



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 4th May 2016

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Present:

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

Law Officers

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

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

People's Deputies

St Peter Port South

Deputies P. T. R. Ferbrache, J. Kuttelwascher, D. A. Tindall

B. L. Brehaut, R. H. Tooley

St Peter Port North

Deputies, J. A. B. Gollop, C. N. K. Parkinson, L. C. Queripel, M. K. Le Clerc,

M. P. Leadbeater, J. I. Mooney

St Sampson

Deputies L. S. Trott, P. R. Le Pelley, J. S. Merrett, G. A. St Pier,

T. J. Stephens, C. P. Meerveld

The Vale

Deputies M. J. Fallaize, D. B. Jones, M. M. Lowe, L. B. Queripel

J. C. S. F. Smithies, S. T. Hansmann Rouxel

The Castel

Deputies R. Graham, L.V.O, M. B. E, C. J. Green, B. J. E. Paint,

M. H. Dorey, J. P. Le Tocq

The West

Deputies A. H. Brouard, A. C. Dudley-Owen, E. A. Yerby,

D. de G. De Lisle, S. L. Langlois

The South-East

Deputies H. J. R. Soulsby, H. L. de Sausmarez, P. J. R. Roffey,

R. G. Prow, V. S. Oliver

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)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Greffier

EVOCATION

CONVOCATION

The Greffier: Billet d'État XI: to the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday 4th May 2016 at 9.30 a.m. to consider the item contained in this Billet d'État which has been submitted for debate.

Welcome and congratulations

- 5 **The Bailiff:** Members of the States, may I just take a moment to begin by welcoming you all, congratulate you on being elected; and may I just say this is yet another historic occasion, the first meeting of an Assembly of 40 Members – 38 people as Deputies and two Alderney Representatives – and of course the occasion for the election of the very first President of the Policy & Resources Committee. So I welcome you all.

Billet d'État XI

POLICY & RESOURCES COMMITTEE

I. Election of a Policy & Resources Committee President – Debate commenced

Article I:

The States are asked:

To elect a sitting Member of the States as President of the Policy & Resources Committee to serve until 30th June 2020 in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation, as set out in Section 1 of The Rules of Procedure of the States of Deliberation and their Committees.

The Bailiff: I now invite Members to propose a candidate for the position of President of the Policy & Resources Committee.

Deputy Trott.

15 **Deputy Trott:** Sir, I would like to propose Deputy Gavin St Pier.

The Bailiff: Deputy St Pier, thank you. Is there a seconder for Deputy St Pier?

Deputy Roffey: There is, sir.

20

The Bailiff: Deputy Roffey, Thank you.
Deputy Jones.

Deputy Jones: Yes, sir. I would like to propose the name of Deputy Peter Ferbrache.

25

The Bailiff: Deputy Ferbrache and is there a seconder? Yes, thank you very much, Deputy Paint. Are there any other nominations?
Deputy Green.

30 **Deputy Green:** Sir, I would like to propose Deputy Charles Parkinson.

The Bailiff: Deputy Parkinson, thank you. And is there a seconder? Yes, Deputy Langlois, thank you very much.

35 Members, are there any other nominations? No. We therefore have three candidates: Deputy St Pier, proposed by Deputy Trott and seconded by Deputy Roffey; Deputy Ferbrache, proposed by Deputy Jones and seconded by Deputy Paint; and Deputy Parkinson, proposed by Deputy Green and seconded by Deputy Langlois.

In a moment I will invite those three candidates to come up and take their places here on the bench, Deputy Ferbrache to my right and Deputies Parkinson and St Pier on my left.

40 There will then be a period of speeches. Each proposer may speak for a maximum of five minutes and each candidate for a maximum of 10 minutes, in the order in which they were nominated. So Deputy Trott will speak first, followed by Deputy St Pier, then Deputy Jones, Deputy Ferbrache, Deputy Green, Deputy Parkinson.

45 I will then invite Members who may wish to ask questions of the candidates to hand a slip to one of the court staff who will then bring them up to me and I will draw names out of my toque, out of a hat, *(Laughter)* so that the order in which people are selected will be random in that way.

50 The period of questions will last for 45 minutes, 15 minutes times the number of candidates: 45 minutes for questioning. Each question will be limited to 30 seconds, and each reply is limited to one minute. Question time will finish after 45 minutes, and then voting will take place by way of secret ballot. One other thing I need to say is questions must be limited to matters of policy – policy of the Policy & Resources Committee on this occasion.

I think that covers everything that I need to explain. If anybody has any questions to the procedure now is the time to ask. I see no one rising, and if the Procureur feels that I have misled or said anything wrong, now is his chance to say that I have done so.

55

The Procureur: Perfection, Mr Bailiff! *(Laughter)*

The Bailiff: Creeping will get you nowhere, Mr Roberts! *(Laughter)*

60 I now invite the three candidates, Deputy St Pier, Deputy Ferbrache and Deputy Parkinson to come up on the bench.

All three candidates are seated. Are you comfortable? Ready to start? Yes. Deputy Trott, then, will propose Deputy St Pier.

Deputy Trott: Thank you, sir.

65 Sir, normally a speech like this would include a reference to a longstanding personal friendship
or political friendship, or both. This speech will not. I am not proposing Deputy St Pier because of
any longstanding friendship. Many of you will know that we are not old friends and there have
been a number of matters of Government where we have had different views.

In fact, our relationship has not always been an easy one, *but* where we have disagreed it has
70 been on matters of policy and when we have disagreed I have found Deputy St Pier to be straight,
honest and open.

Sir, let me be crystal clear. I am proposing Deputy St Pier because of what I am *certain* he will
bring to the role and how I know he will discharge it. Why do I say that? Well, there are five major
requirements for this role.

75 First the role of President of P&R requires a collaborative approach, and ability to work with
others will be essential. Not only with the Presidents of the Committees, put with the other
members of P&R and with everybody in this States Assembly. It needs an ability to find consensus
and compromise and to be a team player. Deputy St Pier has demonstrated those skills. He has
repeatedly shown a desire to find outcomes that have the broadest possible support.

80 Next, the role of President of Policy & Resources also needs somebody who has experience of
managing the Island's finances. That should help ensure that in our new system of government we
have the right resources to support the policies that this Assembly prioritises. Deputy St Pier has
demonstrated that. Think of the work around the Financial Transformation Programme, the
Capital Investment Programme and the management of our States-owned assets.

85 The President of P&R needs to be a strategic thinker. We do not have to agree with all of their
views, but their vision should be the bedrock for us all in developing a comprehensive and
prioritised plan for this term of Government. Deputy St Pier has articulated and demonstrated a
consistent, coherent and clear vision: (1), that we need to manage within our means and we
urgently need to prioritise – a significant challenge when we are faced with so many competing
90 demands; (2), that in order to prioritise we need to have a framework against which we can make
policy decisions in order to determine this Assembly's resource allocation decisions; (3), that we
need to continue to reform, whether it is public service reform, Health Service reform or reforming
the way that we manage our assets; and (4), and most importantly, that we need to ensure
stability to help support our economy.

95 Further, the role of President of P&R will not just need to have a vision, they will also need to
have a thick skin. I have been Treasury Minister and I have been Chief Minister. Trust me, neither
job is easy. They will need to show leadership, and that means being brave and not being afraid of
unpopularity. And because no one is perfect, on occasions the holder of the office will need to
take and accept advice. Deputy St Pier has a naturally receptive personality. Deputy St Pier has
shown leadership during his time as Treasury Minister. He has shown he is not afraid to be
100 unpopular with some members of our community *if* he is making a decision that he believes is
right and is based on facts.

105 Sir, finally, the President of P&R will be perceived on-Island and off-Island as the senior
representative of our jurisdiction. This is an enormous responsibility. It is vital that the President is
presentable off-Island, by which I mean calm, consistent, persistent and persuasive. Deputy St Pier
has demonstrated that in the way that he has defended our Island in the face of ill-informed by
noisy criticism from those politicians, campaigners and media who do not understand us but seek
to use us and damage us to score political points.

Sir, I am therefore pleased to propose Deputy St Pier for the post of President of Policy &
Resources. He is the best proven candidate for the job.

110 Thank you, sir.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, three candidates, three men. All three with significant States' experience: one former Conseiller and foxy litigator (*Laughter*), two former Treasury Ministers, both of whom are chartered accountants, chartered tax advisors and barristers. On the face of it not a great deal to choose between us. I believe that each of us can make a substantial contribution to this States during this term in one way or another.

But I am standing because, despite the apparent similarities between us, I wish to offer something distinctly different, both in terms of policy and of personality. I offer strong leadership which is firm and fair, and a proven track record of delivery. I offer a style of politics which is collaborative, respectful and responsive and I offer truly integrated policy making, matching economic success with social vision and sustainability.

The Assembly today is faced with a very real and very important choice, and very real differences between all three candidates – and it matters. It matters because over this term of Government our Island faces significant challenges and tough decisions. As the most populated age bracket – mine – moves towards the end of their most economically productive years, our tax base will come under pressure. Simultaneously, we must meet the increased demands on our health and social care services and, in response, we must do two things. Firstly, we must ensure that we provide the right environment to enable the private sector to remain competitive and thrive. Secondly, we must rapidly deliver on our public service and Health Service reform programmes. In doing so, we must free up resources to finally enable social policy, such as mental health and wellbeing or supported living strategies to be appropriately resourced. Meanwhile, we have the continuous need to plan for and respond to international events. Be that Base Erosion and Profit Shifting (BEPS), the Panama Papers or Brexit.

My position as Treasury Minister over the last four years has given me privileged access to all these issues, with a demonstrable capability to respond quickly and effectively to events on the international stage and that leaves me ideally placed to hit the ground running as President of P&R.

Today we could choose to go back to the future. We could go back 10 years to 2006, to re-fight a war lost on Zero-10, or we could go back 20 years, which are fading, but false memories may tell us a golden age of the best States ever, when the Island's multi million pounds surpluses helped to ease the pain of capital projects repeatedly delivered late and over budget, when the management of our reserves consisted only of putting them on deposit and when effective social policy was simply not a priority of this Assembly. Or instead, as I propose, we could look to the future. We could face up to the very real and current challenge of delivering the best for islanders in a resource constrained environment. We could agree that prioritisation is our priority and agree that this requires us to have a clear, simple goal for Guernsey. We could then build a framework to enable coherent policy development and resource allocation across Government.

I have articulated my own suggestion for this goal. Members may not agree with this, and that is fine, but it has started the conversation. And my job, if elected, will be to work with all Deputies in the next few weeks and to find a goal that does sit at the heart of our Policy & Resources plan to give us a clear road map for the next four years.

When making a decision today, look through our rhetoric and examine our track records. The last States inherited from the 2008 Assembly the Financial Transformation Programme and its related contract with Capita. As I said at the time, I did not much care for either the programme or the contract, but I got on with the job in hand. In 2012 FTP was running way behind schedule and its delivery was the responsibility of Policy Council, which meant in practice that no single individual owned it. I volunteered to be its political champion and its unpopular public face. Working together FTP then went on to deliver £29 million a year of savings. I repeatedly said that its successor programme needed to be a more broadly based reform programme, and that is what we now have in place with public service reform, albeit that we now have to up the pace of change.

With Social Security Minister – former – Deputy Langlois, I co-led the Personal Tax, Pensions and Benefits Review. This took on, rather than brushed over, the longer-term challenges faced by

an ageing population. Recognition of those challenges resulted in the raising of the retirement age to 70, as well as agreement to reduce personal tax allowances for high earners, moving us towards a personal tax system where 20% means 20%.

170 For the avoidance of doubt, I unequivocally accept the substantial majority decision of the States last year that no further work is undertaken on GST. I have shown strong leadership on other controversial issues such as on education and on the bond issue, shown willingness to stand up and express my opinion. But I also have always been willing to take the time to listen to others' concerns and to explain my own position.

175 Finally, I led the broadening of the narrow corporate tax base that we inherited, bringing in an extra £15 million of corporate tax a year. And what of future corporate tax policy? This, of course, is the main policy difference between Deputy Parkinson and me. I believe, and industry agrees with me, that there are no simple alternatives. I believe we have to accept the fact that Guernsey will only ever be a policy taker and never a policy setter in the increasingly fast developing field of international corporate tax. I believe that it is essential for our economic success that we continue
180 to offer business a stable competitive regime and I believe that we should continue the successful policy of the last four years of quiet, steady, opportunistic reform as the international scene evolves. Look at the facts: I am the only candidate to have the proven track record to support delivery of that policy. I have not just talked about reform, I have made it happen.

P&R's prime role in its mandate is, and I quote:

'The leadership and co-ordination of the work of the States.'

185 In our system of Government that is responsibility without power, a difficult task. It will undoubtedly fail if its leadership is aggressive, threatening or combative. Its chances of success will be significantly enhanced if its President is calm, consistent, respectful, approachable, responsive and always ready to listen to any Member of this Assembly. These are qualities which Members from the 2012 Assembly will have observed in me as I have fulfilled my previous role as
190 Treasury Minister.

It is important too, that P&R maintains frequent, effective and open dialogue with the other committees. The mechanism for formal dialogue needs, of course, to be developed, but I would propose a discipline that the Presidents of all Committees get together informally at least monthly to assist in collaborative working. I know, as a member of the States' Review Committee that
195 designed this system, Policy & Resources is not the same beast as Treasury & Resources, it has a different broader role, it must have a different look and feel and it must act differently. It must not all be about the money.

So, if elected, it would be my intention to return on Friday to offer a broadly based and politically balanced committee. My track record proves that I can deliver this, as demonstrated by
200 my proposer and my seconder, who span the political spectrum and with both of whom I have political differences. If elected, it would be my intention that while forming a cohesive team, specific roles in areas of expertise should be assigned. For example, I would retain the finance brief, providing essential continuity and experience to this critical part of P&R's role. Another Member would take the lead on external affairs, supported on an as need basis by me, and others,
205 as the President of Economic Development. One might provide the leadership on core, cross committee social policy matters, including the disability strategy and equalities agenda and another might provide the political leadership for public service reform and so on.

If P&R is not to become the arrhythmic, failing heart at the centre of our new system of government it must have a functional composition. That requires its members with the right
210 leadership to be collaborative and inclusive and not confrontational with each other. For that reason, if Members do elect me this morning, please support my nominees on Friday.

In summary, I will provide leadership which is firm, fair and consistent. I will continue to be collaborative, inclusive, approachable and responsive to all Members.

215 Sir, I ask the Assembly to support me and allow me the honour to serve Members as their first President of Policy & Resources.

The Bailiff: Next, Deputy Jones.

Deputy Jones: Thank you.

Mr Bailiff, Members of the States, I stand today to put forward the name of Peter Ferbrache for the position of President of the new Policy & Resources Committee. I have known Deputy Ferbrache for many years and he is a man who cares passionately for his Island and who will give you all his undoubted skills and enthusiasm in heading up this new senior committee.

We both came from very humble beginnings and Deputy Ferbrache started life as one of four children from a hardworking Guernsey family who lived in a house with an outside toilet – as many families did in those days – where there was always too much month left over after the money in his mother's purse had run out. His father was a labourer and his mother worked as a shop assistant. Now, I only tell you this because he is a man who understands what families suffer when they do not have enough income to live a decent life and it is important that we have people with a strong social conscience and a sense of fairness sitting on this major committee. They will be responsible, after all, for looking after taxation and pensions.

After training as a barrister and passing his law exams, he worked in the UK as a lawyer until returning to Guernsey and being called to the Guernsey Bar. His legal career in Guernsey is well known, as many of you will be aware, and there is not, in my opinion, a more formidable advocate practising in the Guernsey courts, as we at the Housing Department have discovered on more than one occasion! (*Laughter*)

The job of heading up the new Policy & Resources Committee is a job for someone with strong leadership abilities, who has a real understanding of our complex economy and the external pressures on us from those envious of our status. Now all the candidates for this role will be people with proven ability and integrity – of that there is no doubt. However, I do believe that Deputy Ferbrache will bring a little extra edge to the rule that this Island Government needs as it desperately tries to find the growth which is going to be essential, not only to eradicate the deficit but to take us forward into a brighter future.

Deputy Ferbrache is no stranger either to senior positions in the States, having served as President of the former Board of Industry, he was also a member of the old Advisory & Finance Committee – whatever happened to them? He is also someone with fresh ideas that we all need to re-energise our economy in order that we secure the future for families, businesses, and safeguarding people's jobs, their homes, and giving all those who live here the confidence that they need in their Government for the years to come. Not just for this generation, but for our children and their children too.

In addition, it is also a job for somebody who can build a team around them. Someone who we can all respect and have faith in as the recognised head of our Government, who will listen to the collective advice of his colleagues on that committee and leave the States out of some of the disarray that we have experienced over recent times. You may think that that is a little unfair to the previous States but if it is then you have to ask why there was so much public unrest during the last four years.

The majority of us, in our manifestos, that helped put us in these red leather seats today, called for much stronger leadership and we all recognise that the economy is by far our biggest priority. You have a real opportunity today to vote for a man who believes strongly in both of these things.

A major part of the P&R's mandate, which is listed in the document that you were given at the Swearing-In Ceremony, will be the oversight of our external relations. The External Relations Group is a committee I served on for 11 years, and my frustration at times was caused by our frequent reluctance to take a much more forceful stance in some of the bare-faced interference in our affairs by officials and MPs in Her Majesty's Government, who constantly stepped over the constitutional boundaries which were clearly outside their remit. I believe Deputy Ferbrache will be somebody who will not be afraid in fighting Guernsey's corner and firing an occasional shot across the bows of Her Majesty's Government when the need arises.

That will include having those difficult conversations that we have sometimes avoided in the past. That will be essential as the world views us low tax jurisdictions with ever more increasing scepticism. Of course, previous Chief Ministers had their own style and, as in everything, some were more successful than others –

[Bell rings]

The Bailiff: You may finish your sentence.

Deputy Jones: If Deputy Ferbrache is elected to P&R then he will need some help in that area. Thank you.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Thank you, sir.

Firstly let me thank my seconder, Deputy Barry Paint, who is a Guernsey man who has saltwater in his blood and the common sense and good will of the Bailiwick in his heart and his head.

Let me particularly thank the gentleman who has just proposed me, Deputy Dave Jones. When he joined the States 16 years ago, people poo-pooed and said, 'No chance of doing anything about social housing. It is impossible!' Look at the fantastic job he has done. It is an unfinished job, because that job will always be unfinished.

Let me commend the two other candidates for this particular office, men of integrity and considerable ability. So why go for Peter Ferbrache?

My speech is going to be a little different to Deputy St Pier's. This is not quite the Winston Churchill moment of May 1940, but this coming four years are the most important beyond any doubt that the Bailiwick has faced since that time. And it is no good just saying that we can continue with the same path – continuity is important, but competency is far more important.

So why me, over these two able, intelligent and decent men? Not simply because my family have been here since 1625; not simply because my social background and upbringing was much different to theirs. In the course of my life I have traversed their social background – and with considerable respect, they have not traversed mine. Also, in relation to why the difference: I have seen at first hand the changes in Guernsey society and the social conventions and mores of our society over the last 60 years.

Now, it is not good enough to say that things have been done well, because they have not. We have to be collaborative and co-operative, as Deputy St Pier says, that is the only way we could work. Two of the three speakers have already spoken – and I am very grateful to them – of my experience as a lawyer. My practice as a lawyer has not always treated me – and I have not always treated people – in a gentle way, that is not necessarily my style. But anybody that has dealt with me in any of the forms of management that I have operated in whether as a politician, whether as a senior lawyer in my practice, whether in the charities that I have been a member of, whether in the financial institutions I have been a director of, or whether in my family business, will know that I am collaborative and co-operative – because if you do not listen to people you are a fool. And you cannot be a fool with the responsibility that we have.

One of my great heroes is Winston Churchill and we, as an Assembly, as a few, owe a considerable duty to so many, and we are only going to discharge that duty by competency. The average Guernsey person earns £30,550 per annum, we are told; females £3,000 less. So the average Guernsey person has less than £590 a week – and the average Alderney person even *less* – to live on! So that means most in our society do not have £590 a week.

Deputy Jones has talked in part about my humble beginnings, and I have been so fortunate in Guernsey and in the Bailiwick because of this society. A friend of mine – and my parents first house-shared with his parents in Victoria Road when they rented two rooms – is now 68. He retired after having worked from the age of 14, just a few months ago. After he has paid his rent

on his modest flat he has £300 a month to live on. There are so many of our decent people that have that kind of income to live on. We have got to do something better than that.

We talked about the competency of the last States, and the consistency. A lot of Guernsey people and a lot of Alderney people, have some difficulty in accepting that – in accepting the £8 million that petered into the dust in relation to an ill-fated court case; of the £14 million that was incurred without the people of Guernsey, Alderney and the Bailiwick being told as a set up cost for a bond for £330 million. I do not even think the Assembly necessarily knew all those details. A bond that we were told would discharge and settle most of our debts. Those debts are not yet consolidated.

So what do the people of Guernsey want? They do not want vacuous promises; they want people that have a proven trackability. Okay, I have not been in the States for the last 16 years, but I have stood for election three times: I stood for election in 1994 in Castel and I came top of the poll; I stood for election in 1997 as a Conseiller, which involved elections in Guernsey and in Alderney, and I came top of the poll.

The public of Guernsey did not forget me when last week I stood in St Peter Port South – I came top of the poll. So I have a mandate from the people; I have a mandate to say, 'Please trust me.' And I did not just win any of those elections by a sliver, I had a considerable distance between me and the able people that came second.

So the public of Guernsey know me, the public of Guernsey trust me and, although a lot of you do not know me, you can trust me because I have a proven record. I have been a lawyer for a long time, I have got a family business that employs over 100 people. I have got four children and I have got six grandchildren. All but one of my children, and all my grandchildren, live in this jurisdiction.

We are less than 70,000 folk when we include the good people of Alderney, the people of Sark and the other people that we represent, and we will represent in one form or fashion, in this Bailiwick. We have to carry their aspirations and their wishes forward.

The iconic journalist, John Humphries, described a conversation he had with a New Zealand prime minister of 50 years ago – because life is quite simple. And that Prime Minister said this: 'People want four things in life, they want somebody to love' ... well, the States did something about that in that they treated people decently, they treated gay people decently by making the Resolution they recently passed. We do not interfere in people's lives socially unless we have to – people must be allowed to lead their lives.

Secondly, he said, 'We need somewhere to live.' Deputy Jones, I commend you again, you have been a star in the Guernsey States, and when you pass from these States people should thank you. That problem is unsolvable in its complexity but it needs a lot more doing. Houses are too expensive to rent or buy in Guernsey and in Alderney.

The third thing is work: 'everybody wants a job'. We have got plenty of jobs in Guernsey, they say. Well, hang on, when I was a lawyer in a case in Newark in Nottinghamshire in the 1970's I saw this witness and I spoke to him and he had a Guernsey name. He left Guernsey in the 1950's because there were no jobs The Val de Terres was built because there was no work for people and men did not have food to feed their families.

The fourth thing that people want is 'hope' – almost more important than anything else. They do not expect us to run 100 metres in nine seconds, they do not expect us to be able to fly a jet plane, but they expect good sensible government. And that is what is being talked about ... we have all read the media, we have all seen the Twitters, we have all seen the comments in the *Press*. People want solidity, they want a Government that is going to keep their promises, that is going to be transparent and that is going to speak to them.

I agree with lots of the points that Deputy St Pier made about speaking to other States' Members and having regular meetings. I agree with all of that and that is what we will do. But what we must do above anything else is treat people with decency and respect. We *must* cut back on Government inefficiency – there is still too much of that. We must cut back on waste – and, despite what Deputy St Pier said, there is still too much of that.

We must be like one of my other great heroes, Muhammad Ali: we must float like a butterfly and sting like a bee. Remember what he did for the people with the colour of his skin. They called him Cassius Clay – ‘You are not going to call me Cassius Clay,’ he said, ‘You are going to call me Muhammad Ali.’

375 We have got to be light on our feet; we have got to adopt initiative policies. If the policies do not fit, we change the policies. We get things done. We are only going to get more business by letting people come here and letting people operate businesses. Businesses are flat and slow, they say, which is a euphemism for failing. Corporate tax cannot have its feathers plucked anymore because it will go. So, therefore, we have got to encourage growth.

380 That is what I ask you to do for me, because I intend to do that for Guernsey. And I intend to do it for Alderney. I come with a fresh face, I come with a fresh outlook. I ask you to vote for me.

The Bailiff: Deputy Green.

385 **Deputy Green:** Mr Bailiff, Members of the States.

Deputy Charles Parkinson is undoubtedly a very credible candidate for the role of President of Policy & Resources. He is very clearly a politician of real substance with a very strong policy platform on some of the key political issues of today, including the need for the Island to have a more credible fiscal policy; the need for the States to adopt effective prioritisation measures; the
390 need to diversify our economy; and to solve the housing affordability crisis.

Moreover, Mr Bailiff, Deputy Parkinson is undoubtedly a politician who possesses many of the key qualities which are directly of relevance to the role of President of Policy & Resources.

Mr Bailiff, three of these qualities are as follows: firstly, he has significant political experience to call upon; secondly, he has extensive knowledge and understanding of Guernsey’s economy and
395 its business sector; and thirdly, he has both sound, rational judgement and the analytical and intellectual qualities that simply must be an essential part in undertaking the top job in Guernsey’s new political machinery.

In summary, sir, he is a broad and creative thinker at a time in Guernsey’s history when we cannot risk narrowness of vision any further.

400 In terms of background, Deputy Parkinson has lived in Guernsey since 1960; he read law at Cambridge University and he is a chartered accountant and English barrister. He co-founded and built up the Praxis Group between 1983 and 2004, one of the largest independent fiduciary groups in the Island. He was elected for the South East district in 2004 and he was re-elected in 2008 when he topped the poll, again in the South East. He served two terms as a Deputy from
405 2004 to 2012, initially as Deputy Minister of Treasury & Resources and then as Minister of T&R. Importantly, he was Chairman of the States’ Strategic Plan team from 2008 to 2011, and I would suggest *that* experience will be vital, as one of his first priorities will be to develop a Guernsey service plan, along with his other key priority which is to have a credible fiscal policy to cure the Island’s structural deficit.

410 Mr Bailiff, Deputy Parkinson was of course re-elected to the States for St Peter Port North in December of last year, and he came second in the poll in the recent General Election. I would suggest to Members of the States that Deputy Parkinson has Island-wide support, that he is a man of vision and experience, and that he can and indeed will work collegiately as part of a good team. Indeed, Deputy Parkinson appreciates that he will need to build a good team around him to
415 ensure that the new lead Committee of the States is an effective one.

In conclusion, Deputy Charles Parkinson is, I would suggest, an excellent choice for President of Policy & Resources. He has very solid experience in the States, he has substantial knowledge of Guernsey’s economic affairs, and he has the judgement and the intelligence to discharge the role of President of Policy & Resources with skill and with effectiveness.

420 Mr Bailiff, I ask that Members give very serious consideration to supporting Deputy Parkinson for this key role. He fully understands that we live in a fast-changing world, and that ‘steady as she

goes' is not always the best policy for success in order to secure our Island's future, in what is an increasingly uncertain world.

425 So, Members, in these circumstances, I am therefore delighted to propose Deputy Parkinson for this very important role.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

430 Members, I think we all understand that the next four years are going to be absolutely crucial, arguably the most important States since the war; and the choice that Members take today will largely determine the approach that the Island takes to responding to these challenges that we face.

435 I do not wish to dwell too long on those challenges, but they are pressing and urgent. Indeed one of them, the publication of further data from the Panama Papers, will probably hit the headlines around the world on Monday, before Policy & Resources has even met for the first time.

440 Sir, many people outside this Island hold a negative view of Guernsey as a tax haven, and I do not believe that this can be cured by better PR. Of course we must tell our side of the story and put our case in its best light, but the reality is that Zero-10 and the fiscal strategies that we have are seen by other jurisdictions as highly aggressive, indeed predatory.

445 No matter how transparent and well-regulated we are, the zero rate makes us outcast politically and invites increasingly hostile counter measures. In the end, these could put us out of business. So we need to reposition Guernsey in the world if we want a sustainable future. As the Americans say, 'pigs get fat, hogs get slaughtered'.

450 And we need to change our fiscal policy for domestic reasons, too. We simply cannot afford to continue to run a Budget deficit last year of £23 million, against a backdrop of continuous upward pressure on the costs of our public services. Very few of us in this Chamber want to see a GST in Guernsey, and that is the only sizeable alternative measure that could fill the gap. So we do need to reform our corporate tax system.

455 It is well known that I want to initiate that review, but the objectives are widely misunderstood. Many people think that the idea is to collect more tax from the finance industry, but the fact is that the finance industry is one of the areas of our economy that actually already pays corporate tax. The objective of the review would be to normalise our corporate tax system and to collect tax from companies trading in our *domestic* economy.

460 So I want to make one point very clear: in general terms, neither our finance industry nor its clients would pay any additional tax as a result of this corporate tax review. This point bears repetition, sir, and I hope it will be picked up by the media reporting this meeting: in general terms neither the finance industry nor its clients would pay any additional tax as a result of our review. There may be exceptions, for example where it is mutually advantageous for some companies to pay tax; but collecting tax from the finance industry is not the purpose of the review.

465 Reform of the corporate tax system will help us to address our structural deficit and will allow us to take some of the fiscal pressure off people on lower and average earnings. This, in turn, will help people to remain and work in Guernsey which is vital if we want to address our ageing demographic problem. But there is much more that we need to do. To secure a bright future for our Island we need to diversify our economy, to broaden the range of job opportunities available to our young people, and we must make it easier for young couples to acquire a home here. This means that the States needs to be much more interventionist than it has been in the past.

470 Traditionally, Guernsey has taken the view that if we keep the soil fertile, others will come and plant the seeds of new businesses and our Island will share in the harvest. This has produced economic success, but also an unbalanced economy and property development focused on building executive homes.

I believe we now need to apply some helm, to move our economy and our housing market in slightly different directions. Without damaging the finance industry we need to stimulate the development of new industries to supplement it. I am proposing that we should establish a university college in Guernsey and Alderney both as an export industry in itself and as an economic pole around which a science park can develop.

A college in the two Islands would be seen as a form of speciality tourism – or could be seen in that light, with perhaps 2,000 visitors staying for eight months of the year with all the benefits that would bring to our hospitality industry and our air links. And in the Castel Hospital and Fort Tourgis sites, we have perfectly suitable and redundant buildings available for the purpose.

But I do not claim a monopoly of wisdom, and if anyone else has any other good ideas I want to hear them. Finding high value-added businesses that are suitable for the Guernsey environment is not easy, and we must take every opportunity that we can find.

Secondly, we need to intervene actively to create a supply of affordable housing – only the States can do this because we own so many of the potential sites; and without this supply young people will continue to leave the Island to make their homes elsewhere. Both of these initiatives depend in part on the completion of the new Island Development Plan, and the development of a strategic asset management plan to identify surplus States-owned properties. Hopefully we will complete both of these in our first year in Government.

Mention of these plans prompts me to say something about the process of Government: ‘planning’ is not a dirty word, although it must not become a substitute for action. The last Assembly failed to develop and adopt a Government service plan and wandered through four years with no agreed priorities and a failing fiscal strategy. We must not repeat those mistakes.

As early as this summer, I want the Assembly to have a key issues debate, when we will agree the policy themes that we wish to prioritise. Then, hopefully, before the end of the year even, Policy & Resources should come back to the Assembly with a draft Government service plan and a new fiscal strategy to support it. Without the funding, any service plan would simply be a wish list.

The Government service plan will be totally amendable in the States’ debate and the agreed final outcome will reflect the views of all Members. That is not to say, of course, that we will all agree with every element of it, that is most unlikely; but, as Gary Kasparov has said, ‘It is better to have a bad plan than no plan.’

Of course it has also been said that no plan survives the first contact with the enemy; and certainly planning has to be a continuous process of development. Our plans will need to change to meet the changing circumstances, but if you do not define your objectives and work out how you are going to try to get there, your chances of success will be very slim.

Having made our plan, we need to *communicate* it to the people of Guernsey – we need to say what we are trying to do and why. I truly believe the public will support us, even if some unpopular decisions have to be made, if they can understand the rationale for our decisions. We must take them with us. Above all, the people of Guernsey expect us to demonstrate some grip. We must avoid making serious mistakes but accept responsibility when things go wrong, as they sometimes will. In short, we must rebuild the trust that the States has lost over recent years.

So I ask myself what would success look like at the end of this term in 2020? How would I like to reflect on what we have achieved at the end of the term? For me, success would be a stabilised, more balanced economy, less exposed to external threats; and a more optimistic and happier population. A population happy with the quality of their public services and confident in their Government’s ability to deliver results.

Sir, I believe the people of Guernsey trust me to do a competent job as President of Policy & Resources and I ask colleagues to do the same.

Thank you.

The Bailiff: Members, next we will move into 45 minutes of questions. If you would like to ask a question you have each been issued with a piece of paper with your name on it, please fold it

and hand it to one of the court staff who will be going round the Chamber collecting the slips of paper.

Okay, I will now mix them up. I remind questioners it is a maximum of 30 seconds per question and one minute per answer per candidate. I will pull out two questioners' names to start with so that everybody will have some notice that they are going to be able to ask a question.

The first questioner will be Deputy Le Tocq. The second one will be Deputy Lester Queripel.

Deputy Le Tocq.

Deputy Le Tocq: Sir, in terms of external relations I would be interested to know what the candidates' views are on the most significant external relations issues at the moment facing Guernsey, and how they would address them.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I think probably the most oppressive and immediate problem or threat that the Island faces is Brexit – and we will not know the outcome of that for a while.

We are going to be very low down on the UK's priority list, should the UK vote for a Brexit, and we are going to have to box clever. I think we are going to have to accept that thumping the table in Whitehall is not necessarily going to help us. We will have to work with all our contacts, work with CIBO, work with Jersey, work with the all-parliamentary group. And I think perhaps even the experience that somebody like Deputy Graham would bring to working out how to get the best outcome for us.

We also have the Panama Papers issues and, as Deputy Parkinson has said, that is going to be an ongoing issue. We have to exploit that as being a flight to quality.

I would say we have also got the consideration of the BEPs and the EU directive that is emerging this year as well.

So there are several, but the most pressing, I think, undoubtedly, is Brexit.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Brexit is indeed the most pressing. All the things that Deputy St Pier said are true.

We have got to understand that if, in late June, the United Kingdom decides that they are going to leave the European Community, Protocol 3 will go – and Protocol 3 itself has served us well over the last x years since Geoffrey Rippon negotiated it back in the early 1970's. And we do it constructively, but we cannot do much. There was some half-brained idea about people in the Bailiwick voting in the Referendum – that is the last thing we want by a million years.

We have got the Panama Papers: we had it in my time, we have it now and we will have it in my time going forward. We will always be under the world's gaze and we will always be criticised. So we can only inform people and the more we do it constructively ... and occasionally we have to be a little bit more forceful. But the best way is to be constructive and inform people, then the intelligent people will make a decision and listen to what we have to say.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, if the UK leaves the European Union – and I hope it will not – Protocol 3 would fall by the wayside and we will need some kind of market access agreements with the EU to cover free movement of people, capital, goods and services. It is very clear that the form of that agreement would be very different from the terms of Protocol 3.

I am pretty sure that the EU would insist that we comply with a range of their directives – obviously their money laundering directives, for example, but probably also state aid rules and

575 other rules. We would find life considerably constricted and I believe, for example, if we were subject to their state aid rules then those rules would be used to attack Zero-10.

So this is the crucial issue, but against a backdrop of other issues which include the Panama Papers, BEPs and developments elsewhere. These are very difficult times' we face –

[Bell rings]

580 **The Bailiff:** I will now draw out another name, and Deputy Yerby will speak after Deputy Lester Queripel.

Deputy Lester Queripel.

585 **Deputy Lester Queripel:** Bearing in mind that part of the P&R Committee mandate is to facilitate cross-committee policy development, and bearing in mind that the Disability and Inclusion Strategy sat on the shelf for two years during the term of the previous States – whilst the majority of the Assembly were under the impression it was being progressed: if elected, what would you do to ensure that strategies do not simply sit on a shelf but are actually progressed in the future?

590 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: What a fantastic question, because it leads to a wider point.

595 The States have passed too many strategies without any idea of how they are going to be implemented, (**Severall Members:** Hear, hear.) what the costs are and everything else. The Disability Strategy was a promise given to our citizens who have disabilities that we would do something about it. The fact that the States have done very little about it in the period of time since they enacted it is little short of a disgrace.

We have got to give it priority, we need to speak to the Shelaine Greens and the others of this world to say, 'Tell us how we can help you.' And then we should help.

600

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, I have promised to my good friend Rob Platts that if I am on P&R I will be a champion for disability and diversity.

605 We do have a resources problem and until we have a credible fiscal strategy in place it is very difficult for us to take sensible decisions about which of these very many worthy workstreams we are going to prioritise. But this would be very close and dear to my heart, and I believe we need to get on and implement it; and possibly it needs to go into this prioritisation process which we need to complete, I think, by the end of this year.

610 But, let's prioritise it, let's fund it, and let's implement it.

The Bailiff: Deputy St Pier.

615 **Deputy St Pier:** Sir, it is not the only one: Disability and Inclusion, Mental Health & Wellbeing, CEDAW, the Supported Living and Ageing Well Strategy, Equalities – there is a whole raft of issues which are priorities. And because everything is a priority, nothing is a priority.

620 So, for me, the first thing I would do is to prioritise against what our overall objective is for the Island and for the Government. Secondly, I would have, as I said in my opening speech, a member of the Policy & Resources Committee who has lead responsibility for working across the committees, because that is the central role for P&R and we have not had anybody ... again, a bit like the FTP, a single point of responsibility – that is what we need for Disabilities and indeed many of these other issues.

The Bailiff: The next questioner after Deputy Yerby will be Deputy Trott.
625 Deputy Yerby.

Deputy Yerby: Sir, if economic stability is our greatest concern, the quality and sustainability of our health system must surely come soon after.

How do candidates see the challenges in this area? And how will they and their P&R
630 Committee support the Committee for Health & Social Care in meeting them?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, Health is notoriously a bottomless pit in terms of demand for money
635 and it will undoubtedly put continuing pressure on the States' budget throughout our term of Government.

We have to fund reasonable standards of health in Guernsey, but I do believe we need to work in the Health area more collaboratively with Jersey and perhaps even with Southampton and other nearby centres of excellence. We have to work smarter, but we certainly have to invest in this area.
640

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I think the first thing I would say is we all need to support Health, not just Policy & Resources.

645 But what would I do? I have been having monthly Minister-to-Minister meetings with the Health Minister for the last two years and that should definitely continue in the new system.

The £8 million additional funding for Health this year is a temporary fix. It is there pending the transformation of the service. We have the BDO Report which was produced under a jointly commissioned report by T&R and HSSD – and we need to get on with that. So P&R needs to
650 support a robust bid from the new Health Committee for access to the Transition and Transformation Fund for funding to enable that transformation to go ahead.

We have supported enhanced capital spending, particularly for things like the backlog of medical equipment and the flues in the Hospital, and so on – and we need to continue with that as well.
655

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I agree with most of what they have said, but we have got to be more efficient. To say, in a health budget, 'there is no waste' is being naive. We have got to get value for
660 every penny and every pound that is spent.

But we have also got to be realistic. As the previous two speakers have said, the cost of health will rise; we cannot argue against that. We all want, for us, we want for others, good treatment; we want people to live as long as they can and have as good a life as they can, so it will rise. But we do waste money.

665 We should do all the co-operative things; we should do everything else, but be honest with the people of this Bailiwick and say, 'It is going to cost more money; it has not been efficiently run. We have got to do a lot better.'

The Bailiff: After Deputy Trott, the questioner will be Deputy Smithies.
670 Deputy Trott.

Deputy Trott: Sir, thank you.

All three candidates have spoken of the importance of our economy and, of course, all three are correct: it is key. Sir, confidence and certainty are key platforms for a successful economy. How

675 would the candidates ensure both confidence and certainty were not compromised as a result of their key policies?

The Bailiff: Deputy St Pier.

680 **Deputy St Pier:** Sir, I think, clearly, we do need to create the confidence and stability – first of all, by not creating any concerns about a review of corporate taxation. I think we had a similar experience a few years ago when we said we were going to have a review of housing policy, and look what that did to our open market.

685 So I think we need to focus on our key attributes. The Panama Papers, as I say, is an opportunity that we need to make sure we have got all our ducks in a row; we are all singing from the same hymn sheet; that we are the jurisdiction you come to if you have got legitimate business. We should not be afraid of this. We have got this 'safe haven' brand. We can exploit it in a whole raft of ways, not just with financial services, but with the retention of data, and even with tourism. Look at what an unsafe world we are – let's work on that.

690 But I think the key thing for stability is sending, to the world, *[Bell rings]* the signals that we are not going to change.

The Bailiff: Deputy Ferbrache.

695 **Deputy Ferbrache:** Before Deputy Trott had placed his bottom back on his seat, I had written the words, 'We do not want to frighten the pigeons' and we do not want to do that by any radical review.

Now what we have not been good at doing – and again, you have only got to speak to the people out there; you can say what you like within these four walls – we have not made Guernsey a place to do business: too much bureaucracy; too many rules; too many, 'Oh, you cannot do that!' 'Don't know how to do that!' 'Can't make a decision!'

700 So we have got to make decisions, Deputy Trott and Members of this Assembly. We have got to do that proactively. We have got to be like my great hero Mohammed Ali. I repeat what I said earlier: lawyers do repeat themselves – they get paid by the minute! *(Laughter)* We have got to do that; we have got to be light on our feet. We have got to say to people, 'Come here. We are decent, we are good, we are honourable. Come here and do business.' If we do that, we will be fine.

The Bailiff: Deputy Parkinson.

710 **Deputy Parkinson:** Yes, confidence and continuity result from sustainable policies. If the policies are not sustainable internally or externally nobody out there is going to believe for one minute that the policy is going to remain unchanged. So we need to have corporate tax policies, for example, but other business policies, which command public support here and which are not seen as being continuously under threat from everywhere else.

715 If we wait until we are forced to reform, the options available to us may be considerably more limited than they are now.

The Bailiff: After Deputy Smithies will be Deputy Meerveld.
720 Deputy Smithies.

Deputy Smithies: All three candidates have referred to diversifying the economy. Having spent a large part of my working life in manufacturing industry, I firmly believe that the creation of wealth is by making things.

725 What are the candidates' thoughts regarding policies to encourage manufacturing – perhaps starting with 'Fred in the shed'?

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Exactly!

The Bailiff: Your microphone, Deputy Ferbrache.

Deputy Ferbrache: Sorry, it is not on. I hope my minute has not started then! (*Laughter*)

'Fred in the shed' has been perturbed, disturbed and not permitted because of bureaucratic polices. (**A Member:** Hear, hear.) You cannot go on an old greenhouse site that nobody is going to do anything with because it will revert to agriculture: huh! The cows are never going to go back on that piece of land again.

A friend of mine used to run a manufacturing business in Guernsey. He manufactured brackets. He had to move his premises from here to Cornwall and Devon because of the lack of assistance given by the States of Guernsey over the last 10 or 12 years. We have got to diversify our economy – we all say so – as Deputy Smithies says, by manufacturing, by technology, by lots of other things, but also nurture and keep the businesses that we have.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, as I said in my speech, I am a keen proponent of the establishment of a university as a centre of what may become a science park in Guernsey, because, yes of course we would like to have a manufacturing industry, but what we would really like to have is high-value added manufacturing. We are never going to compete with the Far East in metal bashing.

That is the way I want to go. I am open to other suggestions. If Deputy Smithies or anyone else has another bright idea that will stimulate other areas of our economy, bring them to the table. Let's use all of our brains.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I think three things: I think we should be looking to exploit the Island as a test-bed for new technologies and I think the link with HP Enterprises that was announced a couple of months ago is an excellent first step.

I would certainly like to look at the possibility of investigating the provision by the States of a low cost business park facility for the 'Fred in the shed' type business.

Finally, I think we do need to investigate the Jersey system of off-Island registration for so-called 'white van man' and see whether we can adopt a similar system.

Those would be my three initiatives.

The Bailiff: Just giving a good stir!

The next name will be Deputy Soulsby, after Deputy Meerveld.

Deputy Meerveld: My biggest concern is how we are going to pay for the plethora of issues we currently face. My question to all of you is what specific tax changes will you make to try and raise revenue or what policies will you change to create the growth necessary to fill the black hole we have and carry on funding all of the issues we face?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, I have already said that I believe we should be collecting tax from hoteliers, construction business, retailers, etc. doing business in Guernsey. There is no reason why they should be paying zero tax here. But we need, at the end of this year, whether it is by that

measure or any other measure, to have produced a fiscal plan that actually stacks up and which covers not only our existing deficit, but also all the policies we would like to fund.

The Bailiff: Deputy St Pier.

Deputy St Pier: Again, three things: I think continue the policy, as I said in my speech, of quiet, opportunistic reform of the corporate tax regime, where we can do so without creating instability and taking advantage of opportunities as things evolve internationally.

Secondly, personal tax reform: the adoption of '20 Means 20' particularly for high earners. If we were to do that, for example, for those earning over the upper earnings limit of £137,000 – the Social Security limit at the moment – that would bring in an additional, about, £2 million a year. That is a fairly easy step which I think has the significant support of both the previous Assembly and the community.

Thirdly, we need to progress, at pace, public service reform to drive out the inefficiencies; to drive greater efficiency from the system that we know should be deliverable.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Points two and three that the previous speaker said: I absolutely agree with. 20/20, if it is going to bring in £2 million: fantastic. The third point that he also said ...

But Deputy Meerveld has hit the nail on the head: there is not going to be an instant answer; we have got to say that to Deputy Meerveld and other Members of the Assembly and the people of Guernsey. We have got to put policies in place that are going to mature over a number of years.

Confidence, confidence, confidence, confidence! Give people confidence; tell them we are open for business and the tide will turn. But Deputy Meerveld is a sensible person, a businessman himself; he knows that will take time. It can be done with goodwill.

The Bailiff: And I pull out the name of Deputy De Lisle, after Deputy Soulsby.

Deputy Soulsby: The success of the transformation of Health & Social Care will depend on the quality of finance, IT and HR support it receives from Policy & Resources. What will the candidates do to ensure that Health & Social Care gets the quality resources it requires?

The Bailiff: Deputy St Pier.

Deputy St Pier: I think, again, this is critical that we provide Health with the support it needs. P&R needs to work very closely with the new Health Committee, in particular in relation – as I said earlier – to the bid for additional funding from the Transformation and Transition Fund, to enable the Health Service to transform itself.

The problems that exist, of course, in Health are not unique to Health in terms of finance and management information and all of those things. So if we can solve the problems as part of our public service reform elsewhere, that will be helpful. Very close liaison is going to be absolutely essential between all the Committees, but I would suggest particularly between P&R and Health, given the situation of Health that we found it in the last few years.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Exactly that! You sit down with the new President and the new team and you take the proper advice as to what you can do, so you can provide proper IT; you can provide proper services. I am just a little surprised why that has not happened in greater measure over the

830 last four years. I am sure the last 18 months have been much more productive than the previous period.

But that is what you do, because Health and Education will be the prime consideration for the new Assembly, and they are expensive – and rightly so – Departments of the States of Guernsey. So you speak to people, you take proper advice and you act on that advice. You do not have clapped out systems, you do not have inadequate policies, you do not have things that do not work. You get it right.

Again, if you do it – I have done it all my life. If you want to make a decision and you want to get things done, it is not that difficult. It needs effort and purpose.

The Bailiff: Deputy Parkinson.

840 **Deputy Parkinson:** The centralisation of various States' services, including IT and so on – the payroll – has contributed enormously to improvement in the public services over the last eight to 10 years, but more work needs to be done. This process is still incomplete. There are still too many parts of the States that are working in independent silos. The centre needs to be adequately resourced in order to be able to provide Departments – the spending Committees – with the services that they need. That is another big part of our budget conundrum.

The Bailiff: And the next name I draw out is that of Alderney Representative McKinley, after Deputy De Lisle.

850 **Deputy De Lisle:** As Trustees of public funds and resources, how are you going to ensure that proper procedures are in place and the principles of corporate governance are applied to make wise use of our finances and resources; to enforce transparency and accountability by the elected Members for the people of Guernsey?

855 **The Bailiff:** Deputy Ferbrache.

860 **Deputy Ferbrache:** I have done that in a business that I took over *in some extremis* a few years ago, by setting down and setting up policies that worked; that turned a desperate financial situation into, frankly, a very healthy one. If I can do it in a small business that employs 100 to 140 people, we should be able to do it with greater resources in an Assembly that governs 65,000, 66,000 67,000 people, with a budget that we are all aware of.

865 So you sit down; you have proper governance – it is not difficult. But accountability is the ultimate thing. You do not want people to look over their shoulder and be frightened, but you want people to be responsible for their decisions and, if they make a bad decision and if they do something badly wrong, they have to take the consequence.

The Bailiff: Deputy Parkinson.

870 **Deputy Parkinson:** Yes. There is a, sort of, cycle of government: we make plans, we execute them and then scrutiny, of course, has a vital role in checking that we are actually delivering what we promised to deliver or achieving the aims that the Assembly has set out for itself. So accountability is a big issue. It is an area that needs further work. I think we need a Freedom of Information Act, for example, but scrutiny must not be forgotten in all of what we are talking about. It is a vital role in Government, in securing those checks and balances to see we are on track.

The Bailiff: Deputy St Pier.

880 **Deputy St Pier:** We certainly need to act on the advice that we are given by our scrutiny functions. The Public Accounts Committee, last week, published a report on investments – broadly speaking, very supportive of the control environment that we have and the management of our investments. But in the past we have ignored advice that we have been given. Look at the advice we were given several years ago around our risk management environment. That was filed and
885 nothing was done with it and the result was we ended up with the fraud at the beginning of this term. Fortunately, we need to learn from those mistakes – PFOS is another example – understanding how we are going to properly have governance and control over litigation in the future is absolutely critical. I think one thing that we do need to look at is our Government legal service and the reporting, the accountability. The reporting lines for that, at the moment, are
890 obviously through St James' Chambers rather than to Government. It has grown significantly in recent years and I think that is an issue *[Bell rings]* that may have played a part in the PFOS case.

The Bailiff: And the next name I draw is that of Deputy Roffey, after Alderney Representative McKinley.

895 **Alderney Representative McKinley:** Thank you, sir.

Not surprisingly, my question is focussed on Alderney, which is, of course, part of the Bailiwick and only one of you made direct reference to Alderney in your opening speeches.

Are you aware of some of the major challenges which are currently facing Alderney at the present time? If so, could you outline them briefly in your responses? Naturally we are doing our
900 utmost to resolve some of those, but how would you, in your role as President of Policy & Resources, propose to help us?

[Bell rings]

905 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Yes. The fundamental problem with Alderney is a lack of economic activity which has led to an ageing demographic: in a way a microcosm of where Guernsey could be if we
910 mess up the next four years.

I believe that my project for introducing a university college into the Bailiwick would breathe new life into the Alderney economy. It would provide a centre of employment on the Island and a centre for spin-off activities on the Island, and that is the key to revitalising Alderney.

But it obviously has the issues that stem from the de-industrialisation of Alderney and have
915 created severe demographic problems. As Alderney Representative McKinley knows, I will be going up there in a few days' time to meet with the States of Alderney personally and discuss those issues with them.

The Bailiff: Deputy St Pier.

920 **Deputy St Pier:** Clearly the prime issue is the economy and, as Alderney Representative McKinley knows, that has been recognised. The work of the Alderney Liaison Group has very much been focussed on that. I would want that group to continue, if I was President of P&R and, indeed, I think there is a greater role for the Alderney Representatives in that process as well.

I think, also, the Alderney Representatives actually should be drawn in on more of an *ad hoc*
925 basis to all of the Committees' work. I think we tend, as Committees, to forget about Alderney until it is almost too late. So I think we should definitely have them involved. We need to recognise that we are in fiscal union. Of course in the last Budget we did make an attempt to provide a different tax cap for Alderney as a first step and I would be very keen to continue to
930 look at those kinds of initiatives. Every pound earned in Alderney is worth exactly the same as in Guernsey.

The Bailiff: Deputy Ferbrache.

935 **Deputy Ferbrache:** I first went to Alderney when I was eight with my uncle Dan and my cousins on a boat – because you could go on a day trip then.

I do not want to say exactly the same as my two colleagues – much of what they said is sense – but I want to say something different. One of your biggest problems in Alderney is your travel links, your communication links. If you do not have decent, regular and affordable travel links, you can have all the economy in the world but people are not going to come, they are not going to do business, they are not going to do anything else. That is an adjunct but it is a massive adjunct to the Alderney economy.

I did speak about Alderney in my thing. I think I am one of the persons that you mentioned. I am very grateful for that, and perhaps you will reflect that in your votes in due course. *(Laughter)*

945 **The Bailiff:** And I draw out the name of Deputy Laurie Queripel after Deputy Roffey.

Deputy Roffey: Can I preface my question by saying it is not a plant and the candidate I have seconded has no idea I am going to ask it.

950 What do the candidates believe Guernsey's population policy should be both over the next four years and beyond?

The Bailiff: Deputy St Pier.

955 **Deputy St Pier:** Sir, I am very supportive –

The Bailiff: Can you put your microphone on!

Deputy St Pier: Sorry, sir.

960 I am very supportive of the population policy that was adopted by the States last year: that instead of an absolute population number, we should be focussed on ensuring the working population is of the size and make-up consistent with achieving the States' strategic, economic, social and environmental objectives.

965 The trick is we need to decide what those objectives are. That takes us back to the central part of my 'pitch', if you like. We need to decide what direction we are going in. That will give us a proper policy framework in which we can decide where population sits in order to achieve those objectives. I think the policy that was adopted last December was the right one. We now need to go to the next stage and work out what our objectives are.

970 **The Bailiff:** Deputy Ferbrache.

975 **Deputy Ferbrache:** I actually agree with that, but it is pointless fixing arbitrary limits because whenever any country in Western Europe has tried to do that, it has not worked. What we want to encourage, both in the next four years and beyond then, are people that come here and are economically productive, because we cannot have a population of 80,000, 85,000 people; we are only 24 miles². We are pretty densely populated at the moment.

980 We do need some growth because the only person that could ever stop progress in a football match was Stanley Matthews; everybody else went backwards or forwards. So we have got to move forward. The policy that was enacted last December needs to have teeth in it, bones put on it, meat on it – whatever the metaphor is; I am getting confused now! But in relation to that, that is what it needs. Guernsey will move forward; our population will continue to increase, but modestly and productively and economically.

The Bailiff: Deputy Parkinson.

985 **Deputy Parkinson:** Well, I find debates on the ideal of size of Guernsey's population a little bit sterile because the reality is we have very limited control over the size of the population. I certainly have no ambition to increase the population by the sorts of numbers that are bandied around at Institute of Directors' debates. (**A Member:** Hear, hear.)

990 The reality is Guernsey's population will be what it needs to be to serve our economy. If we manage to grow our economy, the population will grow a bit. But, like others have said, what is much more important than the total number is the composition. If we continue down the path we are going, we are going to end up with a very serious demographic problem which will not necessarily impact on this States but will impact in the future and that is something we really need to get concerned about.

995 **The Bailiff:** And the next name will be Deputy de Sausmarez, after Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

A recent PAC report raises serious concerns about the bond issue, in particular in regard to the uncertainty and risks associated with the investment of the unallocated sum. Do the candidates share these concerns?

1000 If successful in today's election, will they endeavour to further investigate and explore this matter to ascertain whether the bond and all aspects of the bond truly represent best value for the States of Guernsey and the people of Guernsey?

If the answer is no, what steps will they seek to take?

1005 Thank you, sir.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Again, an excellent question.

1010 We took out this long-term loan for £330 million; we still have not spent it. The danger when the States of Guernsey or any other assembly has money that it has not spent is that it spends it. We cannot do that because we all have agreed that the finances are limited. Therefore we revisit it. We are not going to be able to break a binding legal commitment. That would cost us too much; we cannot do that. That would not speak well of our society anyway. But we have to make sure that the money that is still in the pot stays in the pot until it can be properly used and it is not wasted. We must make sure that – like Mr Micawber did not do, but what he was advised to do – we live within our means.

The Bailiff: Deputy Parkinson.

1020 **Deputy Parkinson:** Yes, it all seems rather strange. As far as I can make out, the trading boards and others who had the debt that was supposed to be refunded by the proceeds of this bond were not actually asked if they needed the money. It turns out that they can borrow the money in the market cheaper than the States' Treasury can lend it to them. So really this was not handled particularly well.

1025 But there it is; we have the money. We could use it, potentially, to buy the bonds back in the market, if they can be purchased. Clearly, unless we do that, the money needs to be managed well until we find a profitable and revenue-producing use for it – maybe even a university! (*Laughter*)

1030 **The Bailiff:** Deputy St Pier.

Deputy St Pier: If you look at the original list in the 2015 Budget Report of those projects it was due to refinance, they have all been used with the exception of those that have not yet needed it: the Guernsey Electricity, because it was possible to fix the cable to Jersey, for example.

1035 At the year end, we had £100 million had been lent on. We now have £135 million has been lent on. That is saving £1.25 million a year of interest over that which we were paying before across all the bodies. That is £40 million over the life of the bond.

We know we have got a £90 million cable coming up between here and France. We know we have potentially got £100 million deep water berth. We have got the Guernsey Housing Association projects still going on. We have got a £30 million waste facility. That has already taken care of all the proceeds that are available.

1040 It is not being spent until it is needed, but it will prove to be, over the life of the period, a wise decision to have got *[Bell rings]* and secured access to low cost of capital.

1045 **The Bailiff:** Deputy Prow, after Deputy de Sausmarez.

Deputy de Sausmarez: The States' Strategic Plan affords equal weight to economic policy, social policy and environmental policy. We have heard a fair bit from the candidates today about the first two – economic and social – but can the candidates please outline what their environmental policy priorities are and how they propose to ensure that they are given equal weight?

1050 **The Bailiff:** Deputy Parkinson.

1055 **Deputy Parkinson:** Yes, certainly environmental policy is one of the three pillars of the States' Strategic Plan – as I very well know – and it has been the Cinderella of the three. That is, I think, largely because it has not been as well represented as it should have been in the highest ranks of Government. I believe that one member of the Policy & Resources' Committee needs to be somebody who takes a keen personal interest in environmental issues and whose job it is to liaise with those Departments concerned in that area and to ensure that environmental policy is not neglected.

1060 **The Bailiff:** Deputy St Pier.

1065 **Deputy St Pier:** Certainly in the vision which I have set out in February and in my manifesto, the sustainable environment is very much part of that. So, again, if this was adopted as part of our goal, it will then give us the framework in which we can properly prioritise.

The problem at the moment, again, like everything else, is everything is a priority. In the case that Deputy de Sausmarez has cited, all the policies are treated as equal, as a result of which none of them are treated as equal.

1070 This is why it comes back to what is our key objective for the Island? For me, it is very much part of that. We can then use that to provide the framework, to give it the proper priority that it deserves.

1075 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Again, I agree with that. But, when I walk round the country parishes – as I do with my dogs on occasion – I see lots of ribbon development that should never have taken place because of ineffective planning laws in the past. Now, I do not want to see any or much building in those areas, frankly, because we have only got 24 miles². We have got to concentrate our development – because we have all talked about building more houses, etc. – in areas that are suitable, because that is a very important part of our environment. Once something has been built on, it is built on for 200 years or whatever it may be.

1080 As to the other policies, yes of course we have got to look at it; it has been left as a Cinderella. We have got to adopt that and we have got to speak to the environmental people who are going to be responsible for carrying the environment forward in this Assembly and say, again, 'Let's do it

in a constructive way, but let us do it in a realistic way.' We are not going to be able to do everything that was promised by the previous States, so we have got to be careful in relation to the environment, but be realistic.

1090

The Bailiff: I draw out the name of Deputy Merrett after Deputy Prow.

Deputy Prow: Thank you, sir.

I would like to ask a question of the candidates around the new structure of Government.

1095

Do candidates consider that there may be a danger of disconnect between the six Government delivery Committees and the Policy & Resources' Committee? If so, what can be done to mitigate this?

The Bailiff: Deputy St Pier.

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Deputy St Pier: A very good question. There is no formal structure in place at the moment. That needs to be developed: a formal structure that enables dialogue between the Policy & Resources and the principal Committees. As I said, I also believe actually a high level of informal contact is also essential: at least monthly meetings, without all the panoply of agendas and officers and everything that goes with that.

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But central to this, is going to be having a Policy & Resources Committee that is itself functional rather than dysfunctional. That comes back to the leadership and the team that is there. If they are spending all their time fighting amongst each other, they are not going to have time to deal with the Committees. Get that team right, then the rest will start to follow.

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The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I agree. You need a collaborative and co-operative approach that we have all talked about; otherwise, if you are fighting in Policy & Resources, that is going to set a bad example.

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You do not need anything necessarily formal. You can start on the first day that we are all elected to whatever positions we all eventually hold by talking to the Committees on a regular basis; by having that rapport; by open Government. It seemed to me, as an outsider in recent years, that there has been, 'This is my little field of expertise; this is my little field of responsibility. I am not telling you about that.' We cannot go forward with that. We have to be open and frank. We have to talk to people all the time. Eventually, you have got to make decisions. There is no point just talking and talking; you have got to do things, but you are more likely to do things productively if you talk to people and bring them along with you.

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The Bailiff: Deputy Parkinson.

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Deputy Parkinson: Yes. Clearly, monthly meetings with the Presidents of the – I will call them 'spending Committees' with the members of Policy & Resources do need to happen, because although Policy Council has often been criticised as a 'useless talking-shop', it was actually a talking-shop and there is value in talking.

1130

Also, I think the composition of P&R is very important. I think there need to be people on P&R who are interested in all of the policy areas. There need to be people who are interested in social policy – we are all interested in these things a bit, but we need people who are passionate about environmental policy, economic policy, external relations, all of the functions that P&R discharge. I really hope that Committees will invite the members of the P&R who are responsible for their area of policy, occasionally, to come and sit in their Committee meetings as non-voting observers, just to keep sensing the temperature of where policy is going in those areas [*Bell rings*] and to link them.

1135

The Bailiff: After Deputy Merrett, we will hear from Deputy Gollop.
Deputy Merrett.

Deputy Merrett: Thank you, sir.
What is your policy on universal benefits? Should they be means-tested or capped at an upper earnings limit?

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: There are certain benefits I would never touch: the old age pension, people have contributed to that. But other benefits: yes. Other benefits should be means-tested or capped or gradated away as people's income exceeds a certain measure.

In the good old days, you got interest on all your mortgage; you got interest on those who had big yachts – I never did, of course – you had interest on all of those things and that was claimable. We cannot afford any of that now.

Deputy Merrett's point – I think it was both a question and a statement really, as I understand it – is a good one; we have got to look at that and quickly. If you are earning – I am just plucking a figure from the air, Members of the Assembly – £100,000 a year, you should not have those kinds of benefits.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, I think means-testing is fair in principle. Unfortunately, sometimes in practice it proves more difficult to do than the saving that it can produce is worth. I think, for example, Social Security Department looked several times at means-testing Family Allowance. If you get to the point where you are just spending more time and you have got more staff working out whether somebody should benefit from this allowance or not, we often end up with the result that we provide it as a universal benefit.

Certainly we need to look particularly ... I think we are going to need to introduce, in my opinion, a student loan scheme and we need to look at the grant system for the Colleges in the new education programme. There is going to be quite a lot of means-testing and other benefit allocation coming up in the next few years and it is not going to be easy to do.

The Bailiff: Deputy St Pier.

Deputy St Pier: It is an excellent question. It is one that the Personal Tax, Pensions and Benefits Review looked at at length last year, and the Resolutions from that debate really inform the next phase. Really, the States noted the issues around universal benefits and directed the Social Security Department, as then was, to go away and report back by October 2017 on all those issues.

I think we can agree fairly readily that perhaps it does not make sense to pay universal benefits to everyone. The challenge is how we replace that for those who do have genuine need; that is the real challenge. And of course Family Allowance is being reduced from 1st January next year to help pay – cut by 15% – for preschool education, which is perhaps another form of universal benefit in a way.

The Bailiff: After Deputy Gollop we will hear from Deputy Kuttelwascher.
Deputy Gollop.

Deputy Gollop: Thanking you, sir.
Much has been made of a plethora of strategies, not all of which have been properly implemented. How would the candidates deal with the further transformation, efficiency and

development of the operational side of our system, which would be reorganising and redeploying the Civil Service.

The Bailiff: Deputy Parkinson.

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Deputy Parkinson: Well I sincerely hope that we will get a reform dividend from the restructuring of the States which is going on now and which is reflected in the composition of this Assembly.

1200

Clearly, in principle, it seems to me, if we manage to reduce 10 Departments down to six Committees, there must be restructuring opportunities within the Civil Service which will produce a dividend. I am very keen to see how the project underway under the direction of our Chief Executive Officer will develop. On P&R we will need to keep very close tabs on that and ensure that the Civil Service do not simply reshuffle the desks around and end up with pretty much the same payroll and the costs but without reflecting the savings that were possible.

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The Bailiff: Deputy St Pier.

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Deputy St Pier: We absolutely need to get – all of us – rowing behind the public service reform initiative and we need to have a political lead. That was where the Financial Transformation Programme failed in its initial stages: it was not politically led right from the beginning. We need that from the beginning. I envisage one of the Members of P&R would have that responsibility, to lead the transformation agenda.

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We also need to get on with our property portfolio and looking at how we manage that. That was one of the failings of the last States: to properly embrace the Strategic Asset Management Plan. If you look at their use of property, in town alone we have something like seven different properties and seven different receptions. You think about all the fixed costs of that: that is one of the areas where we can release a significant amount of money if we get our act together.

Get behind public service reform; provide a strong political lead.

1220

The Bailiff: Deputy Ferbrache.

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Deputy Ferbrache: We are all agreed that the reforms, hopefully, will give a dividend, but they are not going to give enough dividend. We need to be further; we need to look further into it and we need to do that proactively. Deputy St Pier is talking about the States' properties and getting a better deal from those, if I could use that.

1230

Let me just say, having dealt with the States commercially in various capacities, they are hopeless! They are efficient at Social Security and Housing and various other things, but in actually doing business, they are hopeless! They are outgunned, they are outmanned, they are out-thought. So we have to be far more commercial, realistic and have savvy – which we do not have.

I think that was one of the points behind Deputy Gollop's question. There is no point also just bringing in strategies, which the previous States did and the previous States did, which are still not implemented because there are not the resources and there is not the money.

1235

The Bailiff: If we have time for any more questions, we will hear from Deputy Mooney after Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

1240

In relation to the P&R mandated item of developing and promoting the States' overall policy objectives, what is your position regarding the possible extension of Guernsey's runway to accommodate commercially more low-cost carriers?

The Bailiff: Deputy St Pier.

Deputy St Pier: Clearly external travel links are a very important issue. We do have the extant Resolution in relation to Aurigny: to determine the role of Aurigny. I think a clear part of that consideration has got to be what is the impact of the runway and its possible lengthening? However, we need to recognise that, even if we decided to go ahead and do it, it would be several years away, so it is not going to be an immediate fix.

But I think it is quite apparent that we have limited our options with the length of our runway and the type of aircraft that can fly here. I think it is appropriate that we look at it, but we need to do it as part of a structured review, not as an isolated issue, and I suggest we do it in the context of the robustness of all our external links, including, of course, sea.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: It is not for me to ask a question, but why didn't we do it before when it was cheaper?

We have got to do it. We have got to protect Aurigny. We have got to protect our Gatwick routes. because if we do not the finance sector will not come to Guernsey. You can say whatever you like, you can do whatever you like, they will not come here. We have got to protect them, so it is going to be a subsidy of some kind, whether we like that or not.

But, as Deputy Smithies asked three or four, five questions ago, 'How do we increase our businesses?' we increase our businesses by having more routes. We can have bigger planes. We can have EasyJet or Ryanair – I am just plucking those names, again, from the air; they may not be interested, but they are interested Jersey, so why shouldn't they be interested to a lesser degree, in Guernsey? We can only do that if we have the runway. We know we are not going to be able to afford it for five or six years. If we do not – well that is what Deputy St Pier, who has had his fingers on the pulse for the past four years, tells us. But we have got to get on with it as soon as we can.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: The development of our air links needs to be considered in the context of a wider economic development plan. So, what business are we trying to attract? Where is it going to come from and what routes do we need to service that area of business?

When the runway was refurbished, of course, PSD went out and asked the airlines whether they wanted to operate larger planes here and the answer was basically, 'No.' As far as the evidence I have seen is concerned, the only route that would sustain larger planes would be the Guernsey/Gatwick route which, of course, is vital to the sustainability of Aurigny. And, if we licence EasyJet on that route, we can basically say, 'We are not going to do Aurigny anymore.' If we do that, we will have a far less frequent service. It will be much cheaper, but you will have three large planes operating instead of six small flights every day at cost to our convenience. *[Bell rings]* So this is a complicated question.

The Bailiff: Well, Members, the 45 minutes allowed has elapsed. If you wish to show your appreciation for the candidates in the conventional way, I suggest you may do now. *[Applause]*

Now it is over to you to vote. You have blank voting slips. Write the name on it and then hand it up to one of the Court officials, who will take it away and count the votes. I remind you that you have the three candidates: Deputy St Pier, proposed by Deputy Trott and seconded by Deputy Roffey; Deputy Ferbrache, proposed by Deputy Jones and seconded by Deputy Paint; and Deputy Parkinson, proposed by Deputy Green and seconded by Deputy Langlois.

Deputy Le Clerc.

Deputy Le Clerc: Sir, are we just using our Billet d'État pads?

1295 **The Bailiff:** Yes, the Billet d'État pads.

Deputy Le Clerc: Thank you.

1300 **The Bailiff:** This is a secret ballot on this occasion. So you do not write your own name on the pad, unless you are one of the candidates (*Laughter*) in which case you may do so, if you wish to vote for yourself, but other Members must not write their own names. If so, it will be treated as a spoilt paper.

The Greffier: Are there any more papers?

1305 **The Bailiff:** Has everybody handed up their voting slip? Yes.

In which case they will be taken away and counted. I suggest that we remain in the Chamber. It should not take too long to count them, and rather than adjourn and have to get everybody back in, I suggest that we just remain while you count them. Well, if you wish to remain!

1310 *A ballot took place and voting resulted as follows:*

Deputy St Pier	17
Deputy Ferbrache	15
1315 Deputy Parkinson	8
Number of spoilt papers	0

The Bailiff: Members, will you take your places, please.

1320 Places please! Well, some of you may want to know the result! Will you please all take your seats!

I have been handed the record of the votes cast: Deputy St Pier, 17; Deputy Ferbrache, 15; Deputy Parkinson, 8.

1325 Under the Rules that now apply, as I understand them, there will have to be a further ballot because no Member has secured a majority and this will be a ballot between the two with the highest number, i.e. Deputy St Pier and Deputy Ferbrache. Deputy Parkinson's name will not be included in this round of voting. I believe that is the correct interpretation. So you vote again and the choice is between Deputy St Pier and Deputy Ferbrache.

An Usher (Mr Martel): Sir, are you aware that some people are outside?

1330 **The Bailiff:** I said that we were not adjourning, but I think they should be told to come back in because otherwise I think, if we end up with a very tied vote ... Thank you for drawing that to my attention. Can you please ask them to come back in. How many Members are missing?

1335 **An Usher (Mr Martel):** I believe it is two, sir.

The Bailiff: Well, I think they should be allowed back in, because if we had a tied vote that would have ... Unless they simply do not want to participate, but they should at least be given the opportunity, otherwise the result will be called into question.

1340 Shall we just see how many ballot slips you have? Can you just count how many slips you have. Are they not outside the building?

An Usher (Mr Martel): They are certainly not in the front, sir.

1345 **The Bailiff:** Have they gone through to the Grand Hall?

An Usher (Mr Martel): They may not have known the procedure, sir.

1350 **The Bailiff:** I think with three missing, it would be very unfortunate if we did not give them the opportunity to vote. As I say, it looks as if it will be a close vote.

There are 37, so there are three Members who have not voted. If they do not want to vote, they can simply put a blank paper in, but I think they should at least have the opportunity to do that.

1355 I do not know if you have heard the result, but the result of the voting was Deputy St Pier, 17; Deputy Ferbrache, 15 and Deputy Parkinson 8. So there will now be a further ballot just between the two top candidates: Deputy St Pier and Deputy Ferbrache. So will you please now cast your votes again either for Deputy Ferbrache or Deputy St Pier, if you wish to vote?

1360 Right, we now have 40 voting slips, I believe; if you go away and count them. Again, we will not be rising, so people need to remain either in the Chamber or very close to it if they wish to know what the result is.

A second ballot took place and voting resulted as follows:

1365	Deputy St Pier	20
	Deputy Ferbrache	20
	Number of spoilt papers	0

1370 **The Bailiff:** Well, Members, I am now being handed the results of the votes and I can declare that Deputy Ferbrache received 20 votes and Deputy St Pier also received 20 votes! (*Interjections and laughter*)

What I propose is – I do not think the Rules cover this situation – there be a further ballot. It may be it is covered by Rule 16(3)(b). If it is, if that is what that Rule means, then it is a further ballot in any event.

1375 **The Procureur:** It is quite clear, with respect, sir. The first time round, you have to ask for a further ballot; the second time round, if there is still an equality, then it is your discretion whether (**The Bailiff:** Exactly!) to order a further ballot or to draw lots.

1380 **The Bailiff:** So this time round, it is a further ballot. As Her Majesty's Procureur said, if it is still tied after this, then I have a discretion. I will probably suggest yet another ballot before lots are drawn, but we will see how we go.

Again, it is a choice between Deputy St Pier and Deputy Ferbrache.

Has everybody handed up their voting slip? Yes, there are some more over there. Can you just count to make sure that you have got 40?

1385 Those slips are going away to be counted. Thank you.

I had a brief discussion with the candidates and it would be their wish if it is still tied after this that we have a short recess and they will speak to each other and to anybody else they wish to do so. So if it is still tied after this vote, we will have a 10-minute or 15-minute recess – however long they wish to have.

1390 *A third ballot took place and voting resulted as follows:*

	Deputy St Pier	20
	Deputy Ferbrache	20
1395	Number of spoilt papers	0

The Bailiff: Members, I am now being handed the results and I can declare that Deputy Ferbrache has received 20 votes and Deputy St Pier has also received 20 votes again. So I propose

1400 that we have a recess for ... Deputy St Pier and Deputy Ferbrache will contact me and we will let you know when we are ready to resume.

Thank you.

*The Assembly adjourned at 11.34 a.m.
and resumed its sitting at 12.10 p.m.*

POLICY & RESOURCES COMMITTEE

Election of a Policy & Resources Committee President – Deputy St Pier elected

The Bailiff: Members, I understand there has been a request for a further ballot. Is that right, Deputy Ferbrache?

1405 **Deputy Ferbrache:** Yes, sir.

Deputy St Pier and I have had conversations. We would like the opportunity of one further ballot.

The Bailiff: One further ballot.

1410 So it is one further, Members, between Deputy Ferbrache and Deputy St Pier.

That seems to be everybody's. Can you just check that you have 40 voting slips?

I take it there are 40 – is that right? Yes, there are 40; they are going to go away and be counted.

Peter, your microphone is on!

1415

A fourth ballot took place and voting resulted as follows:

Deputy St Pier	20
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Deputy Ferbrache	19
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1420 Number of spoilt papers 1

The Bailiff: Well Members, the result is now being handed to me, and I can declare that Deputy St Pier has received 20 votes; Deputy Ferbrache, 19 votes and there is one spoilt paper. So I declare Deputy St Pier elected as the President of the Policy & Resources Committee. *[Applause]*

1425 That concludes the official business but, Deputy St Pier, would you like to say anything?

A Member: Phew! *(Laughter)*

Deputy St Pier: Sir, I am overwhelmed!

1430

A Member: Do you want a recount? *(Laughter)*

Deputy St Pier: Do I want a recount? No!

1435 Sir, I feel a little bit ill, I think, for having gone through that process. I am sure none of us expected that. I think the lesson for me is it clearly reflects, I guess, the will not only of the Assembly but perhaps of the election for me as an incumbent. I think that shows what a difficult position this is going to be to fulfil. I am determined to ...

This is an inauspicious start: to end up with such a divided vote. I think what it re-emphasises is what I was saying in my opening speech: the need for us to really work together. As Deputy

1440 Ferbrache said, 'This is going to be a very difficult States', as indeed the last one was. We have some major challenges.

I think that what we need to do is go away from here now and really think about where people's skills can best be used to best effect. This cannot be about personal aspirations, but where they are best deployed. I think over the next nearly 48 hours, before we meet again, I will
1445 certainly want to engage with Deputy Ferbrache and others to make sure that we can put our best foot forward and unite the Assembly in a way that clearly it was not in making that very difficult decision.

But I am genuinely honoured to have this opportunity and I will do my best to ensure that I do not let either you or the people of the Bailiwick down.

1450 Thank you, sir. *[Applause]*

The Bailiff: Well, Members, that concludes the business for this sitting of the States and we will be back here on Friday.

The Assembly adjourned at 12.20 p.m.