sector, in some ways, for that reason.

2230 But we must give credit to our wonderful staff who have seen through the change they already have in the last 10 years or so. A lot of them who have been there for the whole of that time have made real, massive efforts and movement in terms of updating.

2235 Now, there will always be this delay. There is a gentleman, or there was a gentleman, called Sir John Harvey Jones – unfortunately, the late Sir John Harvey Jones. He lived from 1924 to 2008. He had an immensely distinguished career, both in the public sector and the private sector, and he then became a guru or a writer in management matters and one of his, for me, most valuable

2240 sayings was that, 'The job of top managers is to sustain the greatest pace of change that an organisation can tolerate, while still surviving.'

To me, that is a good tenant to work by because whatever context the organisation is in, it has got to both move as fast as it can but also survive. And we are talking about culture change here. The sort of period during which John Harvey Jones lived, the style of management changed massively, the relationship between managers and employees, other employees, changed  
2245 massively, the relationship between employers and employees changed massively and it is so easy to sneer at management speak. You have to have a shared language if you are going to change culture. You have to have various catchphrases that, if one person says it in a meeting, the rest of the meeting understand what they are talking about and that is why successive versions of management speak come out.

2250 And I welcome most of all within the proposals we have got in front of us today the somewhat belated, in my view, proper use and extensive use of the word 'customer'. We are dealing with customers, they are not tax payers, they are not members of the public, they are customers of the services we provide and I know that that produces grimaces around the place. But it is a very useful hook on which to hang the decisions about how you deal with the people for whom the  
2255 services are being provided.

So please get behind this programme and see it through, but make sure that this happens at a pace that can be sustained.

**The Bailiff:** Deputy Soulsby, then Deputy Dorey.

2260 **Deputy Soulsby:** Sir, I will begin by speaking on behalf of the Public Accounts Committee and then I have a few comments speaking on my own behalf.

Sir, on behalf of the Public Accounts Committee, I would first like to pay tribute to those who have enabled this paper to be brought forward before the Assembly today. The Committee appreciates their endeavours and would wish to publically acknowledge that the Chief Executive has kept the Committee informed of progress, which has been very much appreciated.  
2265

The Committee supports the inclusion of the value for money work-stream as one of the central pillars of this programme and I can confirm that the current PAC and, I hope, the new Scrutiny Management Committee will be keeping a close eye on the effectiveness of this element of the programme.  
2270

I do think it is excellent in demonstrating how value for money does not mean cost. Many times, I am asked to investigate expenditure because of the cost. Last month there was a call on the bus service, on how much it had cost the taxpayer. However, as I pointed out to those people, cost is only one element of value for money. You need to think of need and quality. By way of  
2275 example, the bus service subsidy was cut, but you could question whether that resulted in better value for money. (**A Member:** Hear, hear)

The Committee notes with interest that the Report states that the FTP made every public sector worker cost-conscious. We need to be reassured that this programme will now empower each and every worker to take the actions necessary to improve value for money. We also note  
2280 that the consultation on this work-stream starts in the quarter four of this year, with the establishment of a value-for-money team in quarter one of next year. Now, this is a positive step and the Committee is willing offer its full support.

We have just spoken about the need for internationally-recognised accounting standards and, again, I will say that the Committee believe this in integral to enabling the calculation of the true cost of service provision.  
2285

Just to pick up on Deputy Gillson's comments, this morning, regarding financial training for Deputies, I think it should be extended to the public sector (**A Member:** Hear, hear.) and that such training for non-financial managers is essential for those with budgets they are expected to manage.

2290 Now, once the value-for-money work-stream is established, the consultation completed and the framework developed, we would call upon the Chief Minister to support the production of a report to be brought forward for consideration by the States as soon as is practicable.

Learning lessons: the Committee's rallying call has been that the States of Guernsey must learn the lessons – good as well as those not to be repeated – from the various initiatives undertaken. 2295 The Committee looks forward to such lessons related to change management, being fully embedded into the processes, culture and psyche of the Public Service, as it moves forward with the implementation of these reforms.

To answer Deputy Laurie Queripel, I can say that Public Accounts Committee has been pushing for a post implementation review for SAP from T&R and we want it by the end of this term. (A 2300 **Member:** Hear, hear.) We have recently been sent draft terms of reference so things are moving but, like Deputy Queripel, I would like assurance from the Minister that the review can be completed within this term.

So, speaking personally, normally I have to say that my natural scepticism could have kicked in and I would say that it is a lot of nice, fancy words – 'motherhood and apple pie' – but little 2305 substance. However, I have already seen the Chief Executive practice what he preaches. The support that he has given the board of HSSD, over the last 10 months, demonstrates that quite clearly and gives me the confidence that this document will not gather dust.

I totally concur with paragraph 6.6. We Deputies should have less day-to-day involvement in the delivery of public sector services, but that public servants need to provide appropriate 2310 financial management and performance information to provide assurance to the boards – committees, I suppose we are meant to call them in the future – that those services are being run effectively and efficiently and in accordance with all relevant legislation and professional standards.

Now, that is all very well and good, but when it goes wrong we get the brickbats. Just witness 2315 the sea front changes. This is not an area of high level strategy and policy; it is about where lines are painted on a road.

Under this scenario, we should have been seeing officers dealing with the complaints, not the Ministers of Environment or PSD. Whether that will ever happen, I am far less certain, but to 2320 enable it to happen there needs to be trust. That does not mean that we, as politicians, should not continue to challenge and, despite what some might think, every Deputy with whom I have been on a board or committee these last few years has challenged management and should continue to do so. That is how positive change will happen, so long as the challenge is constructive, of course.

Finally, I would like to touch on the need to embrace technology. I believe that the 2325 appointment of a Chief Information Officer has already resulted in positive change through an expert 'can do' mind-set that gives me hope good things will happen. We only scratch the surface of what can be done with new technology at the moment, but it has the potential to provide real transformation, from telemedicine and telehealth, to enabling people to access services 24/7.

So will this work? After all, it is an immense programme. It is going take a leap of faith but, 2330 frankly, I do believe that is what we have to do. The key is leadership. Change will come from a change of culture at the top, with the engagement of those below. It is a mighty difficult job to do but, from this document and what I have witnessed in the last 10 months, I do believe that it is a risk that has to be taken and I, for one, hope that it succeeds.

2335 **The Bailiff:** Deputy Dorey.

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

I ask Members to turn to page 1953 of the Billet, which is page 13 of the Report. There is a 2340 graph which relates to the population and the make-up of the population from this year going up to 2075, showing the working population and the non-working population.

2345 The interesting thing is that it really shows the outcome of the decision that we made to change the pension age because if you actually look at that block of working age population it does not actually change very much across the period of time. In fact, I asked for the actual numbers and the size of the working age population in 2015 is 41,883 and by 2075 it is 41,325 – a reduction of just under 560 people.

2350 And, yes, because it is based on both the population of Guernsey and Alderney and it includes a net immigration of 200 people per annum, the percentage of the working population in 2015 is 64% and it drops down to 60% in 2075. But there have been a lot of words said in this Chamber and elsewhere about the effect of demographics and, in fact, the problem is not anything like what people have predicted, when you see that graph, and actually it does not match the wording in it, because originally they had the graph before the pension age was changed and the pension age was changed, but the words have not been changed.

2355 So I just want to really highlight that, that I think Members have got to accept that the demographic problem that we face because of the change in pension age is not anything like what many people have been warning about. In fact, it is a very manageable situation.

2360 Within the document, there is a big emphasis on IT projects and I, having worked for the IT industry, fully support the use of IT and its benefits to Government and greater use of it, but I fear that it almost over-emphasises it. When we look at, for example... and it mentions the electronic census on page 1991, yes, it is a very good document, but it does not produce a perfect solution. We know that it has come up with over 1,050 people who... 'address unknown' so IT is a tool to use, but it does not always produce all the answers.

And I think the comments of T&R in the letter of comment are very apt, where it says:

'However, the Department considers that a vital next step would be understanding the numerous projects and activities [and their] need to be undertaken, their costs and the reform dividend that will be delivered.'

2365 Because my concern is that it is based, as it says in section 10, on the use of the Transformation and Transition Fund, and, looking through this document, I see projects which will use up all the money and more, and I think we have to be aware that our ability to deliver what is in here will involve significant capital. We know from the budget that we have reduced the amount of money going to the Capital Reserve and I just cannot see that fund being able to fund this and other projects which are needed in other departments.

2370 So I do fully support it, but I have got a note of caution in terms of the pace of delivery that is expected in this document and our ability to finance it.

Thank you.

**The Bailiff:** Deputy Brehaut.

2375 **Deputy Brehaut:** Thank you, sir.

2380 If any of us rang a customer helpline and they responded with 'Hello, you have got through to customer care. How can I appear to help you?' We might feel a little bit disappointed at that response. And that is why I think we need to be a little bit careful with this document because I think it does appear to raise the bar, but there are a number of obstacles in the path of people trying to implement any change.

Just a historical, contextual reference: this was a publication that used to be produced by the Department of Health & Social Services called On the Case. Perhaps it should have been called On the Rack on reflection, but it was not. From the Chief Officer, David Hughes, it says:

'The need to tighten the purse strings means that, sadly, this is the last edition of On the Case.'

So even in 2005, HSSD were trying to make savings. And he goes on to say:

'2005 has seen many changes for all of us and I know how difficult it has been for those working in the services.'

2385 *'I know how difficult it has been for those working in the services.'* It goes on to say:

*'2006 will also be a challenging year, particularly as the budget is so tight, but I am confident that together we will continue to provide good quality in services.'*

Now, okay, 10 years of saving at HSSD and I think now, 10 years later, we have perhaps a view of the existing T&R board that we can refocus some funds in that direction.

2390 But the irony struck with me with this. This was a small publication aimed at reaching out to the employees, saying that, 'HSSD is not this remote organisation. We value the staff that work for us, we try and reach them, we try and talk to them and this is why we produce things like that.' And it was actually one of the first things that had to go.

2395 But, getting back to my original point, there is a public expectation and aspirations in this policy letter, this Report, that concern me a little bit, because the people who were referred to at HSSD in 2005, for the main part, are still there. And our employees have gone through a massive amount of change, a *huge* amount of change. They have lived through SAP; they have lived through every type of review and the majority of them are still in post.

2400 But you can only stretch goodwill so far and what concerns me when the community broadly talk about the rôle of the public sector is there is still this concern or still this view that it is a mammoth, it is too big, it cannot be made to work. And even this morning in this Assembly we heard a question from Deputy Paint and he was trying to bottom out how many staff work in this new call centre, how much overtime are they getting paid; are there are eight people working there, are there six; are their roles duplicated? And those questions, in themselves, gave out the message to the community that the States was not being as frugal as it could be with the staff resource it has, but that does not impact on States' Members, it impacts on the staff that work for us.

2405 Now, just another example: years ago, when I was Chair of the Scrutiny Committee, I had two members of staff – *two* members of staff – and I wanted to have a meeting, to meet HSSD, to discuss – it is quite timely, actually – the independent funding request. I asked for a minute taker to be present. No minute taker could be found within Frossard House, because everybody was so busy. Nobody could be found to sit next to me, to take minutes while I was having a meeting.

2410 Just last week there was an item, relevant to Environment; I asked if perhaps Environment could get a press release out, because we have all got the nose for what generates perhaps another negative story day after day, but nobody was available at that time to sit down and draft a press release.

2415 So the resource we have is very tight and we keep stretching it, and if we are trying to attract people into the public sector, into the Civil Service, then they must be aware or they must have some awareness of what they are coming into, because it is a very, very febrile environment at this time. Education, for example, have to deliver revision, perhaps, of the 11-plus or whatever, the nursery provision... Huge policy letters, *huge* areas of work-streams yet to be complete, and people are under a huge amount of pressure.

2420 So, in noting the document and acknowledging the direction that the Chief Executive wants to go in and we all want to go in presumably, we have to also acknowledge the burden, the weight of work that our staff are already under. So I think if we progress this, we just need to – I know it is not the language management want to hear, but we just have to perhaps – be a bit more realistic in our expectations and when the whole thing is deliverable.

2425 Thank you.

**The Bailiff:** Deputy Fallaize.

2430 **Deputy Fallaize:** Thank you, sir.

I am going to say something personally about the Chief Executive, which is perhaps not the sort of thing one would normally do, but this is a Report which has got his face plastered on it and

he has, as it were, put his neck on his line or, at least, his name to it. This is very clearly his vision, which the Policy Council is laying before the States.

2435 Now, I think one of reasons that this Report will sail through and one of the reasons there is a great deal of sympathy for it, is because of the way many of us feel the Chief Executive has started since taking up his post. And I have to say that I have worked with him a little in connection with the States' Review Committee and I have been very impressed with the approach that he has taken.

2440 He seems to me not to be particularly what I would call a centralist or a centraliser, but more wanting to enable and empower colleagues around him. And I think some of the centralising tendencies which characterised the States for some years, appear not now to be so relevant or are not being practiced so much and I welcome that and I think that many staff welcome that and I think there is generally a more optimistic sense about the senior levels of the Civil Service.

2445 So I think we, in a sense, are being asked to back the personal vision of the Chief Executive and I am sure we will because... well, one of the reasons is because we have been generally impressed with the start that he has made to his role.

2450 However, Deputy Brehaut does make a very good point about expectations. The aspirations that are set out in this Report are very ambitious indeed and, in my view, there is a massive disconnect – a *massive* disconnect – between where we are now and the objectives that are set out in this Report.

2455 I am talking about, in particular, the support that is available to committees – policy research, report writing. We are a million miles away from where I think the Chief Executive wants to get to and the danger is, with this sort of Report, it has to be ambitious, it has to be far-reaching, because that signals the intention of the Chief Executive to lead major reform, but we should not believe that we will approach this sort of departure point in our journey imminently, because it is going to require a huge amount of work and I cannot see it requiring anything other than very long-term investment.

2460 The problem is that I think there are many people who regard reform of the public sector, as set out in this Report, as two sides of a coin. The other side of which is less expenditure on the public sector. It is presented... there is a flavour in this Report, in parts of it, that we can achieve all of these things and we can spend less on the public sector.

2465 Now, I think that is very, very unlikely, because to reach the kind of objectives and aspirations that are set out in this Report can only require significant investment. Some of the work I have been involved with, you go to Frossard House and seek support for important pieces of work and there is no-one there. There is nobody there. There are people there delivering frontline services, I do not deny that, but in terms of the support of committees, policy research and report writing, there is nobody there!

2470 Now, maybe it is that staff are allocated in the wrong areas, but the kind of objectives that are set out in here present a very different public sector than the public sector that we have at the present time and I would be grateful if the Chief Minister could provide us with some words about that or some reassurance about that when he replies.

2475 It may be that it will require a degree of investment up front and in the long run that will generate savings. One hopes that is the case, but you only have to look... We have committees – Deputy Perrot referred to one this morning, Deputy Le Lièvre is working on one, I have been working on one, there are other committees around – they have no staff! The work is being done by Members and these are reports that are coming to the States – sometimes significant reports which are proposing significant reforms and there is not an army of civil servants behind it; it is very often being done by political Members themselves.

2480 So if the Civil Service is saying, 'Look, politicians should not really be involved in the day-to-day operation, politicians should lead and provide direction, but we are the public sector who should be implementing the aspirations of politicians,' well, that is all very well, but there is going to have to be more staff provided to support committees in policy development, in particular, than there has been up to this point.

2485 Two further points, before I sit down. Deputy Bebb made a very good point. We ought not to pretend that the public sector and the Civil Service is somehow detached from Government; clearly it is not. Government has every right to direct the structure of the Civil Service, but I think that the two need to work in harmony. There needs to be compatibility between the Chief Executive's vision and the vision of senior politicians.

2490 A couple of the reforms the States have approved as part of the States' Review Committee's work, I think, do address some of the concerns that were raised in Deputy Bebb's requête earlier this term. The accountability between senior officers and members of committees is going to be strengthened from May 2016.

2495 If that does not happen in practice, it will be because our successors in the next States have not had the bottle to carry it through, because the States have very clearly set out the lines of accountability that exist between senior officers and committees to which they are responsible and have also set out in Resolutions the input that members of committees can have in the performance management of staff who are accountable to those committees. It will be up to our successors to ensure that that is what happens.

2500 Then Deputy Queripel made a point about the need to keep these matters under review and for us to have progress reports, but there are Propositions in this Report, attached to this Report, which require the Policy Council – well, it will not be the Policy Council; it says that, but it will not be them – to report to the States in respect of any major costs or policy initiatives that are necessary, coming out of this, and also annually to submit reports to the States on progress.

2505 It is very important, I think, that the new Policy and Resources Committee and, indeed, the Scrutiny Management Committee hold the Civil Service to account for the kind of objectives and aspirations that are set out in this Report.

2510 So I very much welcome this. I think this is a very clear and compelling vision that is set out by the Chief Executive. If we can achieve half of the reforms that are set out, then I think there will be significant improvements in the public sector. I think, generally, it is a very good Report, although Deputy Hadley is right that there is some management speak in it. But I think that we do need to back it, but we do need to recognise that we are a million miles away – in some areas of the Civil Service, not wholesale but in some areas we are a million miles away – from delivering the kind of lofty ambitions that are set out in this Report.

2515 Thank you, sir.

**The Bailiff:** Deputy Kuttelwascher.

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

2520 I rise purely because of something Deputy Fallaize said which I think is maybe not quite accurate. I cannot remember exactly the words he used, but I think he implied that one of the purposes of this was to reduce the overall cost of the public sector, and that is not the case. If I can refer Members to page 1935, paragraph 7.2, the last part of the paragraph says this –

2525 **Deputy Fallaize:** Sorry, could Deputy Kuttelwascher, repeat the reference? Sorry.

**Deputy Kuttelwascher:** Sorry, 1935, paragraph 7.2.

2530 I refer to the last sentence which refers to the reform dividend. Basically, the reform dividend is not there just to save money and maybe, dare it say it, reduce taxes, it is to redistribute it elsewhere and it does say:

'This will provide savings that the States can decide how to invest either in coping with forecasted demands in services like health and social care or in new or improved services.'

And I think that is important, because if that can be done it will reduce any pressure for increasing taxes. So the savings will, to whatever extent, fund any increase in demands, at least in

the near term, whether it is successful in the long term, I do not know. But the idea is not just to save money and put it aside, it is to save money *and* help fund the increasing demands.

2535 It is a big ask but, sustainably, I do not think there is much of an option, because we have got a cap of 28% GDP on what we can take from, shall we say, the customers, the taxpayers. Last year, in the Budget, we took over £4 million from the general taxpayer and about the same amount from companies. This year, we are going to take about another £8 million. It cannot go on forever, because Guernsey will become a jurisdiction which, from a personal point of view, is no longer attractive, from a personal taxation point of view, because there are increasing costs elsewhere to cover.

2540 So we have a tightrope to walk. It is a fine line and I think this particular policy letter puts forward a project which *has to* succeed. It *must* succeed and that is the attitude we should have: we will make it succeed!

2545 Thank you, sir.

**The Bailiff:** Deputy Harwood.

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

2550 Just to follow on from my colleague's comments, absolutely, if we endorse this we have to make it succeed and there are obligations upon us, as politicians, in this Report, that I think we should not lose sight of.

2555 Page 1972 refers to 'clearer prioritisation.' Now, we have in the past tried to introduce the context of prioritisation to the Government Service Plan. Sadly, this Assembly kicked that back. But going forward, this Assembly or the successor Assembly is going to have to clearly grasp the concept of prioritisation, not just for capital prioritisation but also for more general revenue prioritisation.

Then again, also on page 1994... the 'estates optimisation'. This requires – and the paragraph...

'This concept was first put forward in the Strategic Asset Management Plan submitted to the States Assembly in the summer of 2013'.

Again, sadly, that was kicked back.

2560 So I would urge all Members of this States – this term and succeeding terms – to endorse this plan. We wanted to know what the son of Financial Transformation Programme was. This, I believe, is that son. This is the transformational part of the Financial Transformation Programme.

**Deputy Fallaize:** Sir, point of correction.

2565 The Strategic Asset Management Plan was endorsed by the States and the States directed the Policy Council to return to the States with further details, to set up what they intended to do to carry into effect the Strategic Asset Management Plan and nothing has happened, or we have certainly seen nothing that has come back before the States, but it was endorsed by the Assembly.

2570 **Deputy Harwood:** I am grateful to Deputy Fallaize for that correction.

But it does emphasise that Members of the States must be fully behind this plan. There will be issues for Members of the States to have to follow through and, therefore, urge all States' Members to support this policy.

2575 I congratulate the Policy Council, I congratulate the Chief Executive, on the initiative in actually bringing forward this, the son of Financial Transformation Programme. This is a transformation that we must deliver if the States of Guernsey and the Island of Guernsey is to continue to be able to prosper to the extent that it can.

2580 We must deliver this and, therefore, I fully urge all States' Members to stand fully behind this and endorse the policy, but also commit to the steps that the States itself, this Assembly, would have to take in order to progress the implementation.

Thank you, sir.



**The Bailiff:** Deputy Sherbourne.

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

2585 Members, I will be brief, but I did want to make a contribution to this because I applaud the Chief Executive in the publication and the actual communication that has been involved since it has been published. I have been to one or two presentations, I have spoken to him and I do believe the things that Deputy Fallaize has observed about the intention behind it.

2590 I think that the speeches we have heard so far urge a certain caution with regard to the realistic implementation of this vision. My board and Education – the board I am a member of – are facing the same sort of challenges with regard to the implementation of their vision.

I applaud this Assembly actually for three years of producing some incredible visions. Maybe more than three years; 2020, I think, was produced – 2020 Vision – in the last Assembly. That, in itself, is an incredibly brave vision for the future. What we have not seen over the last three or four years is the implementation.

2595 The biggest challenge with regard to the Chief Executive's vision is the changing mind-set. That is how I see it. It is the biggest challenge. And actually changing mind-sets really have nothing to do with spending of money; it is to do with changing hearts and minds.

2600 We have got to change *our* attitude towards *our* civil servants. I have been as critical as anyone about, not certain civil servants, but the general reception, if you like, that I found over the last three years. But, more importantly than that, we have got to change the mind-set of the civil servants themselves. They have taken one enormous bashing over the last few years. They are criticised for just about everything that happens in Guernsey. Okay, we are accountable, but they have no real voice. Their mind-set needs to be changed by an equal change in the mind-set of our community. To actually value them for the work they do. For a small community, we have the most incredible services offered to us.

2605 Now, the Chief Executive has obviously recognised weaknesses and the need for change – to look upon the population as customers; people that we are actually serving, just as we need to recognise the value of our civil servants. It is a partnership. There is no doubt about that and I think that that message needs to come from this Assembly. Let's look at this as a great vision, a step forward, a change in mind-set that is needed by various parties and I think that will be the biggest contribution that this document can give Guernsey – a changed mind-set.

Thank you.

2615 **The Bailiff:** I see no-one else rising. Oh, Deputy St Pier.

**Deputy St Pier:** Sir, I rise briefly to respond to the questions posed to me as the Minister of Treasury & Resources, other than to say I endorse the comments, particularly of Deputies Kuttelwascher, Harwood and Sherbourne.

2620 Firstly, in relation to Deputy Soulsby's query about the post-implementation for the SAP Shared Transactions Services Centre Project. That is absolutely planned to be completed before the end of this term and I welcome the engagement of the Public Accounts Committee in helping to shape the terms of reference; because, in particular, the focus of that post-implementation review is, on that project, not as some kind of IT implementation project, but recognising it was a massive change programme; and we are about embark on another massive change programme through the change in the system of government, through the States Review Committee and through public sector reform.

2625 So if there are any lessons to be learned about how to manage change from that project – and there will be – then we must learn them from that post-implementation review. So we are very keen that that work is completed as soon as possible.

2630 In relation to Deputies Dorey and Laurie Queripel's questions really revolving around the Transformation and Transition Fund, again, I would draw their attention to the Budget Report

which seeks to put some colour on the recommendations that we are suggesting to the Assembly about how we manage that fund.

2635 As Deputy Dorey says, there are already, in this document alone, many calls already been identified upon it. It will not stretch very far unless we are very disciplined about its use and, as he identified, there will be other demands outside this project.

2640 So we are recommending, through the Budget Report, a prioritisation process not dissimilar to the capital programme that will enable us to work out which are the highest and most important projects, and then to provide a discipline around how we manage that and ensure that we do actually deliver the benefits from these projects that we say should be coming from them.

2645 So again, all lessons that should have been learned from the Financial Transformation Programme and I hope that does give Deputy Laurie Queripel, in particular, some reassurance about the processes that we intend, obviously with the support of this Assembly, to implement to ensure that we do get value for money in supporting this programme.

**The Bailiff:** Deputy De Lisle.

2650 **Deputy De Lisle:** Sir, I would like to just highlight a couple of areas that I feel are extremely important, because I welcome the initiatives that are being proposed in this policy letter for public sector reform.

2655 Certainly, the culmination of the FTP, through then the continuation, through the Transformation Programme, I think, is very, very important for us to support, particularly here, the control of public sector expenditure... to be effectively controlled, and waste and inefficiency reduced. I think that alone is a major policy thrust that needs to come through this public sector reform.

2660 But there are other areas too, such as the contribution that the project can make with respect to consolidation of support services, such as IT, property and procurement, because, as we know, in the FTP we only saved in the region of £3 million, I think, and for some of us, including myself, that was one of the areas where I thought, through inter-departmental working, we could save an enormous amount.

In fact, we were supposed to have save £15 million in that area. So this is an area that a very positive contribution can be made through this new initiative that we are looking at in terms of public sector reform.

2665 But there is also one further area that I would like to just press and that is the application of technology and the working with technology which, for some reason, in Guernsey has not been looked at as closely as we might; particularly, as very often we are using physical resources which are very scarce, using up finite, scarce resources in such a small Island and a crowded Island, rather than applying technological innovation to a lot of our problems.

2670 Now, we can have been the first, for example, in applying e-mass in the British Isles on our Airport and, thereby, saved 40 verges of land in the western sector and over a mile of earth banks on our Island.

2675 **Deputy Fallaize:** Is this directly on the subject matter of the policy letter?

**Deputy De Lisle:** Yes, it is, very much so, sir –

**Deputy Fallaize:** Oh, okay.

2680 **Deputy De Lisle:** – because – (*Interjection*)

**Deputy Fallaize:** Oh, I am not, sir.

2685 **Deputy De Lisle:** – I am talking about the technological innovation and the application of such  
to –

**A Member:** At the runway.

2690 **Deputy De Lisle:** Yes, the runway. Yes, we could have done a lot more and a lot of people here  
believe that. We could have done a lot more with the expenditure (*Interjection and laughter*) that  
we actually used in that particular project.

Sir, I am fully supportive, then, of this particular initiative of public service reform and I feel that  
it can contribute in a major way to not only sustainability of public services over the medium and  
long term but to the benefit of our Island into the long-term future.

2695 Thank you, sir.

**The Bailiff:** Deputy Trott.

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

2700 I am going to start with a negative, unfortunately, but finish on a number of positives. The  
negative refers to my very good friend, the Deputy Minister of the Treasury & Resources  
Department, who gave us an interesting lecture on the importance of maintaining our fiscal rules  
and, in particular, limiting the overall revenue expenditure or revenue collection to 28% of GDP.

2705 This, I would remind him, is at a time when the Treasury & Resources Department has released  
the Budget that has violated one of the key principles of our fiscal rules. (*Laughter*)

**Deputy Kuttelwascher:** Point of correction, if I may.

**Deputy Trott:** I will give way, sir.

2710

**Deputy Kuttelwascher:** No, it is a point of correction. I do not really mind if you give way or  
not. (*Laughter*)

**Deputy Trott:** Make sure it is.

2715

**Deputy Kuttelwascher:** I just want to say that question has already been answered, in that,  
this is a temporary alleviation to one department and it has been stated clearly that the fiscal rule  
is in place for everybody else and we will return to it when HSSD return with their programme  
savings, according to the Billet report.

2720 So I think that is making a particular exception, a generalisation, which is quite misleading –  
and that is the second time you have done it! (*Laughter*)

**Deputy Trott:** Stand by for a third, sir! (*Laughter*)

2725 Now, it would appear that all pigs are equal, but some pigs are more equal than others. The  
fact is we have these rules in place, we have these constraints in place, for a very good reason and  
the moment you start playing around with them then you open up a Pandora's box.

Sir, the public sector continuously reviews and reforms. That is the nature of life. There are  
technical innovations, there are the coming and going of different people with different ideas, all  
of which assist that process.

2730 The idea of a reform dividend is an interesting concept because we have been talking earlier  
about some of the management speak in this Report, but one of the truisms of management  
speak, sir, is that if you cannot measure it, you cannot monitor it. And yet this reform dividend is  
this concept which we are never going to know too much about.

2735 What we are going to know a great deal about is how much goes out of the £25 million worth  
of Transformation and Transition Funds. We are going to see the outgoings, but we are not going

to necessarily be able to measure with any clarity the benefits of that. That is the nature of the beast which makes these sorts of policy decision-making issues often a leap of faith.

2740 But, sir, let me tell you what would happen in the private sector. If the private sector was carrying out this form of transformation and transition, it would incentivise its star people. It would pay them bonuses, if their performance had been exceptional. Rather than treating all within the public sector equally, we reward mediocrity in much the same way, through our pay scales, as we reward excellence.

2745 If we really want to transform the public sector we need to empower the Chief Executive and his senior management team to reward key staff within the organisation appropriately and in a discretionary way. I have felt for a long time that this is an issue that is long overdue and I would ask Members to consider this more extensively over the course of the coming weeks and months, because that is how, I think, we drive effective change.

Thank you, sir.

2750 **The Bailiff:** Right. The Chief Minister will reply to the debate.  
Deputy Le Tocq.

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

2755 I think this has been a very useful debate on an important subject and it has been good to get the frank and, in fact, eager comments from people who I think really have engaged, and are engaging, in this programme, because that is what it is.

2760 This is a Report put before this Assembly of a programme and, whilst there has been perhaps one detractor, can I first of all say that this is the type of thing that, in the past – if it has ever been attempted before and we will come onto that in a moment; I do think there have been other attempts at reform and modernisation, but in the past – it would not have been put before this Assembly. It would have just happened and it probably would have costed something and we would not have been involved and I want to give credit to the Chief Executive and his team and, indeed, for others in Policy Council who work with me in order to get this Report to the Assembly in this format and to do the presentations, and also to engage all members of the public service – because it is not just the Civil Service – who have been taken up and caught up in this.

2765 I have met people at all levels. I have been doing tours, alongside and after the Chief Executive, of a number of different departments and met people at all salary levels, doing different sorts of jobs and I have been struck by the number of people who have been caught up, for the first-time – and I have been in the States for a number of years – in this process and have been included and heard and feel like they have been empowered to make suggestions about how improvements can be made in the future.

2775 Now, this will not happen overnight. We have already said it is a 10-year programme. Is that realistic? I do not know. It is difficult to say, but I am glad that it is not looked at as something that can be done in one term, because it clearly cannot. But I am grateful for the comments and interaction of each Member and I have made notes – I am not going to comment on each one, but I have made notes – particularly so that I can take them back and consider them along with the Chief Executive; because we are approaching the end of this Assembly and it is going to be absolutely essential that we send a signal and we have some sort of handover to the next Assembly. They will obviously make their own decisions, but it is essential that we give our support – and if it is not unanimous it will be near unanimous support – today, to this initiative, because it really is a case of nothing ventured, nothing gained. We cannot do nothing; that is not an option. Somebody hinted at that – I cannot remember who – in their speech.

2780 I will comment on a few. I do not think we have had any questions that have not already been answered, particularly by the Treasury Minister and PAC Chair as well, but I will comment on a few that particularly struck me.

Deputy Gollop kicked off and was supportive in the main and he touched on a number of things that I feel particularly strongly about: public sector reform will require discipline, will require

determination, politically – and I will come on, in a moment, to the comments that Deputy Bebb made but – it will require Members of this Assembly as well as, in the future, committees and their presidents to be determined to not just maintain, not just be in maintenance mode, but be in a constant form of engagement, to improve the ways, and particularly the ways in which we engage with – and I do not like the terminology of ‘customer’, but there is not, sort of, a better one. ‘Service users’, I do not like either. I have not come up with any better term, but I think we all know who we are talking about: our community, everyone out there, not just those who pay taxes; it is the whole of the community.

But it is also incumbent upon us – and I am sure Members of this Assembly, sir, already feel this in this era – that we help our community to understand and engage and be involved in the process of politics and services and reform, far more than they have done before. I am very glad, sir, that the recent surveys and consultations and workshops that we have been having have had the largest amount of engagement by members of the public than ever before.

Now, along with that, there are huge problems. There are issues of social media, there is comments that are made that we would rather not hear, that are perhaps unfortunate, but nevertheless, I would rather have all of that, with the problems that it causes, to get more understanding of people out there of the issues involved in seeking to become and to be the best we possible can in the form of the Government and public services that we can for Island.

And we need to help, and our successors will also need to help, those outside who do not understand the way that we work and I am often meeting people who think I have all sorts of powers and that if they meet with the Chief Minister they will see things happen immediately. I am regularly disappointing people, so I normally start with that when I meet them and say, ‘Hello. I would like to disappoint you.’ (*Laughter*) But, seriously... Because I know that is one thing I will succeed in doing. But, seriously speaking, we all need to work far more in a disciplined manner and that is something I may come back to.

Deputy Bebb, who is not in the Chamber at the moment, I think – but it sounded like, to begin with, he was looking for an opportunity or wanting an opportunity to vote against something. Fortunately, he did not really come up with anything, (*Laughter*) but he did mention paragraph 2.1, in particular, which I will read out, which states:

‘The manner in which the public service<sup>1</sup>...’

– and that includes Civil Service and everything that the taxpayers’ money and resources go towards providing –

‘... is designed and operated is no more a political decision than the organisation of the system of government is a matter for the public service to decide. However, both have in common the need for reform to meet 21st Century challenges and expectations.’

Now, I agree with what Deputy Bebb said. It is incumbent upon us give guidance and to give help and to make sure that the services that deliver on the decisions made by this Assembly are appropriate and fit for purpose and, above all, are value for money. Those are something that we are always going to be engaged in and we are engaged in. However, it is not only, I think, difficult for us, it would be *wrong* of us to be engaged in micromanaging and the structures and the design of public services, because we are only here for four years or so, others will come in after us and there could be, even amongst the 47 of us here, different views as to how the structure should take place.

So the Civil Service would be sitting around doing nothing while it waited for us to agree as to what structures, how things should be managed, etc. There has got to be a balance and I think that paragraph, maybe it could have been worded better, but it hints at the fact that – I think it is in the next paragraph that talks about – a symbiotic relationship... And I know that is jargon again but, hopefully, we know what that means – we both affect each other – and elsewhere in this policy letter, there is reference to the States’ Review Committee work and, obviously, this has gone on alongside it and will continue in the future and it is vital that we get that right.

2835 So I cannot agree totally with what Deputy Bebb was saying. However, the move towards  
service level agreements and, indeed, understandings and protocols between departments and  
the hub, for example, is going on and we have heard about those sorts of things already. That is  
happening. It is not happening at a speed that I would like, but it was already beginning to  
happen when I was Home Minister and there were frustrations there, as there were – and Deputy  
Bebb mentioned some – with Health. Things have improved and they have improved because  
2840 such relationships and protocols are now being put in place.

Deputy Laurie Queripel talked about a SAP review and I think that question has been  
answered. But the political is not divorced from the operational level issues and I would want to  
emphasise that point. I think it is just different. They are alongside, they affect one another, but we  
operate in slightly different sphere and that should remain so. There is a relationship – and this is  
2845 really where the rub occurs... it is a relationship between the political and the operational that  
really matters.

I have known this in the past where it was quite clear, when I was in a particular position, that I  
found it difficult to work with a particular civil servant and that is where it becomes difficult, and I  
think we have all experienced that in particular areas; fortunately not widespread, but where that  
2850 occurs, we need to have a structure and a system that enables better operation; and I am certainly  
confident that the Chief Executive we current have understands those problems and wants to find  
ways of dealing with them more effectively.

It is certainly not a question – whilst there is a perception sometimes – of the Civil Service  
taking responsibility for things that are... If they do it is because we have left a vacuum somewhere  
and someone needs to do that because, whilst I agree with what Deputy Trott was saying before,  
2855 we are not a private sector company. A private sector company would operate far more efficiently,  
but it would also get rid of unproductive areas. We have not got the luxury of doing that. We have  
to operate these services and so a line has to be drawn in comparison somewhere,

But one of the issues that I come across fairly regularly, I have to say – although I am glad that  
2860 it is being attended to by the Chief Executive's senior management team – is where you have a  
member of the public or an individual contact a department, speak to a civil servant and that civil  
servant is so focussed on what he or she is obliged to do in his particular department or her  
department, that he or she says, 'Oh, that is not my responsibility. It is the responsibility of  
another department.'

2865 So that immediately then goes to the other department and finds out that their need is  
actually broader than that department and then you go back to the original department as well  
and it sort of falls between the two stalls – no-one takes responsibility for it.

Now, this is where Service Guernsey needs to create a culture where we all – and, by that, I am  
including us as well – take responsibility for these sorts of issues and... I will speed up; I notice the  
2870 attitude of Deputy Perrot there; he is obviously falling asleep slightly but... Sorry, Deputy Perrot.

**Deputy Perrot:** I am fully concentrating, sir! It is terribly exciting! *(Laughter)*

**Deputy Le Tocq:** Yes, you looked exactly like that. Sorry, sir. I will continue.

2875 The point is really that sometimes we come across these sorts of issues and you know the  
difficulty, sir, is that sometimes we, as politicians... the danger is we stand behind in defence of  
that sort of culture from some members of the public sector, public service, and as a result of that,  
we disenfranchise those we are seeking to serve, because they are not helped by that sort of 'It is  
not my job' attitude and we do need to see that sort of attitude, that sort of culture, change.

2880 I cannot really say a lot about Deputy Hadley and what he said. He was very sure that he was  
not going to support it. I mean, I understand Deputy Hadley. He wants to do stuff and, believe  
you me, I want to do stuff as well. The issue I would have with him is that he is really only  
interested in a few things that he wants to see done and he does not really care what happens  
elsewhere, as long as his get funded, and I think that this where we have got to move away from –  
2885

**Deputy Hadley:** On a point of correction, Mr Bailiff, I would remind the Chief Minister that I am on the only Member of this Assembly that sits on three boards. So to accuse me of being focused on one thing, I think, is inaccurate!

2890 **Deputy Le Tocq:** Sorry, sir. I will take that back, slightly, not one thing, perhaps, three things! *(Laughter)* But, nevertheless, the point is we have not got that luxury and the danger is, with this Assembly particularly, that we make decisions in silos. So even if we are on three committees, we look at one issue and we forget the repercussions that happen elsewhere. It is something that we do need to take on board as well.

2895 I agree with Deputy Soulsby in terms of training and financial management. I think that would be essential for civil servants, even if they are not involved in that, in the future to have regard for that and have some basic financial training, so they can understand the implications of decisions that are made, that are down to their level as well. But also for us I really do think it is helpful. I have often mentioned it, but one of the first times I sat on the Education Council, years ago, we  
2900 spent so little time on the budgets that I was embarrassed, really. We do need to understand how to scrutinise and ask questions, because it is no longer the case that we can afford to just let things go in terms of financial controls.

I note the points that Deputy Dorey made on population. It is certainly connected and, yes, he is right that the changes in pension age have made a significant impact on the sorts of scenarios  
2905 we were otherwise finding. However, there is still an issue of an ageing population and you will see, particularly over the next few decades, that there is going to be the over 85s age group growing significantly, out of proportion with those in working age and, because there is a slight decline... okay, it is only slight now of those in working age, because we have increased that bracket, it is an important thing, because the services to those at the end of their lives – the older  
2910 members of our society, who we want to respect and we want to honour – are going to cost us a lot more, particularly as expectations rise. And so it is even more the case that we need to get our services right and we need to focus on using our money and our resources far more wisely.

Deputy Brehaut said something that I cannot read down here, because I have scribbled it too fast, but I think it was to do with... Oh, yes, he was talking about the amount of staff available,  
2915 sometimes, and I agree with him. I am working as Chair of Social Policy Group who currently have no members of staff. Other staff have had to be resourced there.

Now, in a small jurisdiction – and we are not alone in this, obviously – that often is the case, sadly, that certain areas traditionally have been understaffed, under-resourced, or sometimes they have been resourced by people who are not really skilled in those areas, because it is the case that  
2920 maybe we cannot afford for one person to be dealing with one particular job, because otherwise they would be twiddling their thumbs the rest of the time, because the amount of time that is required on that is not a full-time position and it is difficult to find people who are multi-talented in lots of different areas, but this is an area where I believe that the restructuring and the reformation that the Chief Executive wants, will enable people to work far more cross-  
2925 departmentally to produce, with technology, sometimes virtual teams of people that can give their skills, pool their skills together.

But I think it is also incumbent upon us to realise that we have – at the moment, certainly, and in the past, far more – a lot of meetings that are far too formal. We make far too many formal decisions requiring minutes being taken and then minutes afterwards being approved, and that  
2930 whole process actually takes a lot of administration time. We are going to have to find modern ways of working around that that are effective. We still want to scrutinise decisions, absolutely, but in other places these sorts of decisions would not be made in such a formal manner and that is a political decision that needs to be taken in the future.

Deputy Fallaize commended the Chief Executive for this vision and I would say it is not just his vision, it is mine too, it is Policy Council's too and it is essential that it is the majority of this  
2935 Assembly's vision; and that we pass it on in such a way that it is embraced by our successors as well. Absolutely essential!

2940 It may be just words but, coming back down to that point we made before, if we do not have this sort of vision – and I think Deputy Kuttelwascher alluded to it – then we are going to be in real problems. It may be difficult to monitor, as Deputy Trott said, it may be difficult to look for real term gains, as we move forward, but it is not impossible to deal with that. There will be tell-tale signs that we will be able to see the improvements of and, particularly, monitor the effects that it has on the people we are seeking to serve and the services provided for them.

2945 Deputy Fallaize also – I have hinted at it before – there have been a number of different attempts in the past at reform agendas and modernisation agendas. All – in my knowledge, in the time that I have been involved – have come to nothing, because they have not had enough determination, either by the leadership at the top of the Civil Service or by the Members of this Assembly. It is absolutely essential that we provide that and get behind the Chief Executive. What I have been encouraged, as I said before, is to see the numbers of individuals at different levels in the public service who are behind him in what he is seeking to do.

2950 I witnessed that. Also why I have got confidence in the Chief Executive is that I have seen what he was able to in law enforcement, as I know others Members of the Assembly were. We got behind that and, when you have got political and Civil Service desire to see change happen, you can bring it through and I believe, certainly, that it is possible for us to provide the resources and the will power to see it happen.

2955 Deputy Fallaize said there was a massive disconnect here in terms of expectations, I think he was talking to. I would remind him that we are talking about 10 years. Now, I know things happen slowly here in the States of Guernsey, but 10 years, I think, is a realistic expectation, to see these sorts of changes through. I know it is difficult for us, because we are dealing with a vision that is not going to see massive change tomorrow and, in a sense, what people want is that, but I think it is only right that we should look to the long term and commit ourselves to do that.

2960 He talked about empowerment. I totally agree with that as well, But when he mentioned spending less – and I know Deputy Kuttelwascher took him up on this – I partly agree with him, in terms of expectations, but can I also say that we do need to find and recruit people into the Civil Service so that we can deal with issues regarding, for example, media handling, which takes up a lot of resource, a lot of staff time, sometimes by staff who may be very able, but should be doing other things; and, of course, we are living in that instant age where there is a question that comes in; staff are expected to drop what they are doing and deal with the media issue.

2965 Now, that has huge repercussions for some of the issues of delay and resourcing we are talking about. We need to find a new way of dealing with that. I am not sure what it is but we need to do so and I am sure most in this Assembly who have dealt with the media know the problems that that causes our public servants, particularly.

2970 I think, in terms of discipline, as well, to the expectations, we need to find ways of sticking to what we want and what we have decided to do, and not jumping from one resourcing of one thing to another, to the latest issue. And there is a danger in this Assembly, that has an effect in the public service, we make a decision and we do not properly ascertain the repercussions – we might do in terms of finance – in terms of human resources to what the decision we have made.

2975 Examples of that might include SWBIC, for example, and I am totally behind that work but it was not properly resourced from the beginning; this Assembly did not see the need to do that. I think also, with the Strategic Asset Management Programme, Deputy Fallaize was right in correcting Deputy Harwood, that the Assembly supported it, but the Assembly decided to vote against any new resources towards it and, on that basis, it was impossible because it is not the sort of thing that civil servants we have got... hanging around, doing nothing, that suddenly can give their time to.

2980 A massive programme of property rationalisation, that would affect the way in way in which our public servants work, requires extra resourcing that we have not got without our current staffing and, as a result, no progress, until very recently, has been able to be made. It is now happening, but it has taken a lot longer than anticipated that is why.



2990 But, you know, ironically, that particular development, because it was focussed on property and perhaps, as a result, we all get interested because we live in a small Island and we think of one particular property and we think of what could be done; we have all got our ideas, but what the delay in that programme has resulted in is a delay in reform of the ways in which the Civil Service and the public sector can work, because they are dependent upon the physical facilities that they use.

2995 You cannot make people work more effectively together if they are working in different environments and you need resourcing to bring them together, so that they can do that. We are, hopefully, going to get some traction on that now but it is an example, I think, of where this Assembly made a decision and did not think of the implications of that.

3000 Deputy Fallaize also talked about 'bottle' – as in not having it – and I do believe that... I would use the c-word 'courage'. We need courage and I have used it before – to take action, to believe, to be confident, to get behind it and to embrace risk. This Assembly is not good at dealing with that. That is where sometimes we do need to close our eyes to our advisers around and to say, 'I am willing to take the risk. This is worth doing.' And, as I often say, we sometimes are foolish to believe that the *status quo* has no risk attached to it.

3005 Sir, I think I have said enough and Deputy Perrot is definitely falling asleep now, so I will bring it to a conclusion.

I do like what Deputy Sherbourne said just at the end and I like the phrase, particularly, that others have used, 'If you aim at nothing, you are sure to hit it.' This is not nothing, this is something substantial. It is backed by leadership in the Civil Service that has the greatest opportunity and the greatest support that I have known for some time. We need to give our support to it. If we believe it deserves a chance to take effect and, as Deputy Fallaize said, even for 50% of it to take effect, would make a dramatic change to the way which we can resource the things that we would like to resource better, then we need to give our support to it and I encourage everyone – if not all, most – to support this programme and the Propositions before us.

3015 Thank you.

**The Bailiff:** Members, there are five Propositions on page 2003. I will put all five to you together. Those in favour; those against.

*Members voted Pour.*

3020 **The Bailiff:** I declare them carried.

## POLICY COUNCIL

### XII. Public Functions Law – Propositions carried

Article XII.

The States are asked to decide:

*Whether, after consideration of the Report dated 27th July, 2015, of the Policy Council, they are of the opinion:*

- 1. To approve the proposals set out in the letter from HM Procureur reproduced at paragraph 2 of that Report.*
- 2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.*

**The Greffier:** Article XII, Policy Council – Public Functions Law.

**The Bailiff:** Chief Minister.

3025 **The Chief Minister (Deputy Le Tocq):** Sir, Members will be glad to know that I have not got much to say. It is a very simple, I think, Proposition. It is a technicality on some of the definitions that we have got in our current legislation and I encourage the Assembly to support it.

3030 **The Bailiff:** Is there any debate? No. We go straight, then to the vote on the two Propositions on page 2007. Those in favour; those against.

*Members voted Pour.*

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

## TREASURY & RESOURCES DEPARTMENT

### XIII. International Pensions Business – Propositions carried

Article XIII.

The States are asked to decide:

*Whether, after consideration of the Policy Letter dated 30th June, 2015, of the Treasury and Resources Department, they are of the opinion:*

- 1. To approve that Section 157A of the Law is amended to allow pension funds that consist of an inwards transfer from an overseas scheme the same flexibility of benefits as is allowed by legislation of the jurisdiction from where the funds or benefits entitlement originate, provided that those funds can be separately identified, and pension funds that include an inwards transfer from an unapproved occupational scheme established in Guernsey the same flexibility of benefits in relation to the transferred in funds, as is allowed by the originating scheme rules.*
- 2. To approve that Section 157A of the Law is amended to clarify that any inward transferred funds from an overseas scheme would not be required to be used to provide a pension for life where the legislation of the originating overseas jurisdiction permits flexibility of benefits, which would enable the outward transfer of such funds to other overseas pension schemes that also offered such flexibility, if the member requested this.*
- 3. To approve that Section 40 of the Law is amended to exempt from tax lump sum payments up to 30% of the accumulated fund value, or such other percentage as the Department may prescribe by regulation, where the lump sum, or part of the lump sum, arises from the commutation of any part of an interest in an overseas pension scheme, which otherwise would be taxable under section 17 of the Law.*
- 4. To approve the draft Ordinance entitled the Income Tax (Pensions Amendments) (Guernsey) Ordinance, 2015, which gives effect to the legislative amendments in respect of 5.1-5.3, and to direct that the same shall have effect as an Ordinance of the States.*
- 5. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.*

**The Greffier:** Article XIII, Treasury & Resources Department – International Pensions Business.

**The Bailiff:** Deputy St Pier, the Treasury & Resources Minister, will open the debate.

3035 **Deputy St Pier:** Sir, the policy letter before Members, I believe, is self-explanatory. Given that we unanimously approved the legislation this morning, I am sure that all Members are obviously content with the Propositions, but I will obviously answer any questions in debate, sir.

**The Bailiff:** Deputy Trott.

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**Deputy Trott:** Sir, I have an interest in a business that specialises in international pensions. I shall withdraw from the Assembly whilst this matter is being considered.

**The Bailiff:** Any debate? No. *(Laughter)*

3045

There are Propositions on page 2017. What I will do is put to you, first, Propositions 1 to 3 together. Those in favour; those against.

*Members voted Pour.*

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

Next, Proposition 4, which is, 'to approve the draft Ordinance entitled The Income Tax Pension (Amendment) Guernsey Ordinance 2015'. Those in favour; those against.

*Members voted Pour.*

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

And, finally, Proposition 5, 'to direct the preparation of further legislation'. Those in favour; those against.

*Members voted Pour.*

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

## HOUSING DEPARTMENT

### XIV. Review of the Strategic Housing Target – Debate commenced

Article XIV.

The States are asked to decide:

*Whether, after consideration of the Policy Letter dated 13th July, 2015, of the Housing Department, they are of the opinion:*

- 1. To note the findings of the 2011 Housing Needs Study.*
- 2. To agree that the strategic housing target remains 300 new dwellings per year.*
- 3. To agree that the strategic housing target be subdivided into affordable housing and private housing targets of 171 and 129 dwellings per year respectively.*
- 4. To agree that the next Housing Needs Study be carried out in 2019; and thereafter at intervals of not more than five years.*
- 5. To note that the next review of the strategic housing target will take place before the Environment Department carries out its five-year review of the Housing Land Supply element of the new Island Development Plan.*

**The Greffier:** Article XVI, Housing Department – Review of the Strategic Housing Target.

3055

**The Bailiff:** And I believe the debate will be opened by the Deputy Minister, Deputy Hadley.

**Deputy Hadley:** Yes, thank you, Mr Bailiff.

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As the Chief Minister said, the trouble is Deputy Hadley likes to do things and so I remind Members that in the last few weeks, ahead of our States being asked to consider policy letters on the Strategic Housing Target and on first-time buyers, various politicians and members of the public have been holding forth on the Island's housing situation. It seems as if everyone has a different view as to what the problem is and what needs to be done to fix it.

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Some people say we have a housing crisis; others disagree and accuse the States of scaremongering. 'Rents are too high,' say those who struggle in the private sector, but the Guernsey Housing Association say the private landlords argue that the Guernsey Housing Association is driving them out of business.

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Some people think that the Housing Department is overstating the need for affordable housing and others point to the static waiting lists and argue that the Social Housing Development Programme has ground to a halt. 'House prices must come down,' say some; 'Developers will not build unless they get a good return,' say others.

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If the States is to cut through all the noise, through all the claims and counter claims, we need a cool, considered analysis of current and future housing need and, only then, can we create a solid foundation upon which to build medium and long-term housing and planning policy.

The need for a Strategic Housing Target has long been recognised and it is for this reason that every five years, by Resolution of the States, the Housing Department commissions a Housing Needs Study. These studies cost about £60,000 and include fieldwork involving over 1,500 local households. The study is carried out by experts.

Paragraph 1.3 of this study states that it:

'... exceeds the standards promoted in all relevant UK Government Good Practice publications and the [housing market] model and its analysis has withstood detailed scrutiny at numerous UK... planning inquiries.'

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The study is designed to create a rich seam of data that can be mined over several years by Housing, Environment and the Policy Council, principally for housing and planning purposes. The Housing Department, for example, uses the study to plan the type and size of properties required on new affordable housing developments.

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Perhaps most significantly of all, the results of the study are used to inform the setting of the Strategic Housing Target; and I stress the word 'inform' because the States have never taken the study's housing requirement figure and used it as a Strategic Housing Target. Other considerations, not least political judgement, have always come into play.

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In 2002, the study identified the need for 179 additional dwellings a year and the States decided on 300, hoping that allowing for extra properties would generate a housing surplus which would help control prices. After the 2006 study identified the need for an extra 340 dwellings a year the States opted to stick with 300 and that is where we find ourselves today.

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The latest study has determined that the Island needs an extra 451 dwellings a year, if its housing requirements are to be met. The Housing Department, however, is recommending that the current target of 300 remains in place. There are two reasons why Housing is not recommending 451 and they both relate to rare instances where the study's methodology does not align precisely with local housing and planning policies.

Firstly, the study takes the view that lodging houses do not represent a suitable long-term accommodation option. The Environment Department takes a different view.

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Secondly, in reaching a total of 451, the study has counted all those households who want to move house, but who are adequately housed at the moment. One critic claimed that the Housing Needs Study is, in fact, a 'housing wishes survey', but the Department has stripped out the 'wishes' element. If it was all about housing wishes, we would be proposing a target of 451 and

not 300. As it is, we think retaining the existing Strategic Housing Target, rather than increasing it to 451 is both sensible and prudent.

3105 In recommending this approach, the Housing Department is also mindful of the fact that the Environment Department used the existing 300 target when allocating land for residential development under the new Island Development Plan.

In their letter of support, as well as endorsing the target of 300, Environment say that an increase in the target figure would require the Department to revisit the basis for the allocation of housing sites within the draft plan and would lead to significant delays to the delivery of the plan.

3110 Every time a study is carried out, lessons are learned, methodologies are refined and aims and objectives are adjusted to reflect contemporary requirements. The study has evolved over the last 14 years and will continue to evolve. Housing will be working closely with the Policy and Research Unit and the Environment Department to ensure that the next study is even more robust and wide-ranging and it delivers a rich set of data that will be of use to multiple departments or committees.

3120 But this policy letter is not simply about asking the States to vote for the same old target of 300; this is not business as usual. For the first time, Housing is asking the States to agree to a specific, affordable housing target of 171 units a year. This represents 57% of the Strategic Housing Target of 300. The same proportion of affordable housing to market housing as exists within the unadjusted figure of 451. By 'affordable housing' we mean social rented housing and partial ownership housing, provided by the Housing Department and the Guernsey Housing Association.

3125 People often assume that responsibility for meeting the Strategic Housing Target rests entirely with the States, but this is not the case. Private landowners and developers have the biggest part to play in providing housing for the Island. The States cannot force developers to buy land or to act on planning permission once it has been granted, but where we do have a clear responsibility, however, is providing good quality accommodation to low income households.

3130 It is, therefore, surely, right and proper that the Housing Department and its successor is held to account when it comes to the provision of affordable housing and without a target agreed by the States, that becomes more difficult. Not only that, but an affordable housing target demonstrates that the States are committed to tackling the housing problems faced by the poorest families on the Island.

3135 Next on the agenda today is a policy letter looking at first-time buyers' schemes and recommending that the States, through the Housing Department, redoubles its efforts to provide partial ownership housing. Agreeing to a defined affordable housing target will assist the department in its efforts.

3140 In their letter of comment, the Treasury & Resources Department expresses concerns about whether the Guernsey Housing Association has the capacity or the money to provide 171 units of affordable housing a year. They go on to say that the GHA's 2015 business plan is based on the need to provide 80 units a year. However, the GHA's 2016 business plan, submitted to Housing and T&R last month, but not yet approved, is based on the proposed affordable housing target of 171 units a year.

3145 Well, yes, it is an ambitious target and, as T&R pointed out, Housing and GHA cannot rely purely on acquiring States-owned land or land provided through planning covenants. New developments will have to be built on commercial land, bought at cost. But, with the support of the States, the affordable housing target is achievable. GHA are confident that they can afford to repay any additional loans needed to build these extra units.

3150 Finally, the policy letter asks the States to agree that the next Housing Needs Survey should be carried out in 2019 and not 2016, as originally scheduled. This would enable the next study to collect information that could be used by the Environment Department in their review of the new Island Development Plan scheduled for 2021.

Some may argue that there is a risk in leaving a target in place for three years longer than normal. However, there are mechanisms in place within the Strategic Land Use Plan and the

3155 Corporate Housing Programme to mitigate this risk. I would remind Members, for example, that a  
target of 300 actually creates land provision sufficient to provide twice that number of dwellings  
and, as for the target's impact on the creation of affordable housing, if between now and 2019 the  
target was thought to be over-stated, in the unlikely event of that happening, for example,  
3160 affordable housing waiting lists reducing to zero, then Housing and the GHA would curtail their  
build accordingly.

In closing, I would emphasise the need for a Strategic Housing Target and, in particular, an  
affordable housing target. The States needs to show a sceptical public that it is capable of long-  
term planning. In addition, anything that helps the public hold the Government to account is to  
be applauded.

3165 The Housing Needs Study which informed both the Strategic and Affordable Housing Targets  
continues to evolve and will be used by Environment when it comes to reviewing the Island  
Development Plan. Synchronising the review of these important housing targets with the review  
of the new IDP in 2020 would exemplify the type of joined up, strategic thinking to which the  
States so often aspires.

3170 Thank you, Mr Bailiff.

**The Bailiff:** Right, next, I have had notice of one amendment to be proposed by Deputy  
Domaille. Deputy Domaille, do you wish to read the amendment or to have it read for you or do  
you wish to go straight into laying it?

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**Deputy Domaille:** I will read the amendment, sir.

**The Bailiff:** Thank you.

*Amendment:*

*1. To delete proposition 4 and substitute:*

*'4. To direct the Housing Department (and its successors) to undertake an objective Housing  
Needs Survey not later than 30th June 2016.'*

*2. To insert a new Proposition between Proposition 4 and Proposition 5 as follows:*

*'4A. To direct the Housing Department (and its successors) to develop priority based banded  
waiting lists that take account of applicants' needs, such waiting lists to be published quarterly.'*

*Rule 15(2) Information:*

*In respect of Rule 15(2) of the Rules of Procedure, the financial implications to the States are  
considered to be minimal, as this amendment would merely bring forward the Housing Needs  
Survey currently proposed for 2019, to 2016.*

*Deputy Domaille read out the amendment.*

3180 **Deputy Domaille:** As I have said, this is a simple amendment which is aiming to produce  
reliable and robust data on which the next States will be able to review and set a meaningful,  
achievable target for the construction of new dwellings. Therein, Deputy Hadley and I actually  
agree, because he just said we need to have a cool and considered approach.

Importantly, it is fully in accordance with the Strategic Land Use Plan which states:

*'The Strategic Land Use Plan needs to remain fit for purpose over time and be capable of adjusting to demographic  
change and future revisions to the strategic policies of the States, as set out within the States Strategic Plan. Therefore,  
adequate adaptability has been built into the Plan. Elements of the Plan can be revised if it appears [that] the Strategic  
Land Planning Group [do alterations] necessary or when directed to do so by the [Commerce and] Policy Council.'*

This fits with that approach.

3185 Equally important – and I want to emphasis this – the amendment is not seeking to change the proposed 300 target at this time. I and the seconder recognise that to seek to delay setting a target now would cause unacceptable delay to the Island Development Plan.

3190 However, I have to say it is disappointing, to me at least, that the Housing Department has not brought this important issue to the States earlier to debate. There is an element of being bounced into agreeing a doubtful target that historically has not been met. This whole issue demands careful thought, as has been witnessed by the public comments of experts in the field. In fact, I believe the States should debate not only the overall target, but also the precise mechanism and need, and just how big the social housing sector needs to be.

3195 At this point, I would also say that – I do not want to be overly critical but – I find it confusing that the Billet refers to various housing needs surveys and housing needs studies, when they are in fact one and the same thing. I spent quite a long time trying to find the difference, but they are one and the same thing.

3200 Sir, my reason for placing this amendment is that this important issue needs to be considered in the light of robust, reliable, up-to-date and objective information. I regard the 2000 Housing Needs Study as being subjective, of dubious use and most definitely out of date.

3205 We also need a reliable banded system to monitor the housing waiting list as circumstances change over time. The second note of this amendment will elaborate on the nature of banding waiting lists. However, in brief, I envisage the Department's current monitoring system be amended to reflect the system recommended by Cambridge University in its 2011 report entitled 'Providing the evidence base with local housing need and demand assessments'. Cambridge University's recommendation is for a banded system with full bands graded according to the level of need. The information is to be kept as up to date as possible in order that meaningful decisions can be made and appropriate actions taken at the right time. This is in accordance with Strategic Land Use Policy 12, which requires the monitoring, through regular research and data collection, of the requirement for new homes.

3210 With regard to the dubious nature of the Housing Needs Study, the Billet states in paragraph 2.5 that the 2011 Housing Needs Survey is the starting point. It also states in paragraph 4.1 that the 2011 study is a comprehensive assessment of the housing situation in Guernsey and it contains predictions as to the housing requirements over a period of five years up to 2016, next year.

3215 However, having stated it is a comprehensive assessment, the Department – and we have just heard it again this afternoon – then cast significant doubt on its reliability as a foundation for setting a robust, achievable target. In fact, in paragraph 5.7 it states it is '*not* proposing' the housing requirement figure found in the 2000 report, because it is at odds with Guernsey planning and housing policy. Quite correct.

3220 Further on, in paragraph 5.14, which states that, mindful of the fact that the housing requirement target has been overstated, it is proposed that the target remains at 300. But, in doing so, it says that 'the degree of overstatement is difficult to calculate.' This reads to me as saying, 'We are not sure so we will keep to the existing target, even though it seems it has only be met twice in the last 13 years.'

3225 Page 2024 of the Billet shows in the 12 years from 2002 to 2013 the number of new dwellings has averaged a little over 200 a year, two thirds of the target, even though permission was granted that far exceeded that target. I say, 'seems' not to have been met because the footnote on page 2024 states that 'the figures should be treated with a degree of caution'.

3230 As an aside, I am surprised the Billet is silent on the number of vacant properties and makes little effort to explain why permissions are not converted into buildings. The Report does refer to the economic downturn, but permissions were not being taken out before the economic downturn.

3235 The unreliability of the figures is compounded by the subjective nature of the Report. It is littered with words like, 'subjective views', 'perceived problems', 'feel that', etc.

3240 In its 2011 report, Cambridge University refers to a separate study it carried out. This found that housing needs assessments were carried out by, primarily, two or three consultants and the assessments tended to overestimate housing need, partly because they used surveys which measured aspirations rather than need. It found that assessments based on robust secondary data were found to produce significantly lower estimates. The Housing Department, for its part, seems to agree that the study has over-estimated the position.

Sir, the 2011 study is not a sound basis on which to proceed. The consequences of setting a wrong target, be it too low or too high, could be serious.

3245 Perhaps the most significant flaw of the Report is its use of out-of-date information and the apparent failure of the Housing Department to correlate the study's predictions with what has actually happened. It appears they did not seek the survey's authors' views on how the study should be updated to reflect the changed demographic and economic circumstances in Guernsey since 2011. It seems no effort has been made to understand how the quantity of housing needs and demands have changed since 2011, despite the fact there is an abundance of objective information detailing how things have changed since 2011 that the Department and its advisers could have referred to.

3250 To make my case here, I am going to quote some examples. In 2011, economic growth was around 4.8%. For 2014, it is estimated to be about 1.5%. In 2011, RPI was around 3.1%. In 2015, it is around 1%. In 2011, our population was 62,915. In 2014, it was 62,711. That is a decrease. The 3255 2011 study used only one year's figures for inward migration and making its prediction that for the five year period up to 2016, inward migration would exceed outward, such that around 200 new households would be requiring housing every year. The rolling electronic census shows that for 2014 there has been not net inward migration but net emigration.

3260 In 2011, property prices were rising over many years and the expectation was they will continue to do so. This is not the case today. In the second quarter of 2015, the mix adjusted average purchase price of local market properties was £436,971 – 2% lower than the previous quarter and 6.8% lower than the same quarter in 2014. This was the second consecutive quarter in which negative annual growth has been recorded.

3265 In this same quarter, there were 126 local market transactions; 8.6% more transactions than in March 2015, but 19% fewer transactions in the same quarter of 2014. This is the lowest number of quarterly transaction since figures were first recorded in 1999. These are only some examples of how circumstances have changed since 2011.

3270 Before concluding, I should comment on the cost and timescale of the proposed survey. The amendment already explains that actually it is simply bringing it forward, which was the States' original intention, of course.

The 2011 study cost £69,600. While it is for the Department to decide this approach, I would expect the proposed survey could be done for less and be more robust if Cambridge University's recommendations regarding data sources are followed.

3275 Examples of the data sources recommended include net migration, age profile, household type, population, house prices, rents, incomes, employment, etc. Much of this data is already available, thanks in part to our rolling census which is something we have but other jurisdictions don't.

3280 Similarly, I expect the survey could be completed much sooner than June 2016. However, if the Housing Department accepts the approach recommended by Cambridge University and does not simply go back to the current report, it may have to go through States' tendering processes, which may cause delay, hence the June 2016 date.

3285 Sir, the predictions of the 2011 study were only intended to cover the period up to 2016 and cannot be relied on, either for setting an overall target or for the proposed split between social and private housing. I consider the arguments for commissioning a new robust, objective survey and the introduction of banded waiting lists as self-evident and conclusive.



To emphasise the point, I conclude with a statement taken from the draft National Planning Policy Group in which it clarifies some aspects of the evidence base for determining future housing requirements – evidence base for determining future housing requirements. It states:

'Local plans should be based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area.'

Sir, I ask Members to support this simple amendment.

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

**Deputy Soulsby:** I do, sir.

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**The Bailiff:** Members, you may have noticed a civil servant has entered the Chamber who wishes to be able to assist Deputy Hadley in this debate. Obviously, the normal position would be that the debate would be opened and led by the Minister sitting here on the bench and it would be much easier then for the civil servant to sit behind. The layout of this Chamber does not really assist where debates are being led by somebody who is not on the bench. This is a matter that I have been discussing with the Chairmen of the States' Assembly and Constitution Committees as to how we might deal with it after the changes to the Machinery of Government next year.

3300

The seating within this Chamber is a matter for me. What I would propose is that, for the purposes of this debate, Deputy Hadley be permitted to sit on the bench and, therefore, the civil servant would be able to sit behind him, but I do not wish to do that against the will of the Assembly. I just put that proposition to you. Are you in favour of Deputy Hadley sitting on the bench for the purposes of this debate? Those in favour; those against.

3305

*Members voted Pour.*

**Deputy Ogier:** Contre! (*Laughter*)

**The Bailiff:** Deputy Ogier can sit in Deputy Hadley's seat if he wishes! (*Laughter*)

3310

So we will just pause for a moment while Deputy Hadley and his civil servant come up here.

Right, before we open the debate on the amendment, Deputy Hadley, do you wish to exercise the right to speak on the amendment at this point?

**Deputy Hadley:** Yes, sir, if I may. (**The Bailiff:** Yes.)

3315

Mr Bailiff, under normal circumstances, the Housing Department would have commissioned a new Housing Needs Survey in 2016 and had budgeted accordingly. The recommendation, as I said my speech earlier, that it be postponed until 2019, was based on conversations with the Environment Department. It was recognised that there was value in carrying out the survey in 2019 when Environment would be about to undertake a review of the Island Development Plan. The information in the survey will influence that review and the more up to date the information the better.

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However, I understand, from the Environment Department that, in the light of Deputy Domaille's amendment and notwithstanding earlier conversations between the two departments, they are content for a survey to be carried out in 2016, albeit that they believe there should be an interim survey in 2019 and some way of updating the 2016 results without carrying out a full survey. That being the case, the Housing Department has no objection to reverting to the original timetable and commissioning a 2016 survey and, indeed, going out to tender, as suggested by Deputy Domaille.

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However, the Housing Department does take great exception to the second part of Deputy Domaille's amendment, which seeks to direct the Department to develop priority-based banded waiting lists, which take into account applicants' needs and such waiting lists to be published

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quarterly, because the Housing Department already priorities applicants for social housing in this way; waiting lists are priority-based and do take account of applicants' needs. The department does not, however, publish the waiting lists quarterly, but we are more than happy to do so.

3335 However, I urge Members to reject the second part of the amendment, not only on the basis that needs-based allocations are already in place, but because a policy letter focussing on the setting of the Strategic Housing Target is not an appropriate means by which to make changes to the Housing Department's operational policies.

Thank you, sir.

3340

**The Bailiff:** The Chief Minister.

**The Chief Minister (Deputy Le Tocq):** Sir, I rise partly, first of all, just to support the recommendations that are currently as they stand in the Report and I will speak on the amendment in a moment but also just to acknowledge, in the absence of the Housing Minister, Deputy Dave Jones, his part in this Report and I am sure how much he would like to be here leading today, despite the Deputy Minister having done a fine job of it.

3345 I am sure the Members of this Assembly are looking forward to Deputy Jones' swift return (**Members:** Hear, hear) and we will see whether, whilst Deputy Hadley sits in his chair, he takes on any of the traits (*Laughter*) of Deputy Jones in the meantime! Although I cannot see that happening.

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**Deputy Hadley:** I thought you already said I had, sir.

3355 **The Chief Minister:** With regard to the amendment, the Policy Council were not able, because of the lateness of the laying of the amendment, to consider it and I am uncertain as to the effects of it and particularly with respect to the next Housing Needs Survey and the current structure of it, so I will listen to debate and be led by that, as I am sure other members of Policy Council will as well.

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**The Bailiff:** Deputy Lowe.

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

3365 The Report we have got before us and, indeed, the amendment, are all very well and good. I am disappointed that in the main Report it said, 'To note the findings of the 2011 Housing Needs Study' and it has actually taken four years to actually come to us today and I agree it is 'To note' so we either support it or we do not, which is neither here nor there really when it is a needs study.

3370 I also the question, as well, as to why we have got Propositions 2, 3 and 4 is 'To agree' and yet a quite important one, Proposition 5, is 'To note', which actually, as you know, in the Rules is either to agree or not agree that the next review of the Strategic Housing Target will take place before the Environment Department carries out its five year-review of the housing land supply element of the Island Development Plan. I am not quite sure why they did not put 'To agree' there instead of 'To note' and perhaps the Deputy Minister would be able to explain all that for me.

3375 But the Housing Needs Survey is a good thing to have, but I always think there is a big chunk of work that is missing and I ask Policy Council staff if they would do that several months ago, because it is all very well directing that there is the 300 new dwelling target per year. That is an awful lot of houses which, when you look at the current market, when there are so many unsold properties – new ones still... that we have not got that data.

3380 I mean there could be 600; who knows, we could pluck out any number we like in the air about the amount of empty houses that we have got on this Island at the moment. Some are new build, some are flats that have been empty – new build again; they were built over three years ago, they still have not been sold and some in the last two years and, indeed, some last year – that

3385 everybody would have thought would have gone just like that. They have not gone. Let alone houses that are empty that are not new, but they are vacant and available.

It raises big questions for me, because I think that is a chunk of data we should have and I do not think it is that hard to establish, to be able to get that and I did ask that if the Policy Council member of staff – and I do not think it would take too, too long – less than a week, probably a few days, to be honest...

3390 There are x amount of estate agents – I do not know, but there are not heaps of them. These days you have got the names of the property that is available for sale. You put that in a spreadsheet, if it is with three agents it would only come up once because you have put it in the spreadsheet. We can actually gather that information. We can put it in bands of up to £300,000, £300,000 to £400,000 and how many bedrooms, etc.

3395 We would have accurate data to give us a guide as to whether we think it is appropriate to carry on building, when we know that there are developers at the moment that have had permission for quite some time that are not developing, because they have had their fingers burnt, because they have got empty places around the Island or sites that are actually empty that they are not even going to start, because they can see their competitors have not been able to sell these properties.

3400 We know that the population has actually gone down or stabilised. We also know that many people have left the Island. Now, again, part of that data – which would not be a part of what I was asking Policy Council to do, but it is still quite relevant when you actually hear people are leaving the Island...

3405 Well, that is fine but were they licence holders that were going to be going anyway? Was it because of their job; that they were here on a licence and the licence has actually been shortened because the job no longer exists? There is lots of data that we have not got which we should have before us to get that complete picture, rather than just this here and I am saddened we have not got it, because it is key to me that we are not actually directing anybody to go out and say we have to have 300 new builds when we do not have a clue how many empty properties we have got on this Island, that have been built, certainly in the last three years, as a minimum – and there could be more than that; I am just looking at the adverts in the paper; three years and they are still empty and unsold and maybe more.

3410 And I think it is vital that we have that before we go too far down the route of looking for 300 – and I know it is split here into 129 per year private housing targets... Well, why would we inflict that upon people, for 129 private, when we have these empty?

3415 Again, 171 units, affordable. The definition of 'affordable'? There are places out there that an estate agent mentioned to me only last Thursday, that the affordable first-time properties are on the market, they are just not shifting at the moment. Now, some of it is being blamed on the GHA, because they have taken that chunk of the first-time buyers out of there and they are going into the GHA – not all, but some. Others are saying that there are not that many now as perhaps there would have been, previously. Prices have dropped; we all recognise that, the industry recognise that, the estate agents recognise that and there is the element which comes into the next debate which we are about to have either later today or tomorrow, about trying to help those on the first-time market.

3420 So, again, it is key because that band is holding up people moving on. There is so much data missing that we have not got, that I think is vital before we actually go too far on this Report that we have got before us today.

Thank you, sir.

3430

**The Bailiff:** I take it you were speaking in general debate as well as just on the amendment.

**Deputy Lowe:** Indeed, I was, sir.

3435

**The Bailiff:** Yes. Thank you.

Deputy Fallaize.

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

3440 Just briefly and specifically on the amendment, I am not too sure about the new 4A which the amendment wishes to introduce but, if the amendment is successful then we could vote separately on the new Proposition 4 and 4A. (**The Bailiff:** Yes.)

3445 With regard to the new Proposition 4 that Deputies Domaille and Soulsby want to introduce, I really cannot see why the States would reject this amendment because if this amendment is rejected and the Department's proposals are carried, we will have gone eight years, or the States will go eight years, without a Housing Needs Survey, because the last one was in 2011 and the next one is scheduled for 2019.

3450 Now, it seems to me that this survey is of use to the States and States' committees in a whole range of areas of policy. I know it is called the Housing Needs Survey, but it has lots of very useful information in it and I just think it is a relatively important piece of information. We were talking in the last debate, on public sector reform, about research and support that is available to States' Members and States' committees. I think for us to decide, when there is already a States' Resolution in place directing the repeat of a Housing Needs Survey every five years, for us, all of a sudden, on the back of very thin evidence, to decide that suddenly we can go eight years without a Housing Needs Survey seems to me just to be asking for trouble.

3455 So I hope Members will vote in favour of this amendment, but I think I would like us to vote separately on the new Proposition 4 and 4A, if the amendment goes through.

Thank you, sir.

3460 **The Bailiff:** That is one way of proceeding, Deputy Fallaize, but I think if Members want the Housing Needs Survey to go ahead in 2016, but did not want 4A, could they simply not reject the amendment and then vote against the Proposition 4 in the Propositions in the Billet? Because there is, I am not sure whether it is an extant States' Resolution or just a matter of policy, that the next Housing Needs Survey would be carried out next year. But that, presumably, is the default position which would apply if Proposition 4 was rejected. So there are two ways of achieving the same objective.

3465 Deputy Gollop.

3470 **Deputy Gollop:** Sir, I sometimes I have the odd coffee or whatever with friends who work in the private sector and I say, 'Well, it is not a long time. It is quite quick. It has taken three or four years to do.' And they think three or four months is a long time. I will never forget the time a *Guernsey Press* journalist rang me up and I rang him back two days later and they said, 'That is old news. That is already fish and chips!' (*Laughter*) Admittedly, that was a few years ago.

3475 So the point is, we do – and this goes back to the last debate about public sector reform – run at a slower pace. I know Deputy Trott once said 'A tortoise's pace', but maybe it is a bit faster than that. (**A Member:** *Interjection*). A snail. An asthmatic snail!

I think we do need, as part of the revolution, the evolution, over the next few years, to up our game – the pace – and part of that is the need for accurate and up-to-the-minute policy shaping based upon evidence.

3480 A lot of us remember – Deputy Dorey, especially – the Power Report which was a very significant piece of work and certainly made us change our mind on some long standing canards of the system. But that report in itself must be 12, 13 or 14 years old. (**A Member:** *Interjection*) Yes, well that is always good. He has got it because it was a Bible of its day, but maybe it is now time for a New Testament or a revised edition. (*Laughter*) Not tablets of stone, but tablets of silicon.

3485 And this is how we should be with the Housing Needs. I certainly endorse part 1 of the Domaille/Soulsby amendment. I think maybe, contradicting what I have said, they are being slightly optimistic with June 2016, because you have to imagine that you would have an outgoing

board, maybe a new body which would be a combination of Social Security and Housing, new members, and they would immediately have to get something into the system, assuming that it has not be signed off by Easter. But at least it gives a target – a target that might be slightly missed, but will hopefully occur within a year.

3490 The second one about prioritising target groups is perhaps a bit more vague, but I find myself in a genuine dilemma here. I am, of course, a member of the Environment Board and we have signed off a letter that is in the pack.

3495 Now, from the point of view of the current and the future Island Plan, the letter makes complete sense and, in terms of outstanding planning applications that have not been progressed, it makes sense and, in terms of the environment and perhaps even the uncertain housing market at the moment, it makes sense.

3500 But from the perspective of the population that could be leaving Guernsey – the younger people who feel they are not getting a fair crack of the whip of requiring housing – of the demand we, as Deputies, are getting from all kinds of lobbyists... that we are not doing enough for the intermediate and associated housing markets, it does not make sense.

3505 We have got to find a variety of way of kick starting the market, of ensuring we are delivering across the generations and that we are not just waving goodbye to people and paying the price demographically and economically.

3510 And I think that is recognised by Members both within, and perhaps political personalities outside of, this Chamber; and, to that end, I think relying on the work of four years ago, of a decade ago, is no longer appropriate because we have already seen a significant change to demography, to the economy, to the global economy in the last four years and, as we know, we have seen a structural change in the housing market.

But we are also, as other Deputies may say at some point today or tomorrow, seeing some new innovative ideas coming forward that we could work with, and I think we need to give them a fair crack of the whip and we cannot just rely on artificiality.

3515 Indeed, Treasury & Resources have spotted a snag within this and I respect their point of view here because they are saying, 'You are overly reliant on one provider, the Guernsey Housing Association, because they have historically been short of sites and resources; maybe short of capital, on occasions'.

3520 Now, again, we need to make an even greater need, but we are not actually achieving the target we have set. So we not only need to support the Domaille/Soulsby amendment, but we need greater flexibility on the whole range of issues to do with housing that go beyond the scope of this Report. But if we are going to improve the building sector, the stability of the construction sector, the sense of dynamism in our economy and the supply side of the workforce, to make sure new businesses grow and flourish, I think we have got to support the Domaille amendment.

3525 **The Bailiff:** Were you speaking in general debate, as well? Yes. Thank you.  
Deputy Burford and then Deputy Spruce.

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

3530 The Strategic Land Use Plan (SLUP) requires the Island Development Plan to make provision for the annual requirement for the provision of new homes, using what has been the most up-to-date States-approved rate of 300 units per year, whether by new build, conversion or sub-division. The SLUP acknowledges that housing need and longer term variables, such as market conditions, may well change over the 10-year validity of the Island Development Plan and so it requires that that plan initially makes provision just for a five-year supply of housing of 1,500 units. The draft Island  
3535 Development Plan has done this. The Housing Land Supply will be monitored over the first five years of the plan to determine what is required for the remaining five years. The SLUP encourages Environment and Housing Departments to work proactively together to achieve this.

As the Housing Department's policy letter is set out, the reason for proposing that the next Housing Needs Study be carried out in 2019 so that the information arising from it can provide

3540 the most up-to-date information for the review of the five-year housing land supply required by  
the SLUP. So, while Environment Department would not object to the next Housing Needs Survey  
being carried out in 2016, in principle, if that is agreed then the Environment Department would  
need a further Housing Needs Survey or interim update to be carried out in 2019 in order to allow  
the most accurate assessment of housing land supply requirement for the second five years of the  
3545 IDP.

The Department considers that it is crucial in order to accurately assess the area of housing  
land required for the second half of the plan, to avoid again having to the work from information  
available that is three years out of date.

3550 So I welcome the assurance from the Deputy Minister that if the amendment is successful  
Housing will, at the very least, agree to do an interim update in 2019, to inform our work for the  
second half of the plan, as we are bound by the SLUP to base it on data from Housing.

Thank you.

**The Bailiff:** Deputy Spruce.

3555

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

I will speak to the amendment and in general debate.

Let me first make my position entirely clear: I am a supporter of the affordable housing policy,  
but not this policy letter.

3560 There is undoubtedly a genuine need to provide the mix of options that the affordable  
housing policy promotes. My only caveat to this support is the need to recognise that the policy  
comes at a significant level of financial support, mainly through the greater discounting provision  
of States-owned land or by grants from the Corporate Housing Programme.

3565 You will note from T&R's letter of comment that we have reservations about the Housing  
Department's recommended target of 300 homes per year – 300 units per year.

3570 The Housing Needs Survey that this policy letter is based on was undertaken in 2011 and came  
to the conclusion that 451 units of accommodation were required. Obviously, that figure was  
considered to be unrealistic, so Housing decided on a strategic policy target of 300. That figure is  
nothing more than a figure plucked from the air, which is quite concerning as it drives the  
strategic land requirement target the Environment Department are using in the new Land Use  
Plan. There are many other proposals in this Report that I see as flawed thinking on the part of the  
Housing Department.

3575 I have no doubt that the Deputy Minister will say I have no idea what I am talking about, but as  
far as I am concerned, all the fine words in this Report will not result in an adequate number of  
affordable or social housing units being built.

3580 If you go to page 2027 of the Billet, you will see that a target figure of 300 units is suggested  
for each of the next five years. Housing have decided that the split should be 171 affordable  
homes and 129 from the private sector. It is suggested that these affordable housing units will  
magically be built on sites provided from States' surplus land and from the Environment  
Department's new land planning covenant idea, which will force developers to provide 20% to  
30% of any development site for affordable housing.

3585 Well, even if private developers were bold enough to build the entire 300 homes per year, only  
60 units would be affordable and this is in a difficult housing market when developers are not  
developing. But when using the Housing Department's own figures, the use of covenants will only  
provide 26 units per year from the private sector and the remaining 145 will have to be built on  
new sites, either provided by the States at heavily discounted rates or from private land owners at  
commercial rates.

3590 Well, you will not be surprised to hear that there is just not enough States' land available to  
build 145 houses per year for the next five years. But 725 homes, supposedly built on vacant land  
that the States just do not have! So if States' land does not exist that leaves the GHA buying land  
at commercial rates and looking at the corporate housing programme for vast sums of money.

3595 Without a huge grant or heavily subsidised land values, the GHA cannot build affordable housing. There is also the issue of how the GHA could possibly fund a building programme of 171 homes per year. That is no less than an extra £50 million a year of investment for each of the next five years – £¼million.

It seems to me, therefore, that this Report is nothing but an aspiration. It is just a pie in the sky idea. There is no realistic financial plan on how to achieve this target, even if you had any confidence that the target was correct.

3600 Now, moving on to land provision, personally, I think the Housing Department should have been lobbying the Environment Department during the development stages of the new Strategic Land Use Plan. The plan to introduce covenants specifically to ensure that all sites have some affordable housing has the potential to seriously affect the provision of new houses.

3605 In my view, greater success could be achieved if a special affordable housing site zoning would set aside land to meet an affordable housing target. That special land zoning would, by its very limited zoning definition, reduce the financial planning gain land owners could secure, which would in turn reduce the cost of development.

3610 An affordable housing zoning definition would also have negated the need for planning covenants being applied on all sites above five units, thereby eliminating interference in the development of all new sites or normal housing. It is my view, and that of just about every major developer, that the introduction of planning covenants will achieve very little, will add a significant level of complexity to the development of all sites and, by doing that, may have a serious effect on the amount of new homes built in Guernsey during the coming years.

3615 Forcing a developer to, effectively, subsidise the affordable housing part of any development can only result in higher prices for the other 80% of the site or result in less properties being built due to the added sales risk associated with the added legal complexities.

3620 Members, this is a really important decision we are going to make today. I believe we should support this amendment – at least we might get a more accurate housing target; I believe we should reject Proposition 3 of this policy letter, especially as the affordable housing target is not achievable; I believe the introduction of planning covenants should be dropped – they will add a level of complexity that could seriously destabilise the housing market; and, finally, I would ask the Deputy Minister to confirm whether he sees any merit in the principle of an affordable housing zoning being introduced through the new Strategic Land Use Plan. Personally, I believe that is the route to success with affordable housing. Only by zoning sites specifically for affordable housing can there be any guarantee that a reasonable amount of units will be built.

3625 Thank you.

**The Bailiff:** Yes, Deputy St Pier.

3630 **Deputy St Pier:** Sir, briefly, just to comment on the resource implications of this... Sorry, sir.

**The Bailiff:** Is this on the amendment or in general debate?

3635 **Deputy St Pier:** On the amendment, sir... to comment on the resource implications of the amendment.

Deputy Domaille drew attention to the comment on 15(2). I think, broadly the statement is clearly correct. However, the concern of course would be bringing the spend forward from 2019 to 2016 and making sure the funds are available to enable the survey to be undertaken.

3640 I understand from the Deputy Minister's speech earlier that the Department would be willing to undertake the survey and I assume, therefore, that they are satisfied they can manage within their existing resources that are available to them. But it would be useful for them to confirm that in their summing up, sir.

**The Bailiff:** Deputy Soulsby.

3645 **Deputy Soulsby:** Sir, Deputy Domaille has clearly demonstrated why we need the survey. Now, the reason for directing the Housing Department to implement priority-based banding waiting lists is linked to the importance of identifying need as oppose to want.

3650 The difference between housing need and housing demand is important. The Housing Department have muddled those households who face real housing and accommodation needs issues – such as a lack of facilities, overcrowding, insanitary conditions, who cannot access accommodation without financial assistance – with households who are not facing a housing issue and there is nothing inherently unsuitable about their current housing, but they want to move into a new accommodation, i.e. *demand* housing, while the household that can afford to move yet cannot find accommodation which meets it requirements.

3655 Now, according to the Cambridge University Centre for Housing and Planning Research, which Deputy Domaille referenced in his speech, without a published A, B and C needs-based banded waiting list, one of the most robust and important tools for a public sector body, such as the States of Guernsey, to assess its needs is missing.

3660 Without these waiting lists, the difference between urgent, high and low priority needs, as well as those with interests in housing, such as those on a partial ownership waiting list, it is impossible to benchmark where exactly Guernsey stands in terms of housing need. The information needs to be clear and robust and before large amounts of States and private resources are set aside to build inflated numbers of social houses that may not be needed or can be supplied by private house builders.

3665 Guernsey has not got the basic tools in the box to measure robustly what its housing needs waiting list is made up of; instead, choosing to muddle States' rental, GHA rental, partial-ownership demand and affordable under one heading of need. Why are we expected to accept no benchmarking, no published needs banded list and no proper definition of need versus demand and just say yes to a housing target for 300 that has no evidential basis?

3670 Overstating need can lead to a housing target that is too high with valuable land resources allocated to the Housing Department away from developers, land owners and other States' Departments. That is why we need to know 'need' and demand that it does not include 'demand' and I urge Members to support the entirety of this amendment.

3675 **The Bailiff:** I see no-one else rising. Oh! Deputy Perrot.

**Deputy Perrot:** States' Members are often accused of – mainly by me, I think – coming to the States' Chamber with fixed views. In other words, the debate is completely unnecessary. We know what we are going to do right from the word go. I have to say that today I have been persuaded, I think, by this amendment.

3680 I do think that Deputy Spruce says a lot that is correct: that this housing target which we have got is purely aspirational, even if everything – *absolutely everything* – went right, right from now, the States simply would not have the funds to provide the social housing which is spoken about in here.

3685 As to private housing, I am not quite sure, anyway, what the position is. I am attracted to Deputy Lowe... (*Laughter*) Or I should say – She clearly finds that repugnant! (*Laughter*) I am attracted to Deputy Lowe's argument, but can I say this: I think that one of the problems with housing is to do with perception. There is a sort of stasis within the housing market. That is has been reflected both in the Open Market and in the Local Market. Although, I have to say that there are now signs that the Open Market is losing that position of stasis, because properties do seem to be moving now and at that meeting which we attended last night Deputy Kuttelwascher told us that in one month there had been 10 transactions on the Open Market, which was very good indeed.

3690 Now, you may say, of course, we are not talking about the housing market here, but we are because I think that housing is the subject, as much from perception as anything else. It is a



3695 consequence of all sorts of things – the main one, of course, was the crash in 2008 and people became alarmed about whether they were going to commit.

One of the real problems is that banks are not lending as they lent before. Banks will tell you that actually they are not influenced at all by head office and they make their own decisions. Well, we have spoken to some of the banks and I know that my beloved Minister will be much more  
3700 diplomatic than I will be about this, but I do not accept that necessarily at face value. I think that banks are being influenced by head office and they are not lending as they would before.

There has also been a real problem of one of the significant members actually pulling out of the market. Now, I do not wish to break any confidences about this, but the Treasury & Resources Department is trying very hard to do something about this. I am not going to say more than that,  
3705 except I am one of the leads on this, so it probably means it will crash and burn, but at least I am going to do my level best to try to get the bankers lending in the local market again, because I *firmly* believe that once properties start being bought and sold, that will then free up properties within all parts of the property spectrum; and what you really need to do is to get over this position of stasis which we are in at the moment. So property does need to move again.

But one thing I can guarantee – Deputy Spruce is absolutely right; and I speak as somebody who has a little bit of knowledge about this – is that planning covenants are absolutely *not* going to work. They are *not* going to convince developers there is some sort of economic case for building both private and subsidised social housing. So if the States continue to accept that that is fine, they can accept it but it is certainly not going to work.

3715 I think I was speaking generally.

**The Bailiff:** I think you were, Deputy Perrot.  
Deputy Kuttelwascher.

3720 **Deputy Kuttelwascher:** Sir, one of my duties on the Treasury & Resources Department is to chair a group called the Construction Sector Group, and we had a very interesting meeting last week, as Deputy Trott may recall.

They were complaining that the four politicians – although there were only two on that day – somehow do not represent their views to the rest of the Deputies in the Assembly. So I will do that.  
3725

All I want to reiterate is something that Deputy Perrot has just said: that planning covenants would not be effective, in that, all the developers said they just would not play ball. So you could expect possibly that private development of any lands where planning covenants are being insisted upon will not happen.

3730 Now, the extent that that is going to be the case, I do not know, but that is the view expressed through that particular committee on planning covenants and they just said they will walk away from it.

Now, that is not the intention of planning covenants and the question we have to ask ourselves is: are they actually workable? Just introducing them does not mean that they will  
3735 actually be embraced by the development industry.

The other issue regarding this amendment, especially the second Proposition, is interesting because I am going to have to try and be as vague as possible not to identify an individual, but as regard prioritising, shall we say, the sale of partial ownership, I know personally of one case where a transaction was conducted, the partial ownership section of the property was paid for in cash  
3740 from savings and it ranged somewhere between £100,000 and £200,000. Now, you could argue, with somebody with that level of savings could easily enter the private market but obviously the partial ownership market was better value. So there is a need for some proper prioritisation of how the partial ownership houses are distributed.

So I will be supporting both of the Propositions in the amendment.

3745 Thank you, sir.

**The Bailiff:** Deputy Sherbourne.

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

3750 I do not know really where to start, because it seems so reasonable. The amendment seems  
appealing and yet if we had been listening really carefully to the Deputy Minister's response you  
would have heard that Housing *are* willing to embark on a 2016 review. That has been stated. It  
was also stated that we do have a banded priority allocation waiting list. It is not published at the  
moment but, again if you had been listening, the Deputy Minister said that would be a possibility;  
3755 it could be done.

So, as far as the amendment was concerned, it seems reasonable. It seems reasonable. The  
problem is that I think it has become a little bit confused in one or two of the things that have  
been stated about planning covenants, etc.

3760 Deputy Spruce's proposals, with regard to the ultimate solution for us with our social housing  
needs, are probably – it is my reaction – a step back in time. That is what has actually got us to  
some of the housing problems that we have got now, some of the social problems we have got  
now. Housing, through the relationship with the Guernsey Housing Association, has been able to  
encourage more mixed developments rather than dedicated social housing areas and I think we  
should be very careful before we step back to that position.

3765 I will give way for a moment.

**Deputy Spruce:** Could I just clarify something, Deputy Sherbourne?

I did not say that the social housing element should be put in separate housing estates. I said  
the affordable housing units, which would be mixed units, could have a priority zoning for those  
3770 types of estate, just like the GHA currently build; a continuation of what the GHA are currently  
doing but, by zoning land specifically for affordable housing, which would be mixed units, not just  
social housing, would allow sites to be built.

What we have now is a reliance, in the proposals, on States' land, which is limited so will not  
meet the target, and the covenant idea which, again, depends on a developer actually committing  
3775 his own money to developing 20% of the site for affordable housing. So I was not saying what you  
have just suggested.

**Deputy Sherbourne:** I thank Deputy Spruce for that clarification.

3780 But, as far as my understanding was concerned of the planning covenants, they are actually  
being negotiated within the context of the new land use proposals, in negotiation with  
Environment, with regard to the release of certain areas that would, I assume, be called  
horticultural sites, ex-vineries, etc. Now, if I am incorrect I am sure the Deputy Hadley will correct  
that in his summing up.

3785 It does concern me though that we have got a serious housing problem that needs to be  
resolved. You have a Housing Department that is trying innovative ways of solving that problem.  
You are correct, with regard to targets. I never understood how they have been achieved, using  
the 2002 data – is it? 2004? – and updating does not seem to be statistically the best way to go  
about it.

3790 I assume that the targets actually, when it comes down to it, are finger in the air figures. We  
know that, for example, that Environment over the last few years have met the target themselves  
with regard to the release of land and permissions. What we have not had is a building and there  
are obviously reasons why that has happened and Deputy Perrot explained that.

3795 So what we have got to try and do is to generate more confidence in the market, for builders  
to have the confidence to move forward and I believe that they will have to make some sort of  
concessions towards the overall needs of the Island. It is that collective thing. They have as much  
responsibility as we have, as Environment have, when doing the relevant permissions.

So I understand why this amendment is attractive. I will not ask you to vote against it. I will ask you to be very careful about the second proposal but, whatever happens, we will be moving forward.

3800 Thank you.

**The Bailiff:** No-one else is... Deputy Dorey.

3805 **Deputy Dorey:** Sir, I declare an interest, as I have shares in a company which owns some residential properties, planning to do some redevelopment of our existing property.

**The Bailiff:** Deputy Domaille will reply to the debate on the amendment.

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

3810 Just before replying, could I, right at the beginning, say thank you to the Housing Department. I should have done that at the beginning of placing the amendment. I spoke to their staff and, as always... very helpful, very straight and that was great. So thank you. Thank you Housing Department for that.

3815 Just in that regard, Deputy Gollop actually raised about whether or not they would deliver on time or whatever. I actually originally had a date in March in the amendment but, on speaking to Housing staff, they suggested to me that June would be a more realistic time. They were fairly confident that it could be met. So I welcomed that.

3820 I also actually welcome – I think I understood Deputy Hadley, where he was saying that actually they would agree to the amendment and I think Deputy Sherbourne has sort of said that as well. So I am grateful for that.

I take on board the point about the banded waiting lists. I have to say, I do not really understand the problem, if it... Is this on? Oh, both of them. I will be in stereo, will I?

**A Member:** I am translating for you.

3825

**Deputy Domaille:** Oh, thank you!

3830 Sorry, in terms of the priority banding waiting lists, I do not really understand the problem. I know they go through and they analyse the applications and that quite thoroughly, so I really think it is just a question of publishing, perhaps in a slightly different format, on these banded lists. I think it can only inform any debate future States may have on the adequacy, or not, of the targets and the provision of housing. So I really do think it is essential that we do that.

Generally speaking, I do not think anybody actually spoke on the comment I just made about the banding waiting list... anybody else actually spoke against the amendment.

3835 I think Deputy Fallaize made a very good point that actually the study itself is used for much more than just setting a housing target area and I actually wish I had put that in my speech. So, there we go. So I do not really think there is much point adding more to that.

3840 I would just ask, sir, that actually, for clarity and indeed for prosperity, as it were... I think it would be most helpful if actually there was a positive vote in favour of having the survey done rather than one possible issue. I think it was suggested that we rely on past practice of there being a 2016 survey. I just raise that as a personal view and that is all.

I thank you for that, sir.

**The Bailiff:** We vote, then, on the amendment proposed by Deputy Domaille, seconded by Deputy Soulsby. Those in favour; those against.

*Members voted Pour.*

3845 **The Bailiff:** I declare it carried.

We revert to general debate.  
Deputy Fallaize.

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

3850 I am going to vote against Propositions 2 and 3; although I am of a completely different political view to some of the speakers who have cast doubt on this target of 300 per year. I have a completely different view because I have always believed, and still believe – and I know the Housing Department completely disagree with me – that we should be building more social housing. I am not talking about affordable housing, I am talking about social housing and probably conventional social housing and I think that part of the problem which we will debate on  
3855 the next policy letter has arisen out of the States not either developing themselves or commissioning the development of sufficient social housing units.

3860 But I want to draw Members' attention to page 2125. There is a Policy Council comment at the end of the text in bold which says that the figure of 300 new dwellings per year will, 'ensure that adequate provision is made for a recognised housing need'.

Well, of course, it will not. All it will mean is the States have set a Strategic Housing Target of 300. It will not actually achieve anything if we simply vote in favour of the Proposition.

3865 Now, if we look at page 2024, we can see that there has been a Strategic Housing Target of 300 per year since 2002, which is 13 years, and in 11 of the 13 years the target has been missed. In more than half of the 13 years, there have been fewer than 200 new units. Now the target is 300 per year.

3870 What is proposed now is the continuation of this target of 300 per year. So when I look through the policy letter I expected to see additional measures to enable the States to achieve the target of 300 per year, because we know that the levers, such as they are at present, have been unable to achieve the target in 11 of the past 13 years and the new levers that are proposed could be written on the back of a postage stamp with room left for the Lord's Prayer. There is absolutely nothing at all which is set out in this policy letter which is going to permit the Strategic Housing Target to be met in the next several years, when it has not been met for 11 out of the past 13 years.

3875 So there are no new levers, there are no new interventions, there are no new incentives. In a previous debate, this afternoon, Deputy Hadley talked about a report that he described as 'motherhood and apple pie'. Well, this target is motherhood and apple pie.

3880 And then, on top of that – on top of the fact that it is a completely meaningless target, which we know we cannot achieve and no levers are being proposed to permit us to achieve it; on top of that problem – is the very useful letter of comment from T&R, also at page 2125, in the second paragraph, which identifies that Proposition 3, vis-à-vis the proposed component of affordable housing within the Strategic Housing Target of 300 per year, is in conflict with the most recent business plan submitted by the Guernsey Housing Association and the Guernsey Housing Association, by the Housing Department's own policies, is now the only vehicle as the provider of social housing.  
3885

Now, they will say there is a difference between social housing and affordable housing, but there is nowhere in this Report that demonstrates how the number of affordable housing units, which the Housing Department aspire to, are going to be delivered.

3890 So I think the problem is we have an existing problem where we have a Strategic Housing Target of 300, which has not been met for 11 of past 13 years, and as well as not proposing any additional levers to allow it to be met in the future, the Housing Department is now trying to impose an additional target – effectively sub-divide the existing target – and is not proposing any levers to meet the new component of the target.

3895 So I suppose States' Members can vote in favour of it if they want, but it is a completely pointless exercise. In fact, I am quite sure it is counterproductive because it will make the States believe that they have done something in respect of the need to provide housing, and particularly

affordable housing, when in reality all we will have done is vote in favour of a target which is absolutely unachievable with present policies and I will, therefore, vote against it.

Thank you, sir.

3900

**The Bailiff:** Deputy Domaille.

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

3905 It was Deputy Fallaize who brought me to my feet. Just with regard to the amount of social housing, I did say, in proposing the amendment, I actually think there should be a debate on that. I totally agree we should be debating what the size of that segment of housing should be. So I totally endorse that comment.

3910 Just building a little bit on the risk here, which I think is what Deputy Fallaize was talking about, and just to put a different slant – again, I agree with everything he said, I am not going to repeat any of it – it is the bit about the States-owned land. Now, on page 2031, in their figure 5, they say:

‘The land could be made available for the Housing Department to purchase at a discounted market rate; however this is not likely to be in the immediate future, and the amount of land available for housing is still unknown.’

I really do not think that is a good basis on moving forward.

3915 Just to put a little slightly different tone on that, my other concern with that is actually what they are talking about here is hypothecation. What they are saying is, ‘If you are going to sell the land, we want to have it cheaper’ – and I totally support many of the moves – but we want to have it cheaper – 25% discount, I think is off the thing.

Now, that is money that actually could be... from a property sale, could be spent... and we have heard it in the Budget about Health, or wherever, and I think to be trying to slot this through without any form of prioritisation... building a little bit on Deputy Kuttelwascher’s point, I just think is bad government.

3920

Thank you, sir.

**The Bailiff:** Deputy Kuttelwascher.

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

3925 I would just like to represent another view of the Construction Sector Group. (*Laughter*) In fact, they thought that the whole group was such a useless vehicle, because we four Deputies never represented their views... I did offer them the opportunity to dissolve it, but they changed their minds on that so we are still there.

3930 But one of the things that they do not accept is the need for their share of the 300 new dwellings per year and the argument was simple: it says here that the share of the private sector will be 129 dwellings; their argument is there might be a case for that if we did not have, approximately, that number empty at the present time, which they have not been able to sell.

3935 So the issue is not so much a lack of dwellings, it is a lot of empty dwellings which are not selling in the private sector. To build another 129 next year would just add to the number of unsold dwellings and the Local Market, as we all know, is swimming in custard at the moment. The volume of sales is low and I agree with something that was said a moment ago: the main issue is the inability to find adequate funding from the banks who do not want to take the risk of lending on properties which we all know over the last year, on average, fall in value.

3940 So that is the issue. The issue is not the actual dwellings, it is being able to actually move the dwellings that are already there. So I am going to vote against 2 and 3, but for completely different reasons from Deputy Fallaize.

Thank you, sir.

**The Bailiff:** I see no-one else... Deputy Brehaut.

3945

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

Just, something Deputy Fallaize said struck a chord with me.

When the Housing Department will say, and Deputy Jones has said on many occasions, that the GHA can build houses cheaper than us and it is not something that the States should get involved with, notwithstanding the fact that we gift them the land and grant fund them.

But what Deputy Fallaize said – which I think is absolutely right – is that we should have carried on building, regardless, what people understand are States' houses. That is what people need and want – is a States' house. Then you do not get the big family in the two-bedroom property, or an even bigger in a three-bedroom property wanting a four-bedroom. If we would have kept on pushing and pressing for dedicated, what we all understand as, States' houses I think that would help.

Housing has come a long way over the past 12 years; there is no doubt about that. Where there has not been the parallel social development is in the private rented sector and with people still living in quite squalid conditions, people still losing their deposits and people that are going find it very, very difficult to get on the property ladder; and we need legislation to compliment everything else that we are doing with housing, whether it is a deposit holding agency or whether it is more stringent conditions on private landlords.

I say landlords in the looser sense, because owning a property and renting it out does not make you what we all understand as a 'landlord'; there are some people that would literally throw you out on the pavement if you fall a week behind with your rent and there is no rental agreement. There may not even be a rent book; it is in cash and the fire alarms will not work. So there is lots of work that we can do with regard to legislation in that area.

When we get emails from people, from members of the community, that say, 'My sons cannot get their foot on the property ladder,' or actually, 'My son cannot get a house,' I often wonder what do they mean by that? Is that family in rented accommodation, simply wanting to get a States' house? Are they in private accommodation, wanting to go into the stair-casing into partial ownership? Or are they actually saying that, 'My family cannot afford a house'? Or are they actually saying, 'My family cannot get the finance to buy a property'? And we are in a very interesting period at the moment because it is a combination of all of those things.

I tend to think we use the term 'as safe as houses' because of the history of the stability of investment in housing, so this will obviously improve some time and it will pick up and the market will move; but it is frustrating for those people at the moment who cannot secure the finance to buy property. Though I would also say that, as a community, we should drum home the message that there is no shame or harm in renting.

And wouldn't it just be great if covenants worked and drove down the price of land? That if somebody has land and it is worth £800,000 because it is going to be six four-bedroomed properties for a certain market, or the fact that it is not, that there will be covenants on it, the price of land might just fall and the developer would do very well, nicely?

I like the idea of a more inclusive housing. It happens in the UK. You can own a property oblivious to the fact that the person living next door to you does not own theirs and I see no harm in that at all. We should move away from developers really cherry picking the prestigious developments on land that really belongs to the community, in essence.

Thank you.

**The Bailiff:** Deputy Laurie Queripel.

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

I think I should say a few words on this because Deputy Kuttelwascher mentioned the Construction Forum Group and when I was a member of Commerce & Employment I sat on the Construction Forum Group.

Deputy Kuttelwascher has conveyed their views to the Assembly and I am glad that he has done that, but he should have a voice via that forum and into this Assembly and I have got mixed feelings about their views.

4000 I can understand their views in regard to the covenants, but I have to ask a question: from the other side of things, who are they building for or who have they been building for? Bearing in mind, as Deputy Lowe says, there are many empty properties that have been built quite recently, the last year or two, that many of the sites that were being developed, the development has now stopped.

4005 So have they been building to the demand? Now, to me, the demand is clearly towards first-time buyers, towards properties in the more affordable end of the market, so there seems to be a mismatch. And I can understand about their costs and the price of the sites that they have to purchase and things, but can we not see that match there or that mismatch?

4010 If they stop building on sites, or many of their properties they have built have not been sold, are they building to demand? The demand seems to me to be at the more affordable end – the first-time buyers – but, at the same time, as I say, I have got mixed feelings because I can understand why they do not want covenants imposed upon them. So is there another solution? Is there a third way?

4015 The other thing is I have been getting some mixed views from developers, because I have spoken to some developers that would quite like to get involved with the Housing Department and provide some affordable housing complexes, and I think that should be further explored.

4020 Now, I will be the first person to acknowledge the sterling work that has been done by the GHA and by the Housing Department in the properties that they brought onto the market and the homes and houses they have supplied for people, but I am a bit concerned about, what I would call, this 'all our eggs in one basket' approach.

4020 If there are other developers out there who have sites, who have permission to develop those sites, and are willing to get involved in some kind of affordable housing or first-time buyer scheme, should we not be opening some dialogue with them and speaking with them? Because, as I say, I have been told there are developers out there.

4025 I am thinking, sir, about the... There was a development a few years ago now along the Grande Maisons Road by the St Sampson's Medical Practice building and I think that was – I do not know all the details to that but I think that was – a project that was leaked to the lower quartile, so that the prices of those properties could only rise to a certain extent. They were limited in regard to how far those prices could go and I just wonder if something like that could be explored again. It seems to me that was a success.

4030 I do not know how often those properties have changed hands, but those properties seem to sell very quickly. They seem to be fully occupied. I do not know why that kind of approach, that kind of model has not been done again, sir – why we have not looked at that kind of thing again, building properties that are linked to the lower quartile or complexes that are linked to the lower quarter.

4035 The other thing I was going to mention, sir, is we have had emails from residents of St Sampson's Parish – people that live in the St Clair Vinery area and they are very concerned because we have been told that there could possibly be a development of that site, where there will be hundreds and hundreds, perhaps a thousand, homes, I think, built on that site.

4040 Now, one can understand their concerns, sir. It is not only the fact that it will impact upon their lives, but one can think about the impact on the infrastructure, the services into that site – the electricity, the drains, the sewage, the roads, etc.

4045 The other thing that concerns me about housing targets is it is not very smart just to say that all the development should take place in the north of the Island. That seems to be the inference; that always seems to be the preference – that it all has to take place in the north of the Island. I think actually we need to be smarter than that.

I will be very reluctant to vote for something if I think that, as a result of that, hundreds and hundreds of new homes and new properties are only going to be built in the Vale and St

Sampson's. I think we have to be a bit smarter than that. We have to be a bit smarter than that and look across the Island, because not everybody wants to live in the north of the Island, sir. (Interjection) Well, you would imagine they do, probably because Deputy Fallaize lives down there, sir, but...

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Anyway, sir, I support the idea of trying to get first-time buyers onto the market. I support the idea of creating affordable properties, but I do not think it should only be done by the GHA. I think there are other mechanisms that we could use and I think we need to engage in some dialogue with developers to see what other ways they could help us, particularly as they have sites that are not being developed, but they have permission for.

4055

Thank you, sir.

**The Bailiff:** Deputy Sherbourne... Well, Deputy Sherbourne, I think you have already spoken.

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**Deputy Sherbourne:** Well, I spoke on the amendment, or did I speak further than the amendment?

**The Bailiff:** Yes, I think you... Okay, yes, I did not write down that you had spoken in general debate so –

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**Deputy Sherbourne:** So I have got to sit down?

**The Bailiff:** No, you can continue.

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**Deputy Sherbourne:** Oh, thank you.

**The Bailiff:** Well, it has gone 5.30 p.m. Can I have an indication of how many other people wish to speak still? Deputy Conder, I see.

4075

Shall I put it to Members, then, that we continue in order to conclude this debate? If you wish to continue and conclude it tonight, vote Pour, if you wish to rise now and come back in the morning, vote Contre. The proposition is that we continue in order to conclude this debate. Those in favour; those against.

*Some Members voted Pour, others voted Contre.*

**The Bailiff:** Well, I think we will rise now.

*The Assembly adjourned at 5.30 p.m.*