



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 14th December 2016

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Present:

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

Law Officers

R. M. Titterington, 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. 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, N. R. Inder, M. M. Lowe, L. B. Queripel,
J. C. S. F. Smithies, S. T. Hansmann Rouxel

The Castel

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

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. 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

A. J. Nicolle, Esq. (H.M. Deputy Greffier)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Procureur)
Deputy M. K. Le Clerc (*absent de l'île*); Deputy J. P. Le Tocq (*absent de l'île*);

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Deputy Greffier

EVOCATION

The Deputy Greffier: To the Members of the States of the Island of Guernsey I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday 14th December 2016 at 9.30 a.m. to consider the items listed in this Billet d'État which has been submitted for debate.

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STATEMENTS

Committee for Education, Sport & Culture – Motion of no confidence – Statement by the Bailiff

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

I think it may assist if I set out the current position regarding membership of the Committee for Education, Sport & Culture, given the public interest, and speculation in the media.

Rule 37(4) of the Rules of Procedure of the States of Deliberation and their Committees states, and I quote:

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If the President or a member of a Committee resigns from that office in a letter to the Presiding Officer, the resignation shall take effect [immediately] on the election by the States of a successor to the office vacated.

I repeat those words:

... [immediately] on the election by the States of a successor to the office vacated. No debate shall be held on the matter of the resignation.

Mid-morning yesterday, I received a letter dated 12th December 2016, in which Deputy M P Leadbeater indicated his intention to resign as a member of the Committee for Education, Sport & Culture.

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Rule 3(2) of the Rules states:

Any proposition in respect of an election to a vacant office shall be submitted by the Presiding Officer who alone shall have the right to determine the Billet d'État in which the proposition shall appear.

In accordance with that Rule at 11.07 a.m. yesterday I submitted an appropriate Proposition for the election of the Committee for Education, Sport & Culture to replace Deputy Leadbeater, and requested that the Proposition be included in the Billet d'État for 11th January 2017 meeting. Deputy Leadbeater will remain a member of that Committee until his successor is elected.

20 Rule 21 makes provision for motions of no confidence in the Committee, in particular sub paragraph (4)(b) states that a motion of no confidence must include within its petition:

... a statement that all the members of the Committee, including the President thereof, were invited in writing to tender their resignations and that all or some of them had not done so within five days (excluding Saturdays, Sundays and Public Holidays) of that invitation.

I am informed that such a notice was served on the President and members of the Committee for Education, Sport & Culture, on Friday 9th December 2016. As I have already stated I have received the resignation of one of the members, the President and remaining three members of
25 the Committee have up to, and including, this coming Friday to decide whether or not to resign their respective officers.

The current position, therefore, is that either the entire Committee will indicate their wish to resign before the close of business on Friday, in which case the proposed motion of no confidence will not be proceeded with, or that one or more of the President and three remaining
30 members will not do so, in which case the prospective movers of the vote of no confidence will then consider whether to submit the motion to me pursuant to Rule 21(1) which states:

If any seven Members (but not more than seven) address a request in writing to the Presiding Officer that a motion of no confidence in a Committee be laid before the States, the Presiding Officer shall include that request in a Billet d'État as soon as reasonably practicable.

As things stand at present, therefore, on Monday 19th December I will either (a) have received the resignations of the President and all the members of the Committee for Education, Sport & Culture, or (b) will have received the resignation of up to four of the President and members of
35 the Committee and may – may – have received a motion of no confidence in that Committee.

In the first of those scenarios Rule 3(2) states that I have the right to determine the Billet d'État in which the Propositions shall appear. In the case of the second option, that is the motion of no confidence, then Rule 21(1) requires that I shall include that request in a Billet d'État as soon as reasonably practicable.

40 Members of the States, I am aware that there are amongst you those who consider that this matter should be disposed of at the earliest possible opportunity. Whilst I do not dissent from that view, my duty as Presiding Officer is to ensure that all of you have a fair opportunity of expressing your views on whatever is put to you for consideration, whether that be the election of a new Committee for Education, Sport & Culture, or a motion of no confidence in the present
45 Committee.

I am also mindful of the fact that after Friday of this week a number of Members will be absent de l'île. Effectively, the States will be in recess from Saturday 17th December to Tuesday 10th January, a period of just 14 working days. Further, I consider that appropriate time has to be given to prospective candidates to prepare for the election, particularly if the election of a President is
50 required. In such an election, pursuant to paragraphs (3) and (4) of Rule 16 each candidate is required to address the States for not more than 10 minutes, and then to undergo a period of questioning relating to areas of policy included in the mandate of the Committee. Having taken all those factors into account, I have decided that it is reasonably practicable for the elections and for a motion of no confidence to be considered by the States on Wednesday 11th January 2017. That
55 being so, I will direct the Billet d'État be issued, pursuant to Rule 2(5), convening the States for a meeting to be held immediately before the meeting which is to be convened to deal with the ordinary business of the day.

Finally, it may be helpful to remind Members of Rule 21(5)(b) which states that motions of confidence shall be:

... deemed to include such propositions to the States as may be appropriate for the election at that Meeting of new members of the Committee, and a President thereof, to complete the respective unexpired portions of the terms of office of the previous members and President.

60 In the eventuality that a motion of no confidence is carried, any Member wishing to stand for one of the resulting vacancies must come prepared for an immediate election.
That is the end of my communication.

POLICY & RESOURCES COMMITTEE

Public Service Reform – Statement by the President of Policy & Resources Committee

The Bailiff: We can move on with Statements, the first of which is to be by the President of the Policy & Resources Committee on, I believe, Public Service Reform.
65 Deputy St Pier.

Deputy St Pier: Thank you, sir.
In September 2015, the States of Deliberation acknowledged the need for significant change and endorsed a document called 'A Framework for Public Service Reform'.
70 At that time, it was agreed that an annual update on progress against that document should be given. I also undertook in my Statement to the Assembly in June to keep the States regularly updated. So, rather than incurring the time and cost of preparing a policy letter which the States would only be asked to 'note', we have opted to provide a written update from the Chief Executive – circulated to States' Members yesterday afternoon, and which will be published in full
75 today – and also to make this Statement.

The ambitious Public Service Reform programme goes beyond what was delivered previously by the Financial Transformation Programme, the FTP, and aims to transform the organisation, management and delivery of public services.

The Policy & Resources Committee is providing political oversight of, and assurance to, Public Service Reform; and I am leading that on behalf of the Committee. Although the States is only one
80 year into a lengthy journey, a great deal of work on transforming the delivery of public services is already happening. It is vital that it succeeds. The increased efficiency and effectiveness will help us to maintain services as demand increases, while at the same time controlling costs and expenditure. It will help us to achieve the aims that we agreed last month in Future Guernsey, the
85 first phase of the Policy & Resource Plan, sustainable public finances and a community served by strong efficient public services.

I know that many States' Members are directly involved in supporting this work and I would encourage all Members to take an active interest in ensuring it meets the ambitious targets that have been set.

90 Whilst inevitably there will be greater opportunities in some areas than others, the transformation of public services is essential; simply making minor alterations to the way we are already doing things, will not be enough to secure the quality, affordability or sustainability of public services in the long term. I am confident that working collaboratively both within Government and within the public service we can make the changes that our community needs.

95 Within 'A Framework for Public Service Reform' we have already committed to improving customer engagement and satisfaction while delivering and demonstrating value for money. The public service is now working towards this in different ways: through re-designing services; piloting new ways of working; improving the services currently provided; and making day-to-day changes to the way things are done. There is no need or desire to put in place a project board to
100 implement a good idea, JDI – Just Do It!

Public Service Reform is a sizeable initiative and has been divided into several programmes of work, including health and social care, education and training, and justice and equality. The programmes are supported by better use of property and technology.

105 Updates in areas such as health and social care, and justice and equality, will be provided to Members by the Committees involved in due course. This update covers progress on the following four States-wide initiatives: the People Plan; SMART Guernsey; Property Rationalisation; and Contribution and Tax Services (CATS)

110 The People Plan will ensure that the public service's people resources are adequate, appropriate and fit for purpose. In other words, it is all about ensuring that we have the right people with the right skills for the future.

Over the last five years the overall size of the public service has reduced by over 3%, by 171 posts, despite the requirement to increase in such areas as health. However, it is clear we need to strike an even better balance between investment in staff that provide our public services and the management of the cost of staff across the whole of the public sector.

115 With the public sector going through significant transformation, there is a requirement and an absolute commitment to evaluate staff terms and conditions with a view to ensuring we have a pay system which is focused on our needs and objectives.

So this review will need to include evaluating the extent to which harmonising terms, conditions and pay spines across our multitude of staff groups, can lead to efficiencies and potential savings, whilst ensuring fair and equitable pay for the work that is done; and it will also need to review the impact of pay increments, which I referred to in my Statement to the Assembly in June. The aim will be to reduce the number of staffing groups to streamline future negotiations.

120 Proactively managing the cost of the public service pay bill, which amounted to £215 million from general revenue in 2015, is absolutely critical and measures are already being taken to reduce this, and will continue to be progressed in 2017. For example, earlier this year, I reported a number of measures being taken by officers to address the shortfall in revenue in 2016, and I can advise that £950,000 of the in-year savings for 2016, signed off as a result of these measures, have been pay-related.

125 In the next 10 years, over 30% of the public sector workforce will reach retirement age. The public sector has an annual turnover of its work force of 14%, which equates to approximately 750 staff. As public sector reform progresses, this staff turnover provides an opportunity to change and do things differently.

130 SMART Guernsey is the name given to the digital work that is supporting Public Service Reform. In other words, the re-design of services, the automation of middle and back office activities, and increasing the number of transactions or requests that can be completed online.

135 This shift from over-the-counter services to online processes has the potential to significantly reduce costs, whilst increasing accessibility and service. However, this will not mean an end to face-to-face contact, it means that those who are able to use online services will be encouraged to do so, and staff can instead focus on supporting people who, for whatever reason, need personal assistance.

140 SMART Guernsey is also ensuring staff and customers have access to the right information, in the right format, at the right time and in the right place. An example of this, of course, is the revamp of the www.gov.gg website during 2016, which makes it easier for our customers to access the information they have told us is most important to them.

145 A further example of a digital initiative which has already been implemented as part of Public Service Reform, is the introduction of Video Conferencing (VTC) technology in a number of States' locations. In Health & Social Care this has already enabled patients in Alderney to be assessed by clinicians, without the time and cost of having to travel to Guernsey for an appointment. More than 2,700 flights were taken in 2015 by Alderney residents travelling to Guernsey for medical appointments, many of which were routine. A significant number of these consultations can now be safely and effectively carried out by VTC, as familiarity with the system increases. Further opportunities to use that technology are now being explored.

150 Rationalising the States' property holdings has been a strategic objective for some time, and last week gathered pace with the tendering of significant work to upgrade Sir Charles Frossard

155 House. This will not only support public service reform, but will provide work to boost our local economy.

The States is committed to vacate two properties, Cornet Street and Grange Road House, by the end of 2017. Both properties will be made available to the States' Trading Supervisory Board and may be disposed of, which would obviously provide a capital receipt or let, which would
160 generate an ongoing revenue stream.

Other opportunities to rationalise the property portfolio to meet Public Service Reform are part of the wider programmes of work being undertaken in the Transforming Health & Social Care programme and in the Home Operational Services Transformation programme, HOST. Updates on these initiatives will be provided by the relevant committees in due course.

165 The aim of the Contribution and Taxation Services Programme is to create a combined service for the collection of Income Tax revenue and Social Security contributions, supported by an efficient organisational structure and IT systems. Combining the collection of services will reduce cost and increase efficiency.

Work to develop the so-called 'Target Operating Model' for the combined function will
170 commence in January 2017, with the output expected to come to the States for approval before the end of 2017. If approved, work on the transition to the new model should begin in 2018.

During 2016, a number of improvements in the services provided by the Income Tax Office have been delivered. This has enabled the number of individual registrations for online tax services to increase to almost 27,000. A significant improvement in service has been realised, with
175 around 60% of assessments submitted online, now being processed within 10 days, as they relate to customers whose tax affairs are straightforward and therefore require a minimal level of staff intervention. The Public Service document sets out the concept of a 'reform dividend' for transformation projects.

Initiatives which accrue financial benefits will bring a return on investment, known in other
180 words as the reform dividend, where cost savings or income generated can be used to either: help eliminate any deficit; replenish the reserves which were depleted over the period the States ran a deficit; fund increased demand arising as a result of the changing demographic such as social care; be invested in new or improved services where these have been prioritised by the States; or invested in capital assets to help deliver on the fiscal frameworks objective of 3% of GDP spending
185 per annum.

Since the end of the Financial Transformation Programme, the responsibility for the identification, delivery and reporting of cost reduction or efficiency improvement initiatives has been with individual committees. Work undertaken in the autumn suggests that almost
190 £1.5 million of cashable savings were made from over 60 different service-led initiatives between January 2015 and June 2016.

In summary then, sir, there is a great deal more work for the States of Guernsey to do in reforming the public services, but I am confident that we are making progress and already seeing benefits, and are now heading in the right direction.

195 **The Bailiff:** Are there any questions arising from within the context of that Statement?
Yes, Deputy Kuttelwascher and then Deputy Lester Queripel.

Deputy Kuttelwascher: Thank you, sir.

In relation to the savings being made on the cost of air travel for Alderney residents coming to
200 Guernsey for medical appointments, is there an estimate of the loss of revenue to Aurigny as a result of this?

The Bailiff: Deputy St Pier.

205 **Deputy St Pier:** I am afraid I do not have that information to hand, sir.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Thank you, sir.

210 Sir, I take great comfort from the President saying that Islanders who do not have access to computers and therefore either need to talk to staff face to face or on the phone are very much considered in this Public Service Reform initiative at the moment, but I do have a concern that there will be eventually a drive to get every Islander online, by ceasing access to staff either over the counter or on the phone.

215 Can the President give me an assurance that life will not be made difficult for Islanders who need, or prefer, to talk to staff face to face or on the phone, and those who need or prefer to work on paper rather than a screen even if they do have access to a computer?

The Bailiff: Deputy St Pier.

220

Deputy St Pier: Sir, I think I can give Deputy Lester Queripel that reassurance that the whole drive behind public service reform is to ensure that we provide the services which our customers want in the way that they want them, and that it is reflected many customers clearly want to be able to deal with matters online and not to have the face-to-face contact to be able to deal with it at home; others have a different requirement. This is to enable both requirements to be met.

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The Bailiff: Deputy Gollop.

Deputy Gollop: I am quite glad to hear of progress being made with the People Plan.

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Now, Policy & Resources will be aware that the States has voted to increase the retirement age from 65 to 67, and indeed subsequently to 70. Will the People Plan fully integrate measures pertaining to the work stream of longer working lives to ensure that people eligible to work in the public sector have a non-discriminatory capability achievable in the work place at every stage of their working life?

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The Bailiff: Deputy St Pier.

Deputy St Pier: Yes, it will need to do precisely that and, obviously, will be informed by the work that Deputy Gollop refers to from the Committee that he obviously sits on, Employment & Social Security.

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The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, would the President of Policy & Resources be interested to know that Health & Social Care has already started piloting VTC across with Southampton and it is proving successful at the moment.

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The Bailiff: Deputy St Pier.

Deputy St Pier: I am delighted to hear that, sir. *(Laughter)*

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The Bailiff: Anyone else?
Deputy Inder.

Deputy Inder: Deputy St Pier, you touched on SMART Guernsey; a lot of things in there I was not aware about. Coming from an e-commerce background, as I do, and you touched on the Government website itself, it has indeed been updated, it is now mobile friendly and there is more accessibility – so, yes, an improvement. However, there are outstanding issues relating to that

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website and they are, in the main, related to search, and there are extreme difficulties with us, actually, as States' Members, and the public accessing relevant information and how the search results are divvied up. That is an absolute fact.

The Bailiff: You have just over 10 seconds remaining.

Deputy Inder: Sorry, as it is a structural website basically, sir, would you mind if I took on that role working with central Government to try and deliver a better user experience for us and the user public?

The Bailiff: Deputy St Pier.

Deputy St Pier: Not at all, sir, I would be delighted and I would encourage Deputy Inder to make contact with the States' Chief Information Officer, and I am sure he would welcome and benefit from Deputy Inder's experience.

A Member: Hear, hear.

The Bailiff: Anyone else? No.

We will move on then to the second statement, which is also to be delivered by Deputy St Pier on behalf of the Policy & Resources Committee.

Deputy St Pier.

POLICY & RESOURCES COMMITTEE

Domestic Reporting of Interest to Income Tax – Statement by the President of Policy & Resources Committee

The Bailiff: We will move on then to the second Statement, which is also to be delivered by Deputy St Pier on behalf of the Policy & Resources Committee.
Deputy St Pier.

Deputy St Pier: Sir, I would like to take this opportunity to provide an update to the Assembly, on the requirement for local banks to report to the Income Tax, details of bank interest received by Guernsey residents.

The original proposals were resolved by the States on 11th December 2013. Now, at that time the key driver of the proposals was to reduce the burden on taxpayers, by enhancing the information the Income Tax office receives from third parties.

However, since that debate there have been a number of international tax developments which have led to greater automatic exchange of information for tax purposes, through the implementation of FATCA, first with the US and then with the UK, and then more recently the Common Reporting Standard.

These international developments mean that, counter-intuitively, Guernsey will in fact shortly be receiving far more information from foreign tax authorities about domestic taxpayers' overseas interests than we do from local financial institutions about taxpayers' domestic income.

A bank interest exemption of £50 was also introduced in 2015, aiming at encouraging and rewarding savings. This step also alleviated the reporting burden for taxpayers, particularly with the current low interest rates.

Now, Jersey recently announced in proposals in their 2017 Budget, which of course is being debated this week and indeed today, introducing the domestic reporting of interest aligned to the

reporting requirements of the Common Reporting Standard. Regulations will be developed in partnership with banks to be brought forward early in 2017. Jersey recognised that undeclared bank interest was the most common error identified during their last disclosure opportunity, in other words tax amnesty, offered in 1998.

Therefore, in order to minimise compliance costs for financial services businesses and recognising that many banks operate across both Islands, the Policy & Resources Committee plans to bring forward proposals to amend the 2013 Resolutions and subsequent legislation, in order to align the domestic reporting of interest with that under the Common Reporting Standard. In order to ease implementation for local banks, the timing of this will be aligned with Jersey, so far as is possible, given our different administration processes. This will be achieved through joint engagement from the tax offices in both islands with industry, continuing our commitment to 'Work Better Together'.

In order to provide clarity to the banks, and to enable them to prioritise their resources appropriately, I would like to confirm that the Director of Income Tax will not require reporting of any interest paid or credited by banks to an individual resident in Guernsey for any calendar year preceding 2017. For the avoidance of doubt, sir, individuals, of course, remain responsible for reporting any such interest received on their personal tax returns, subject, of course, to the £50 exemption I referred to earlier.

Also, for clarity, the Director will not seek to impose penalties on banks in the event that a Tax Identification Number (TIN), which is a term used in the Common Reporting Standard, has not been obtained for accounts established by individuals' tax resident in Guernsey prior to 31st December 2016. For Guernsey residents the TIN is actually their Social Security number, because this is unique to each individual.

For completeness, I should mention that the original proposals also envisaged the domestic reporting of interest paid by Guernsey residents to financial institutions. However, following the Resolution as part of the Personal Tax, Pensions and Benefits Review debate in April 2015, to phase out mortgage interest tax relief by 2025, and recognising the cost implications for financial institutions to change their systems to report all mortgage accounts for such a short period, the Director of Income Tax will, as set out in the 2016 Budget, only request that information from a financial institution in respect of those individuals where further clarification is required. It is not proposed that this arrangement should change.

Sir, I would like to take this opportunity to thank the Committee for Economic Development, particularly Deputies Ferbrache and Dudley-Owen, for their recent assistance and input in reviewing this matter with the Association of Guernsey Banks. The decisions have also been taken having regard to the objective contained in Future Guernsey, the recently approved phase 1 of the Policy & Resource Plan, of 'keeping regulation appropriate and proportionate.'

In summary, officers from the Income Tax office will now work with their counterparts in Jersey, and through engagement with industry, to finalise proposals that will introduce domestic reporting of interest, aligned with the reporting requirements of the Common Reporting Standard. My Committee will report back on progress later in 2017.

The Bailiff: Any questions?

Yes, Deputy Roffey.

Deputy Roffey: If I have understood the President of P&R correctly, the interest earned by individuals from domestic banks will be reported automatically to the tax office, and yet individuals when they fill in their tax forms will still have to fill in the amount they have received from domestic banks. Well, why? Why will they still have to do that? It is a pain in the backside, frankly, trying to keep track of exactly how many pennies should be paid – and it is pennies these days – in interest. So if they are getting the information anyway, why put the burden on individuals?

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

Deputy St Pier: Deputy Roffey's question, sir, goes to the heart of the problem which the banks had in dealing with the original proposals, which is that actually separating out information between joint account holders where accounts are held through underlying trust or company structures, now all of that information is reportable under the Common Reporting Standard, that was not part of the original proposals.

360 Sir, in essence the information which the Income Tax office will receive from foreign tax authorities and, indeed, from local financial institutions, once these proposals have come in, assuming the States agree to that in due course. It will become a compliance tool. It will improve the ability of the Income Tax office to identify where information has not been properly reported, and to enable that to be followed up.

365 Clearly, as part of the process of developing the Contribution and Taxation Services (CATS) programme, which I referred to in my previous statement, and developing that target operating model, a central theme of that objective is to try and suck in as much information as possible automatically; it can then be used to populate people's tax returns and to minimise the amount that they have to provide to the Income Tax office themselves. That is a separate piece of work, but absolutely that is key that we want to use as much of that information as possible because clearly it is inevitably more accurate often.

375 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Well, is the President saying that we will effectively adopt the same system as Jersey, and the same regulations as far as practically possible, or will there still be differences between the Islands?

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

Deputy St Pier: Sir, the intention is to require the banks to report exactly the same information to us domestically as they are now required to report in respect of what would be nearly, or over, in fact, 100 jurisdictions. In effect we will become, if you like, 101st jurisdiction. It will be information which is entirely consistent with the Common Reporting Standard, and that is exactly the same proposals as exists in Jersey. So it is to attain the same information whilst keeping the requirements for separate systems and so on, to minimise that requirement in terms of the compliance burden and cost for the financial institutions.

390 **The Bailiff:** I see no one else rising.

**Damage to undersea telecommunications cables –
Statement on behalf of the Committee for Economic Development**

The Bailiff: We will move to the third Statement, to be delivered by Deputy Dudley-Owen on behalf of the Committee for Economic Development.

395 **Deputy Dudley-Owen:** Just to make a correction, a clarification there, sir, I am making this Statement as the digital representative of the Committee for Economic Development and not on behalf of the Committee.

The Bailiff: Ah. Well, you are delivering it as a member of the Committee.

400 **Deputy Dudley-Owen:** As a member, yes, indeed.

The Bailiff: It is not a personal statement; that is the point.

405 **Deputy Dudley-Owen:** Okay. Alright, thank you.

Deputy Dudley-Owen: As you are aware, on the evening of 28th November damage was caused to three undersea telecommunications cables, the CI-7, Liberty and CI-8, between Guernsey and the southern coast of the UK. While it is not unheard of for cables to be damaged, having three cut simultaneously is almost unprecedented; the last time a significant incident of this nature happened was 1979.

I am pleased to report to the Assembly that, despite the extraordinary nature of this event, contingency plans were in place, had been tested and were immediately enacted. Engineers from Sure provided support to their colleagues from JT and BT to ensure minimal disruption to internet and telephone services for users in the Bailiwick, with the vast majority of communication traffic successfully re-routed through the other submarine cables to the UK and France.

415 As the digital representative for Economic Development, I, Deputy St Pier and officers from respective committees, Policy & Resources and Committee for Economic Development, met with senior representatives from Sure and JT last week to discuss the incident, the response and impact in more detail.

420 Sir, I am pleased to report that final repairs to the cables were completed in the early hours of Sunday morning; and, following our meeting with Sure and JT, both Committees were reassured by the speed and professionalism of the initial response, by the way the parties worked together, and the plans that were enacted to reinstate the full network.

An event such as this could have had a significant impact on connectivity in the Channel Islands, if our infrastructure was not fit for purpose. However, the Island's digital connectivity is secure, and it is highly resilient, as a result of close liaison between the telecommunications industry and the States of Guernsey. Sir, in short, this incident put our digital network to the test, and it passed with flying colours. It also reaffirms that Guernsey is one of the safest and most secure places to do business in the world.

430 Connectivity is of crucial strategic importance, and while it would be clearly preferable for contingency measures to remain firmly in the background, without ever needing to be activated, it is nevertheless reassuring to know that Guernsey's infrastructure has the necessary resilience to maintain business-as-usual activity, even when unprecedented events occur.

435 The Committee for Economic Development is continuing to look at the development of policies which will deliver next generation digital connectivity that will meet the needs – the future needs – of business and the community.

Thank you.

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

Deputy Gollop: I have got perhaps two questions really, but I probably can only have one at the moment.

445 **The Bailiff:** One at a time.

Deputy Gollop: The first question is: does Deputy Dudley-Owen, and indeed the wider Committee, welcome the apparent spirit of co-operation between the telecoms companies, which was not necessarily the case at one time.

450 **The Bailiff:** Deputy Dudley-Owen. If you switch your microphone off, Deputy Gollop, then we will not get the communication from your ...
 Deputy Dudley-Owen.

455 **Deputy Dudley-Owen:** Indeed, in response to Deputy Gollop's question, I think that it is imperative that going forward there is co-operation between the two major companies that offer us telecommunication services in the Island, especially when we have incidents such as this. Communications need to be streamlined not only between the companies but also with the States of Guernsey so that we can keep the community informed.

460 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Can I ask: did the vessel involved report severing of the cables, or was it reported for the severing of the cables?

465 **The Bailiff:** Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you for that question.
 I am afraid I am not able to go into the technical detail. Would you like me to clarify? Only due to ongoing investigations into the matter.

470 **Deputy Brehaut:** I understand from the President that the vessel was reported for severing the cables.
 Thank you.

475 **Deputy Dudley-Owen:** I am pleased to have that clarification.

The Bailiff: Deputy Gollop.

480 **Deputy Gollop:** It possibly goes beyond the Statement, because it creates a wider question that the Law Officers might address, and other parties, but it is: how robust is our ability to pursue litigation against any vessel, or other body, that created discontinuity of our communications infrastructure?

485 **The Bailiff:** That goes beyond the context of the Statement, but ... Deputy Dudley-Owen is not rising to answer it, and she does not need to because it goes beyond the context of the Statement.

 I see no one else rising.

Questions for Oral Answer

SCRUTINY MANAGEMENT COMMITTEE

Review of the implementation of the Children Law 2008 – Progress, obstacles, legal aid, complaints and investigations

The Bailiff: We will move on to Question Time and this is Question Time under Rule 11, and there are a series of questions to be asked by Deputy Lester Queripel of the President of the Scrutiny Management Committee.

Deputy Lester Queripel.

Deputy Lester Queripel: Sir, in 2015 a review of the implementation of the Children Law 2008 was undertaken here in the Island by Professor Kathleen Marshall, on behalf of the Scrutiny Committee.

In her report, which was published in November 2015, Professor Marshall made 21 recommendations she felt could be pursued by the States. So, bearing in mind the review was instigated by the Scrutiny Committee, can the President of the Committee please tell me if his Committee intend holding a hearing in the not too distant future to which representatives of States' departments will be invited, to answer questions that seek to establish whether or not their departments are actually pursuing those recommendations?

The Bailiff: The President of the Committee, Deputy Green, will reply.

Deputy Green: I thank Deputy Queripel for his questions.

The Scrutiny Management Committee does intend to question relevant Committees, principally, Home Affairs and the Health & Social Care Committee on their progress regarding the implementation of the Marshall Report recommendations as part of its ongoing programme of public hearings.

The Bailiff: Any supplementary questions on that one?

Deputy Lester Queripel: Sir, yes.

The Bailiff: You have a supplementary question. Deputy Lester Queripel.

Deputy Lester Queripel: Sir, my supplementary question is this: will the hearings the President mentioned focus specifically on establishing what progress departments have made in pursuing the recommendations, or will the questions relating to the recommendations be on a list with a lot of other questions that focus on other issues – the plan then being to ask as many of those questions as possible at the same hearing? The reason I ask that question, sir, is because my experience of scrutiny hearings is that some questions do not actually get asked due to time running out at the hearings.

The Bailiff: Deputy Green.

Deputy Green: Sir, that would be a matter for my Committee to decide, having evaluated the situation, but of course Deputy Queripel and any other Member of the States is free to ask the Committees in question, Home Affairs or Health & Social Care, those particular questions about the progress in terms of implementation directly.

The Bailiff: Any more supplementaries?

Deputy Lester Queripel: I have a supplementary to that, please, sir.

The Bailiff: You have a supplementary? Yes. Carry on.

Deputy Lester Queripel: Yes, please, sir.

Seeing as it is now over a year since the recommendations were published, and seeing as though Scrutiny instigated the review in the first place, I really feel they need to take a lead on this, and introduce an element of urgency into the equation. Therefore, can the President please tell me whether or not he sees any merit in undertaking an urgent business review to establish as soon as possible exactly how much progress departments are making on the recommendations?

The Bailiff: Deputy Green.

Deputy Green: It is a good question and we have been monitoring the situation, and that is why we will be seeking answers to these kind of questions with the two Committees in question, but ultimately it is a matter for my Committee to decide, not for me personally. I am happy to take that back to the Committee and have a discussion about it.

The Bailiff: Your second question then, Deputy Queripel.

Deputy Lester Queripel: Well, I have a supplementary question to that one, sir.

The Bailiff: You are only allowed two supplementary questions and you have had your two.

Deputy Lester Queripel: Sir, thank you.

Recommendation 20 in the report tells us that the Royal Court could be invited to consider the purpose of Rule 58. Now, this is a rule that Professor Marshall tells us seems to go further than any other jurisdiction due to the fact it forbids parties from discussing proceedings with family, with friends, and even with advisors. Professor Marshall also said the rule was an obstacle to some people who wanted to submit evidence to the review itself.

My question is: has the Scrutiny Committee any intention of inviting the Royal Court to consider the purpose of Rule 58, or does the Committee feel that is the responsibility of an individual Deputy or another department to pursue?

The Bailiff: Deputy Green.

Deputy Green: The Rules of the Royal Court are a matter for the Court. However, I am aware that Practice Direction No. 1 of 2016 entitled the "Disclosure of Acts of Court in Family Court Proceedings", does reflect an updated position regarding relevant recommendations in the Marshall Report.

The Bailiff: Are there any supplementary questions?

Deputy Lester Queripel: I have a supplementary, sir.

The Bailiff: Yes, Deputy Lester Queripel.

Deputy Lester Queripel: It is the obvious one, I am afraid.

Can the President tell me the details of the updated position to which he refers? If he cannot, then could he tell me where I might acquire a copy of this updated position, please? I presume

the answer will be from the Law Officers but I do not actually know that, hence my asking the question.

The Bailiff: Deputy Green.

Deputy Green: As I understand it, the Practice Direction No. 1 2016 is in the public domain, it is freely available either, I think, at the legal resources website or the www.gov.gg website. It is certainly in the public domain and I believe in the answer that we supplied to Deputy Queripel there was a link to it, so it is available on the internet for public view. *(Interjection)*

The Bailiff: Any other supplementary questions? No.
Your third question then please, Deputy Queripel.

Deputy Lester Queripel: Sir, as Professor Marshall stated in her report, Rule 58 is something of an obstacle at present. So, if it were amended or even removed, would the Scrutiny Committee consider undertaking another much more comprehensive review of the implementation of the Children Law, bearing in mind that Islanders would then have the freedom to submit new evidence, should they wish to do so?

The Bailiff: Deputy Green.

Deputy Green: Sir, in the view of the Committee, the Marshall Report was, and is, a comprehensive review of the implementation of the Children Law. But of course if submissions are made to the Scrutiny Management Committee stating the case for another comprehensive review then we would consider the matter fully as a Committee, but at this stage it is not clear as to what the purpose of a further review would be.

The Bailiff: Deputy Lester Queripel, do you have a supplementary question?

Deputy Lester Queripel: I do, sir.

I have got the utmost respect for the President, but surely he is wrong when he says the review was comprehensive. It could not possibly be, because there were areas that were no-go areas. Rule 58 being an obstacle is a prime example of that, as was the fact that the professor was not allowed to look into anything judicial.

So my question is: if such obstacles were removed would the Scrutiny Committee then be prepared to undertake a much more comprehensive review of the implementation of the Children Law?

The Bailiff: Deputy Green.

Deputy Green: I think I understand the point that Deputy Queripel is driving at and, again, it would be a matter for my Committee to decide. I am happy to raise that at our next Committee meeting, sir, and we can have a discussion about it.

The Bailiff: Your next question please, Deputy Lester Queripel.

Deputy Lester Queripel: Sir, recommendation 6 in the report states that consideration should be given to providing legal aid for mediation, by suitably trained advocates, in appropriate circumstances. Bearing that in mind, can the President tell me please if his Committee will be pursuing that or not. If the answer is no, can he clarify please who he feels should actually be pursuing that?

The Bailiff: Deputy Green.

Deputy Green: Sir, before I answer that question, I declare an interest, just out of an abundance of caution in accordance with Rule 11(7), I am a practising advocate, although I am not a mediator.

The provision of legal aid regarding this area would require a change in the current policy. At this time the Scrutiny Management Committee has no plans to review this area; any discussion of this matter should be led by the Committee for Employment & Social Security, in conjunction with the Committee for Policy & Resources.

The Bailiff: Any supplementary?

Deputy Lester Queripel: Yes, sir, please.

The President says that any discussion on this matter should be led by the Committee for Employment & Social Security, in conjunction with the Committee for Policy & Resources. Could he tell me please if he is aware of any discussions that have already taken place between those Committees on the issue?

The Bailiff: Deputy Green.

Deputy Green: No, I am not aware of any discussions that have taken place in that regard.

The Bailiff: Your next question, Deputy Lester Queripel.

Deputy Lester Queripel: Sir, recommendation 21 in the report tells us that consideration should be given to setting up an independent avenue of complaint, such as an ombudsman, who may also be able to inform policy development in relation to children and young people. Can the President please tell me whether or not his Committee will be pursuing that, or do the Committee feel that is someone else's responsibility in Government?

The Bailiff: Deputy Green.

Deputy Green: Sir, at this time the Scrutiny Management Committee is not actively reviewing this area. However, the Committee may review this area within this term if resources permit. Personally speaking, I am actually very sympathetic to this particular recommendation and if Deputy Queripel wants to speak to me individually about that I will be happy to have a discussion with him.

The Bailiff: Is there a supplementary, Deputy Queripel?

Deputy Lester Queripel: I do, sir. Although I did take the point that I could talk to Deputy Green.

I just wonder, sir, he says his Committee may review the setting up of an independent avenue of complaint within this term if resources permit; I do not take a great deal of comfort from that, I am afraid, because is he actually saying that a financial limitation needs to be placed on any attempt to attain justice for victims?

The Bailiff: Deputy Green.

Deputy Green: No. No, that is not what I implied, and that is not what anybody should infer from the answer I gave.

The question is obviously Scrutiny as an organisation has a list of priorities. This is something which has not been discussed hitherto and again it will be for the Committee to have a discussion on this to see if it is a priority, but the inference that Deputy Queripel made is not the correct one, sir.

The Bailiff: Your next question, Deputy Queripel.

Deputy Lester Queripel: Sir, Jersey are currently undertaking a review into potential historical sexual abuse of children and vulnerable people in their Island. Can the President tell me please whether or not he sees any merit in such a review taking place here in Guernsey? If the answer is, yes, then can he tell me please if Scrutiny intend undertaking that review?

The Bailiff: Deputy Green.

Deputy Green: Sir, the independent Jersey Care Inquiry investigated the abuse of children in Jersey's Care system. It is currently due to report during the first quarter of next year. When the report is published and has been considered by the Scrutiny Management Committee, the Committee will issue formal comment.

The Bailiff: Any supplementary? No.
Your final question then please, Deputy Lester Queripel.

Deputy Lester Queripel: Sir, can the President tell me, please, what criteria his Committee employ to determine whether or not an urgent business review is needed to review topical issues here in the Island?

The Bailiff: Deputy Green.

Deputy Green: Sir, an urgent business review will be called when, in the opinion of the Committee, an issue arises that requires immediate action, specifically in the context of either legislation, policy, services and/or the use of monies and other resources for which Committees are responsible. A fundamental requirement of the urgent review process is that the Committee is able to undertake and complete its work expeditiously.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: I do have a supplementary for that, sir.

With the greatest respect to the President, he did not actually answer the question. What I want to know is just how serious does an issue need to be for the Committee to decide to undertake a UBR?

In an attempt to help the President understand the question, I give two examples. The first being that I do not think a UBR is necessary in relation to the recent work at Salerie Corner, because that was work that needed to be done and was money well spent. But the money that was spent on putting two lanes into one then back into two on the Town seafront was money wasted, and that is the sort of issue I think warrants a UBR. So is the President able to tell me please, how does his Committee decide whether a UBR is needed or not?

The Bailiff: Deputy Green.

Deputy Green: There are criteria that we employ, and I think that the original answer to question 7 did cover this. The criteria really is: can it be done; does it need to be done

immediately; does it need to be done; and can it be done expeditiously; is it a matter of significant public interest; does it involve a significant amount of public money?

740 There also has to be some kind of political instinct factor in all of this, you can have all the criteria in the world but you also have to have some political judgement in all of this. We do have criteria, and if Deputy Queripel wants to speak to my Committee and myself on this in more detail then we are more than happy to meet with him to discuss both the criteria and also potential projects that he thinks might justify an urgent business review.

745 **The Bailiff:** Deputy Queripel.

Deputy Queripel: Sir, I have one more supplementary in relation to that answer.

750 I am of the view that sea link services to and from the Island provided by Condor justify a UBR, so my question to the President is: does he share the view and will he be suggesting to his Committee that such a UBR is actually undertaken as soon as possible?

The Bailiff: That goes beyond the context of the original answer. But you may reply if you wish to.

755 **Deputy Green:** I think I will answer that anyway, sir. Again, that will be a matter for the Committee to decide. I am very sympathetic, personally, to that.

Procedural – Urgent Question under Rule 12

The Bailiff: That then concludes the Rule 11 Questions.

760 I can advise Members that this morning I gave leave for an Urgent Question to be brought under Rule 12. It is to be asked by Deputy Rhian Tooley of the President of the Committee for Education, Sport & Culture, and in accordance with Rule 12(3) I directed that the Question shall be put immediately before we consider the Schedule for Future States' Business. That was to enable the President to have the time to consider his Answer, as I did not know how quickly we would be getting through the business. So that will be dealt with in due course.

765 Greffier, we move on.

Billet d'État XXX

I. Priaulx Library Council election of new member – Mr Allister H. Langlois appointed

Article I.

The States are asked:

(1) To elect a member of the Priaulx Library Council, who need not be a member of the States, to replace Mr. Allister H. Langlois whose term of office will expire on the 31st December 2016 but who is eligible for re-election, in accordance with Rule 16 of the Rules of Procedure of the States of Deliberation.

The Deputy Greffier: Article I, Priaulx Library Council – Election of new member.

The Bailiff: Deputy Le Pelley.

770 **Deputy Le Pelley:** Sir, the constitution of –

The Bailiff: Just say if you are proposing somebody.

775 **Deputy Le Pelley:** Yes, I am, sir.
I would like to propose former Deputy Allister Langlois.

The Bailiff: Is there a seconder?

780 **Deputy Brouard:** Yes, sir.

The Bailiff: Any other nominations? No.

In that case we go straight to the vote. There is no provision under the Rules for any speech at this point, where there is only one candidate. So you are voting on whether you wish to –

785 **Deputy Le Pelley:** Sir, do I not have to say that I have seen his declaration of interest? He is no longer a States' member...

The Bailiff: Sorry. Yes, you can state that, yes, you have seen his declaration of interest.

790 **Deputy Le Pelley:** I have indeed, sir.

The Bailiff: Thank you.

There is one candidate, the former Deputy Allister Langlois, proposed by Deputy Le Pelley, seconded by Deputy Brouard. Those in favour; those against.

Members voted Pour.

795 **The Bailiff:** I declare Deputy Langlois elected. *Former Deputy Langlois! (Laughter)* Unless the current Deputy Langlois wishes to be ... *Former Deputy Langlois elected. (Laughter)*

ORDINANCES LAID BEFORE THE STATES

The Al-Qaida (Restrictive Measures) (Guernsey) (Amendment) Ordinance, 2016; The Social Insurance (Benefits) (Amendment) Regulations, 2016

The Deputy Greffier: Legislation laid before the States: the Al-Qaida (Restrictive Measures) (Guernsey) (Amendment) Ordinance, 2016.

800 **The Bailiff:** Is there any request for clarification or ...? Sorry, no. This is just an Ordinance laid before the States. I have received no notice of any motion to debate it.

The Deputy Greffier: The Social Insurance (Benefits) (Amendment) Regulations, 2016.

805 **The Bailiff:** Again, this is just being laid before the States and I have not received notice of any motion to debate that Ordinance.

ORDINANCES

II. The Health Service (Benefit) (Annual Grant) Ordinance, 2016 – Approved

Article II.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Health Service (Benefit) (Annual Grant) Ordinance, 2016', and to direct that the same shall have effect as an Ordinance of the States.

This proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

This proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

The Deputy Greffier: Article II, the Health Service (Benefit) (Annual Grant) Ordinance, 2016.

The Bailiff: Is there any request for any debate or any clarification?

810 Deputy Gollop.

815 **Deputy Gollop:** I do not want to embarrass Deputy Shane Langlois, because he might not be aware of this, and Deputy le Clerc is not here, and it is curious, but it was a bit paradoxical that we on Employment & Social Security were persuaded, in the interests of good corporate budgetary management, to waive the health grant from general revenue this year, of which this consolidates in legislative form, by repealing and reorganising earlier pieces. But the actual – as Deputy Tindall and Deputy Green, and others might remember – mechanism of doing it involved, effectively, a rescindment permanently.

820 So I sort of await with interest that if – who knows which direction we are going to go in as a collective Assembly, but if – the Health Service Benefit annual grant returns to a level above 0%, it will be necessary surely to construct a new ordinance, because effectively this goes beyond, in a way, the Resolution of the States, which was one year off, at this juncture, to a more permanent arrangement in a technical sense.

825 So, in a way, I think it is perhaps more a matter for Deputy St Pier to reply on than Deputy Langlois.

The Bailiff: ... *[Inaudible]* Sorry, my microphone was off.

No one else is rising. Deputy St Pier is not rising. Deputy Langlois, do you wish to reply?

830 **Deputy Langlois:** Just briefly, sir.

I am quite sure Deputy Gollop seems slightly nervous as we have been given assurance that this is just a one-off payment, and we are quite satisfied that is the case, it will only be for this 12-month period. Whatever legislation has to be brought in again next year to reinstate the Health Service Grant, I am sure will be arranged with the Policy & Resources Committee.

835 Sir, I am quite confident that this is a one off.

The Bailiff: Thank you.

We vote then on the Health Service (Benefit) (Annual Grant) Ordinance, 2016. Those in favour; those against.

Members voted Pour.

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

III. The Income Tax (Guernsey) (Approval of Agreements with Seychelles and Turks and Caicos) Ordinance, 2016 – Approved

Article III.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Income Tax (Guernsey) (Approval of Agreements with Seychelles and Turks and Caicos) Ordinance, 2016', and to direct that the same shall have effect as an Ordinance of the States.

This proposition has been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

The Deputy Greffier: Article III, the Income Tax (Guernsey) (Approval of Agreements with Seychelles and Turks and Caicos) Ordinance, 2016.

845 **The Bailiff:** Any requests for clarification or debate?
Deputy Yerby.

Deputy Yerby: Just a small point, sir, and for convenience, could I request in the future that the agreements which we are asked to note are appended to the policy letter?

850 **The Bailiff:** Any further debate?
Deputy St Pier, do you wish to reply to that?

Deputy St Pier: I will certainly give consideration to that, sir.

855 **The Bailiff:** Thank you.
We vote then on the Income Tax (Guernsey) (Approval of Agreements with Seychelles and Turks and Caicos) Ordinance, 2016. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

THE STATES' TRADING SUPERVISORY BOARD

**IV. Guernsey Electricity Limited –
Annual Report and Accounts Approved**

Article IV.

The States are asked to decide:

Whether, after consideration of Guernsey Electricity Limited – Annual Report and Accounts, they are of the opinion:

1. To note the annual report and accounts of Guernsey Electricity Limited for the year ended 31st March, 2016.

The above Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

860 **The Deputy Greffier:** Article IV, the States' Trading Supervisory Board – Guernsey Electricity Limited – Annual Report and Accounts.

The Bailiff: Deputy Parkinson.

865 **Deputy Parkinson:** Yes, sir.

I have nothing to add really to the accounts that have been laid before the Assembly. The Assembly is, of course, merely being asked to note them. I have had no notice of any questions on them, but if anybody does have any questions I will do my best to answer.

870 **The Bailiff:** Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

875 Sir, my attention focuses on the restructuring, or rationalisation, programme that has taken place at Guernsey Electricity over the last year or so, and it is mentioned on page 7 and page 12 of the report.

To give some background, sir, I am receiving information, I raised some concerns over the process via Rule 6 questions submitted to the then Treasury & Resources Department during the last States' term; so in September 2015 I asked some questions about this restructuring programme, based on some information I had received. I have been told since then, sir, that the answers to the questions did not reveal the full story. So I have a few points that I would like to raise now.

880 Now, I appreciate that Deputy Parkinson and Deputy Smithies will probably not have all the details to hand to address these points. Deputy Parkinson says ... I will be happy if they will take note of them, take them back to be pondered upon and then perhaps supply me with the answers at some time in the near future.

890 I wanted to raise them now, because I want Members of this Assembly to be aware that there have been concerns raised about this restructuring programme, and I want members of the public to be aware of it too, that has been carried out to Guernsey Electricity. I am seeking an undertaking today, that these concerns, or these points, will be taken under consideration, and that full and proper answers will be forthcoming in due course. I do not expect them to be answered today. I just want to raise them now.

895 Now, sir, PricewaterhouseCoopers were engaged to assist in the restructuring process at Guernsey Electricity. Apparently that relationship was ended prior to the contract termination date; in other words, it was cut short. So my simple question here is: why was the contract ended prematurely?

900 Once again, apparently, the contract was meant to run until a year after the transition to the outsourcing of certain works. In other words, operations that were once carried out in-house by Guernsey Electricity employees, those jobs would now go to, or now be done by, a private contractor – so the kind of thing that we see taking place around our community in regard to road works, the renewing of cables, new cables being put in, maintenance, repairs, etc. things like that.

905 My information is – and once again this is just something that has been put my way, I am not saying it is absolute fact, but it needs to be explored – that when the tenders were received from the various contractors, the advice from PricewaterhouseCoopers proved to be incorrect, and the quotes given were more expensive than it would have cost to carry on with the operations in-house. That is the information I received, sir.

Now, I was just thinking about, if the cost of outsourcing the work has increased the cost of work, perhaps it has been offset by the reduction in pension liability, but I do not know that. So these are just the issues I think need to be explored. But the problem, so I am told, is that Guernsey Electricity employees – I think there were 17 of them involved in these road work projects – were laid off, or let go, before the prices from the contractors had been received. But Guernsey Electricity had to carry on with this process even though it proved to be more expensive, because they were committed to it. As a result, so I am told, the contract with the consultants was terminated prematurely because of this problem. So those are the questions that I am asking the President of the States' Trading & Supervisory Board to take under consideration and take back with him to Guernsey Electricity.

I am also being told that the equipment and the tools used to carry out this work when Guernsey Electricity employees were carrying out the work directly, I am also told that all that equipment was sold, and I wonder if it was premature to do that, bearing in mind this work might need to go back in-house at some stage, if it proves that outsourcing the work is too expensive. I am also being told that the best value was not received in regard to the selling of these items or this equipment.

So I guess there are at least two things that need to be looked at. The original contract between Guernsey Electricity and PricewaterhouseCoopers and the pricing schedule contract between Guernsey Electricity and the successful or winning contractor, and then the obvious comparisons, I would assume, could be made.

So I look forward to these matters receiving proper attention.

Thank you, sir.

The Bailiff: I did not interrupt. Deputy Parkinson, are these really matters that fall within the context of this debate, because all we are being asked to do is to note the report and accounts? It seems to me these are rather ... I had some difficulty hearing some of what was being said, unfortunately, but as far as I could follow it, what was being suggested seems to go down to some very sort of managerial management matters. Are you able to answer such questions?

Deputy Parkinson: Well, the short answer, sir, is, no, I am not. Yes, indeed these are details of operational matters which I will take back to my board for consideration. I do not think they impinge at all on the financial statements in front of the Assembly, but ...

The Bailiff: Thank you.

Deputy Laurie Queripel: Sir, in defence of what I said, or the questions I asked, I did say that the restructuring at Guernsey Electricity had been included in the report on page 7 and page 12, so I felt it was in context to ask those questions, bearing in mind there was mention of them within the report.

The Bailiff: Well, yes, but at the end of the day all we are doing is noting the report and accounts. That is why I asked the question. I did not sort of rule it out immediately on a point of order as being out of order, but I raise it now in case other Members are thinking of asking detailed sort of managerial questions that really go beyond (a) either the Proposition before the Assembly and also beyond anything that Deputy Parkinson could be expected to have at his fingertips. But if people wish to further debate the Propositions that are before us, do they wish to stand?

Deputy de Lisle, you are wanting to debate, are you?

Deputy de Lisle: I wanted to comment on the report, Sir.

The Bailiff: On the Report. That is fine, you are entitled to do that.

Deputy de Lisle: Thank you.

960 First of all, I would like to say that this is a commendable result, sir, with respect to the company having made an operating profit of £4.6 million – £4.2 million, I should say – compared to a loss of £2.4 million the year before, returning to profit after a few years of losses. A dividend to the States, of course, of £1 million, also is very welcome, under very difficult fiscal circumstances at the current time and of course tariff levels to remain unchanged for the fourth
965 year in a row. Now all these results, after fairly turbulent times, actually, with the Jersey/Guernsey cable faltering, and the resolution to that uncertainty over that period; also the resolution to the economic regulatory environment that was causing the Guernsey Electricity a lot of difficulty and cost.

I would like to say also that the future is challenging for Guernsey Electricity and needs, I think,
970 debate in the Assembly.

If I can make the point that we have been left behind in the renewable energy race. The future in global energy markets, actually, currently, and the report is all but silent in this very important area. In fact, apart from stating that:

In the longer term we continue to work with the States of Guernsey to understand and assess the use of renewable energy within our generation fleet and particularly how modern technology for energy storage will make the use of renewable energy technology much more commercially viable for the Island.

The strategy of Guernsey Electricity remains a second cable connection, preferably via a direct
975 link to France, and investment in local generation to supply local needs at a time when that is not possible, due to price or due to difficulty in transferring energy from France.

There is an issue here of dependency, currently, on imports of cheaper, cleaner, energy supply, and the cost of the direct link has to be weighed against the development of sustainable, renewable energy supply developed locally both through offshore wind, tidal energy and solar.
980 Now, this requires the Government to look at energy policy again, I believe, given the studies conducted by the renewable energy team, and also initiatives being taken by France in the development of tidal energy off Alderney.

In fact, the role of Guernsey Electricity is to keep the lights on, essentially, and it lies with Government to review energy policy and come up with the future direction for the most economic
985 and practical way forward for the Bailiwick. I would like to ask the President to comment on that particular issue as to whether we are going to get this term a full review of energy policy given the changes currently being explored by Guernsey Electricity, but also in terms of the changing global environment with regard to electricity generation.

Thank you, sir.

990

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

I think energy policy is the responsibility of the Environment & Infrastructure Committee.

995 There are two points I would like to make in relation to the report. One is on the dividend. The dividend which has just been mentioned is just over £1 million, is on sales of electricity of just under £52 million – which is effectively 2%; so, effectively, 2p in every pound that you pay on your electricity bill goes to general revenue. I think that that is not consistent with the States' Policy & Resource Plan report which the amendment proposed by myself and Deputy Fallaize spoke about
1000 making an appropriate return to the States but without placing a disproportionate burden on customers, many of whom are inevitably on low incomes. I would like Deputy Parkinson to review that dividend policy, as I do not think it is acceptable that, effectively, we are putting a tax of 2p in the pound on electricity.

My other point is in relation to the ... In March 2015 we debated the alternative framework for
1005 the oversight of Guernsey Electricity Limited and Guernsey Post Limited, and it set a number of shareholder objectives, and key performance metrics. There is very little reporting against those

metrics in the annual report. It seems to me that for the States to have confidence in the new method of oversight that we should receive annual reports against these metrics, and shareholder objectives; and particularly, in relation to Guernsey Electricity, there is one in relation to the price which says the target is to reduce the difference between Guernsey Electricity and Jersey Electricity's average tariffs from 17% to 11% in the period 2015 to 2018, and it said this will be reviewed on an annual basis. Now, I believe that information should be reported, and I think the most appropriate time for that report is at the annual report, because we have all the financial information there in the appendix to the report.

So I would ask Deputy Parkinson to give an undertaking to report against those shareholder objectives and key performance metrics in the annual report so the States can understand it, and to review the dividend policy.

Thank you.

The Bailiff: Deputy Oliver.

Deputy Oliver: Sir, I just want a point of clarification, please, because I am not an accountant and I did not quite understand something within the statements of financial position – on the balances with the States' Treasury. This was an increase from £2.4 million to £7.1 million.

I just want to make sure I understand this correctly. Is this money that the States have given Guernsey Electricity, or will it be money that is invested and returned back to us? I got a little confused, because in the notes it just said that the balance –

The Bailiff: Can you just say which page you are referring to, so that other Members can see the point you are making.

Deputy Oliver: It is on page 32.

The Bailiff: Sorry, page 32, did you say? Sorry, I could not hear, sorry I was being ...

Deputy Oliver: Page 32.

The Bailiff: Thank you.

Deputy Oliver: It is balances with the States' Treasury and then it has got note 13 and on page 44 it just says:

The Treasury Department of the States of Guernsey is engaged to invest the company's liquid funds in excess of its daily requirements.

I just want clarification what that actually means, because it has increased from £2.4 million to £7.1 million.

Thank you.

The Bailiff: Alderney Representative Jean.

Alderney Representative Jean: Can I ask a question of Deputy Parkinson?

One of the things that interests me is: does he feel that Guernsey Electricity is interested in pursuing renewable energy as a means of power in the future?

The second question I would like to ask is: would he encourage any negotiation in future regarding, perhaps, a cable link with FAB and ARE for the renewable energy in Alderney, as I think it would be a good idea for Guernsey to be with us, and joining in? And, ultimately as well, does he have any concerns regarding renewable energy for the future, for future generations, from the point of view that perhaps both States, the States of Alderney and the States of Guernsey, should

be putting as much energy – bit of a pun – in as they can towards getting renewable energy, because of the concerns that we hear about global warming and the future for our young ones, which is, to me, of ultimate concern and would be one of the driving forces behind my interest for renewable energy?

1060 Thank you, sir.

The Bailiff: Deputy Gollop.

1065 **Deputy Gollop:** Sir, I would like to reinforce the points Alderney Representative Jean has made about the potential for renewable FAB tidal links, because of course it has been controversial in Alderney, but one thing that could be said is that Alderney, to a degree, has moved further ahead with the renewable energy project than Guernsey has, despite its much smaller size; and if it is indeed an ecological boon and/or a significant financial benefit we should consider it.

1070 I would point out too I agree with much of what Deputy de Lisle has said, although this goes a little bit beyond some, but not all, of the report. I remember Deputy Parkinson did a lot of work on the energy strategy for the previous Policy Council, which somehow did not go very far in a subsequent term, and I think there is work to do in working with Electricity, perhaps Electricity part supporting energy minimisation works and grants and things for people's homes. Because that is a part of the estate that is not covered.

1075 Turning specifically to the report, clearly, Electricity has been under a quiet revolution recently and they say statements like:

Even with more certainty [on page 9] surrounding the condition of the subsea cable and with plans for a more robust and resilient future subsea cable network in place, a key challenge for the [Electricity] Company is that we are still required to maintain on-Island generation capability.

1080 Now, this was an argument Deputy Trott and others raised in previous States' as essential for our infrastructure. But look on page 10, here is a story, one sees that in the space of just three years – it goes by quickly enough in a term with us – we saw electricity generated on-Island in 2013, 72%; 2014, 59%; 2015, 42%, compared to imported electricity, 77% now, 58% last year, 41% the previous year, 28% the previous year.

1085 So one has seen nearly 50% drop in on-Island capability; it has gone from three-quarters to one quarter. Whereas imported electricity has gone the other way. Now that, of course, might be good financially; it possibly opens up to strategic and political risks in an uncertain time for Britain and for Europe and for France. But, more to the point, it must undermine the economies of scale of the electricity in-house generation. Now, we are assured in this report new investment is pending, but we need, I think, an update of our strategic energy strategy.

1090 I know you, sir, as Presiding Officer, have warned us of going too far off the beam here, but I would thank the Electricity Company for its corporate sense of responsibility in, I believe, gifting some free electricity to the good people of St Peter Port for the Christmas lights, but again I think a bigger more strategic answer is needed with both the States' Trading Board and other areas of the States to work out a philosophy for the Christmas lights for the future.

1095 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

1100 I think there has been a little bit of drift in this debate, because the energy policy sits under the mandate of Environment & Infrastructure, and if Members have questions regarding energy policy then perhaps they can use the provisions of the Assembly, and the Rules, and ask questions at a time other than today, because I think we have just crept a little bit from the document that is in front of us.

Thank you.

The Bailiff: I see no one else rising.

1105 Deputy Parkinson, you will reply to the debate, as far as you are able to.

Deputy Parkinson: Yes, indeed, sir.

Well, it has been an interesting discussion, but very little of it on the accounts! *(Laughter)*

1110 I will certainly take away Deputy Laurie Queripel's questions on operational matters and see if we can get some answers on them.

Deputy de Lisle commented that the results were good, of course, this year's performance looked good in comparison with last year's, because last year the company suffered severe disruption to its cable links and incurred unexpected costs, which made last year particularly poor.

1115 Yes, renewable energy, energy storage, he talked about, and really these are matters, as Deputy Brehaut has said, for Environment & Infrastructure, and the use of energy policy and if Deputy de Lisle is asking for a full review of energy policy, then I imagine Deputy Brehaut will have taken that on board.

1120 Deputy Dorey talked about a dividend which amounts to 2% of sales. I think this was a product of the financial circumstances of the States this year. There needs to be a policy in place which determines what the States expects from all of its trading entities, and whether that be a return on capital employed or some sort of expectation, Policy & Resources have laid down, effectively, through the budget process, some requirements from the States' Trading Supervisory Board to produce money for the general purposes of the States, and while that sort of rather *ad-hoc* approach this year may be understandable in the light of the parlous financial condition of the
1125 States this year, I think going forward we do need to have in place a formula, if you like, that determines what the States, as shareholder, can reasonably expect for its investment in all of these businesses.

1130 He also asked for reports against the shareholder objectives. Yes, of course, these are the accounts of Guernsey Electricity, they are not the accounts of the States' Trading Supervisory Board, and although we can suggest to the board of Guernsey Electricity that they might include next year some metrics against the March – was it 2014? Deputy Dorey did quote the source for the requirements. Sorry.

1135 **Deputy Dorey:** It was the 2015 Billet VI, and just one other point if I may, in relation to what you said.

The Bailiff: Only if Deputy Parkinson is willing to give way to you.

1140 **Deputy Parkinson:** I give way.

The Bailiff: He has given way.

Deputy Dorey: I will leave it I think. *(Laughter)*

1145 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: That was the easiest interruption I have ever had to deal with! *(Laughter)*

Sir, anyway, yes, we will look into that with GEL, but I just stress that these are the accounts of GEL.

1150 Right, the balances with States' Treasury – I mean this is effectively cash at bank, isn't it? In any other business they would deposit the cash required to keep the business working at their local bank. This, being a States-owned entity, deposits any surplus cash it has for the time being with States' Treasury, who manage these funds, and all other funds, to try and produce the best possible return. Hopefully, that means Guernsey Electricity gets a better return on its cash than it
1155 would otherwise have got if it had simply deposited money in its own accounts. Because, clearly,

the States has a lot more leverage, and has more opportunities to use cash perhaps more profitably than putting money on deposit at a bank would produce.

1160 Alderney Representative Jean asked, 'Is GEL interested in renewable energy?' Well, yes, they are and of course in the past they have owned an interest in marine current turbines – an interest which they have since sold.

I would say that a direction to embark on a macro renewable energy project – that is to say, a big scale renewable energy project – would have to come from E&I or perhaps P&R, and I do not think GEL are going to launch into that sort of thing on their own.

1165 He commends the idea of a cable link to Alderney to link into the FAB cable. If that cable goes ahead, and I am not sure what the current status is, I am well aware that it is highly controversial in Alderney. So I do not know what the status is, but I would personally welcome development of a FAB link between Alderney, Flamanville – and Bournemouth, I think, is the B part. If that cable goes ahead it would seem to me to be, potentially, an opportunity for Guernsey to tap into that cable, subject to surveys of the seabed between here and Alderney, and I do not know logistically
1170 how difficult, in fact, it might be to do that.

Deputy Gollop also commented on Alderney's position in renewable energy, and I too commend them on the initiative they have taken in developing in the marine space anyway.

1175 He says that we should review the requirement to maintain on-Island generation capacity, and notes that there has been a considerable drop over recent years in the usage of that. I think that is more related, frankly, to disruptions to the inter-connectors. Guernsey Electricity, of course, is under States' direction to generate at the lowest cost, and it is possible, depending on the price of oil, that it could be cheaper to generate on-Island than to import, but I think, instinctively they try and import down the cable where they can, so I would expect, on the whole, for the requirement for on-island generation to be reducing over time, but nevertheless the States' direction at the
1180 moment is, again, that they should maintain sufficient on-Island capacity to meet the whole of the Island's peak demands, even if their two largest generators go down. So there is, clearly, a massive amount of redundancy built into the system.

He says an update of the strategy is needed and again, Deputy Brehaut may have taken that point on board.

1185 There were no other questions, actually, on the accounts, so I would simply ask the States to note them.

The Bailiff: We vote then on the Proposition which is to note the annual report and accounts of Guernsey Electricity Limited for the year ended 31st March 2016. Those in favour; those against.

Members voted Pour.

1190 **The Bailiff:** I declare it carried.

THE STATES' TRADING SUPERVISORY BOARD

V. Guernsey Post Limited – Annual Report and Accounts – Approved

Article V.

The States are asked to decide:

Whether, after consideration of Guernsey Post Limited - Annual Report and Accounts, they are of the opinion:

1. To note the annual report and accounts of Guernsey Post Limited for the year ended 31st March, 2016.

The above Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications in accordance with Rule 4(1) of the Rules of Procedure of the States of Deliberation and their Committees.

The Deputy Greffier: Article V, the States' Trading Supervisory Board – Guernsey Post Limited – Annual Report and Accounts.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, a similar story here, sir. The States is merely being asked to note the accounts, and again I have had no advance notice of any questions, but if Members do have any questions I will do my best to answer them.

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

Actually, we are being asked to note the *report and the accounts*. When I have to plough through a document in order to note it, it is always useful to learn some lessons from it.

So I would like to congratulate the board of Guernsey Post in negotiating an exit from the States' Defined Benefit Pension Scheme and instead moving, with agreement of all parties, to a defined contributions scheme. It is what just about everybody in the commercial world has had to do in order to limit risk and exposure. Because the problem with defined benefit schemes, whether they are based on final salary, career average or anything else, is that your financial obligations remain uncertain. In the case of a private company, of course, that could bring them down. In the case of a public entity that onus will fall on the taxpayers of the future. So I really want to make the point, in passing, that this has been a good move by Guernsey Post, and I believe that the broader States, both the other trading entities, and indeed the States itself, ought to consider whether they ought to be doing exactly the same thing.

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes, in a way I am sure States' Members would welcome a more focussed approach to discussing our role as stakeholders within these bodies under the Trading Supervisory Board, because the current format is somewhat awkward, and you could argue is designed to keep politicians away from them, but that is another topic.

But I would refer to page 18 of the financial statements that refer to ... it relates to the balance sheet. The balance sheet includes fixed assets for the Post Office, and in some ways perhaps rather conservative £11.291 million estimated in tangible fixed assets, which is a notional drop of £300,000 from the previous year. Now, of course, there is valuable real estate, and we know the Post Office sorting machines are extremely expensive, but this also, surely, includes bicycles and vans, and there were some people – not all – on the St Peter Port Douzaine who wanted to debate the report, not with the detail of accounts or pension plans but on whether bicycles or vans should go round Town streets, and whether vans should go round at the same time. The point here is to ask whether the Post Office could consider as part of a new energy policy of investing in electric vans for the future, as that perhaps would increase our fixed assets.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

To follow on from Deputy Gollop's interesting suggestion, can I go one step further and suggest we look at what Jersey Post have done and introduce electric cargo bikes?

Several Members: Hear, hear.

The Bailiff: Deputy Dorey.

Deputy Dorey: I would ask the question I asked in relation to States' Electricity again, as my mind went blank when I stood up previously: whether the Committee would include a separate report with the annual report which reports on the shareholder objectives and performance metrics? I did not expect the report to be included in the annual report from the limited company; I expected the performance against the shareholder objectives and key performance metrics to be a separate report which is included from the Committee with the annual report.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, the last sentence in the last paragraph of the Chairman's Statement, tells us that he is pleased to report that Postwatch Guernsey, the independent consumer council, will now also be closely monitoring performance against agreed targets etc. But there was some confusion at the same Douzaine meeting Deputy Gollop just referred to, on Monday, regarding whether or not an independent consumer council actually exists. Some Douzeniers seemed to think it did not. I would just like to ask Deputy Parkinson: can he confirm that it does exist, please, for the purpose of having that clarification on record?

Thank you, sir.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Sir, I think the States should recognise, again, the dividend to the States of £200,000, and of course previous reviews of capital structure, which have resulted in a return of £8.5 million to the States. All this, of course, during the time when the loss of low value consignment relief, two key bulk mail customers who relocated their fulfilment operations to the UK during the year, with a loss of £2.7 million, 8%, it shows just two companies, £2.7 million loss to Guernsey Post.

The way forward, I think, is something that needs to be considered, with respect to what efficiencies are being put forward, what tariff changes are intended and what new business opportunities are out there for Guernsey Post. These details are not actually discussed in the report, but perhaps Deputy Parkinson might have some leanings with regard to that.

Thank you, sir.

The Bailiff: I see no one else ... oh, Deputy Inder.

Deputy Inder: Just briefly.

I am only rising to support what Deputy Peter Roffey said in his statement, and one other thing, a person I have watched, Boley Smillie's career, over the last 15 or 20 years in the Post Office and I think we have got a super Chief Executive there.

Thank you very much.

The Bailiff: Deputy Parkinson will reply.

Deputy Parkinson: Right.

I echo Deputy Roffey's congratulations to the board of the Guernsey Post for having renegotiated their pension arrangements, and I share the view that that could be a model for other bodies within the States, and indeed for the States itself.

Deputy Gollop asked about electric vans. The Post Office do currently operate two electric vans, and they will review purchasing more electric vans as their internal combustion engine fleet

reaches the end of its life. So it is under review. They have two. They are gaining experience of the use of these vehicles and if they prove to be a better solution then I am sure the Post Office will adopt them.

1295 Deputy de Sausmarez thought we should have electric cargo bikes. The model of Guernsey Post business has changed quite considerably over recent years, as Deputy de Lisle alluded to. They have survived the loss of the low value consignment relief business; they have survived despite the long-term decline in letter post, largely replaced by email and other electronic communications. One of the reasons they have survived is basically because of Amazon and other internet shopping. So they are now carrying much more large bulky boxes and many fewer letters.
1300 The problem with cargo bikes is it is really not a very good means for transporting bulky boxes. So the move is away from bikes towards vans and I am pretty sure that move will continue.

Deputy Dorey – yes, okay, I will take away with my Committee his suggestion that we include a separate report on the performance of the business against the shareholder objectives, and we will discuss that.

1305 Deputy Lester Queripel asked if Postwatch Guernsey still exists. I can confirm it does. Arguably the case in both Guernsey Electricity and Guernsey Post, more publicity should be given to the existence of these bodies because I think they have largely slipped out the public awareness and people should be aware that there are people they can talk to if they have a problem.

1310 Deputy de Lisle's comments on the dividend and the capital dividend that resulted from the one-off restructuring share repurchase: yes, of course, as I say, a number of businesses within the STSB portfolio were effectively raided this year to produce money for central coffers, and we need to have a clearer and more principled policy around what we expect from these businesses, and we will no doubt be working with Policy & Resources to develop guidelines or principles to govern future shareholder expectations.

1315 I do not expect the report and accounts to include a forward view of tariffs or other operational matters on a forward looking basis. That would be unusual in any set of report and accounts. So I do not think that is likely to happen.

I thank Deputy Inder for his comments and I again echo his congratulations to the Managing Director of Guernsey Post who has done an excellent job.

1320 So without further ado, sir, I ask the States to note these accounts.

The Bailiff: The Proposition is to note the annual report and accounts of Guernsey Post Limited for the year ended 31st March 2016. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare that carried.

Urgent Question

Future structure of Education estate – January planning workshop

1325 **The Bailiff:** Now we will have an urgent question submitted under Rule 12, to be asked by Deputy Tooley of the President of the Committee for Education, Sport & Culture.
Deputy Tooley.

Deputy Tooley: Thank you, sir.

1330 On Monday this week the Committee for Education, Sport & Culture issued an invitation to all Deputies to attend a planning workshop in January, with the purpose of discussing and investigating options and preferences for the future structure of our education estate, in order to help and refine any options that the Committee will bring back to this Assembly.

1335 Yesterday, Deputy Le Pelley confirmed his Committee's commitment to deliver all the extant Resolutions, which include Resolution 1(a) to bring back to the States options for a system based on three secondary schools.

1340 Can the President please clarify whether his Committee intends to consider a range of options based on Deputies' preferences, as implied in the invitation to the planning workshop, or the three-school model as set out in Resolution 1(a) and confirmed in his email yesterday?

The Bailiff: Deputy Le Pelley

Deputy Le Pelley: Thank you.

1345 I can confirm that the Committee will be looking at all options for three-school models, because there are several possibilities that need to be assessed. The Committee is also aware that there are some Members who would prefer a two- or even four-school model, so we need to assess the strength of feeling for these and consider the viability.

1350 The Committee is also confirming that the two options specified in the March 2016 Resolution will be taken forward for consideration.

The Bailiff: Any supplementary questions?
Deputy Roffey.

1355 **Deputy Roffey:** Sir, I must admit when I got the email saying that every member of Education was absolutely signed up to the March Resolutions it did make we wonder, because it seemed to be at odds with what was said previously; so, just for clarification, can I have it made clear that all of the members of Education, personally, are committed to closing one of our existing secondary schools?

1360 **The Bailiff:** Deputy Le Pelley.

Deputy Le Pelley: This statement, sir, was issued with all five members in support.

1365 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, will the workshop cover any selective models, or will it focus solely on a non-selective option, with particular focus on the current and future educational estate?

1370 **The Bailiff:** Deputy Le Pelley.

1375 **Deputy Le Pelley:** Sir, the invitation is to look at the extant Resolution. There are several options that are available using a three-school model. But this is a decision that is going to be made, eventually, by the whole of this Chamber. This is where the decisions are made and we will be giving people opportunities to look at the three-school model, but there may be ... if others have other things they wish to put forward, then those can also be considered. But we are doing what the extant Resolution has asked us to do and I cannot make it any clearer than that. We are delivering on the extant Resolution.

1380 **The Bailiff:** Deputy Merrett.

Deputy Merrett: Thank you, sir.

In line with the extant Resolutions, can the Committee confirm that it remains committed to removing selection with effect from September 2019?

1385 **Deputy Le Pelley:** Thank you, sir.

I actually attached the extant Resolution to my email when I was inviting everybody, or when the Committee was inviting everybody, to the January workshop. I think it is quite clear within that, sir, that that is in fact the case. I do not know why I need to have to keep on repeating what is in the extant Resolution.

1390

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

1395 I do not have a question about the Committee's commitment to the extant Resolutions, but one of the details of the Resolutions is the September 2019 date. Now, is his Committee intending at any time to ask the States to vary the date in that Resolution, and either bring it forward to 2018, about which there has been some speculation, or put it back to 2021, which was the advice given by his Committee to the States in their policy letter a few weeks ago.

1400 **The Bailiff:** Deputy Le Pelley.

Deputy Le Pelley: Sir, I should like to refer the Deputy to the extant Resolution. What is said in the extant Resolution is what we have been directed to do by this Assembly, and that is what we will be doing and the dates that are in the extant Resolution are what we are referring ourselves to. We will deliver according to the extant Resolution. I will read it out word for word if you want it, but I have appended it to the invitation. I do not think I need to.

1405

The Bailiff: You would not have time in the minute and a half.
Deputy Gollop.

1410

Deputy Gollop: Why is it necessarily wrong for the Committee to give Members a chance to explore the numbers of schools, bearing in mind (**Several Members:** Hear, hear.) we do not know what capital monies are available for the project, and what the financial and logistical scenarios are?

1415

The Bailiff: Deputy Le Pelley.

Deputy Le Pelley: Sir, I would like to invite Deputy Gollop to the meeting on 25th January. Those kind of views can be expressed there, and if the will of this Assembly is to go down that line I am sure that we will be redirected. We have accepted to work to the extant Resolution. That is what you have asked us to do, that is what we will deliver.

1420

The Bailiff: Deputy Tindall.

1425 **Deputy Tindall:** You will have to excuse my voice, sir. I have lost it somewhere.

I am very confused. I am being advised that the extant Resolutions are going to be followed, supported by all five members. However, we are being asked to go to a workshop to discuss them, we may then direct for changes, and all of this is to happen in order for the Committee to present the policy letter within the timeframe as proposed for June next year. I am at a loss. I am completely at odds with what is going on and I would like clarification.

1430

Several Members: Hear, hear.

The Bailiff: Deputy Le Pelley.

1435

Deputy Le Pelley: Sir, I think the Deputy needs to look at the extant Resolution. It is quite clear the extant Resolution gives timelines, it gives us a direction of where we have to go, we are working to the extant Resolution, which this Assembly approved when it decided not to rescind the previous March 2016 Resolution. We have committed ourselves to deliver everything that was asked for in that extant Resolution. We have accepted it absolutely.

1440

The Bailiff: Deputy Inder.

Deputy Inder: Sir, for fear of asking Deputy Le Pelley to repeat just for the sake of the public that are listening out here – and I had a slightly worrying conversation at the Vale Douzaine room on, I think it was Saturday morning; there are even people out there that think in some way we are going to get selection by the back door – I just want to hear it from your lips: is selection dead forever?

1445

Thank you.

1450

The Bailiff: Deputy Le Pelley.

Deputy Le Pelley: Sir, the idea of the 11-plus and selection at 11 is covered in the extant Resolution. It is not there. It has been removed.

1455

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

Just following on one of the questions about the capital and P&R, would the President of Education, Sport & Culture inform the States if they intend working very closely with P&R right from the working?

1460

The Bailiff: Deputy Le Pelley.

Deputy Le Pelley: Sir, we definitely do intend to work very closely with P&R from the very beginning, and we do hope to be working with every other Member in this Assembly.

1465

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

Can I just make a broad appeal to Deputy Le Pelley, and it relates to the question, sir. In an email he sent to all States' Members yesterday, I believe, it said the Committee for Education, Sport & Culture met this morning and confirmed its commitment to delivering all elements of the extant Resolution, and we had the Resolution attached. That is all we have had. I have sent an email – through you, sir – to Deputy Le Pelley, and I have also copied in other members of the Committee, just asking them to give a little bit more information than they are at the moment, because the 'no comment', sir, is creating a great deal of uncertainty and I would like the President of the Committee to reflect on that.

1470

1475

The Bailiff: Deputy Le Pelley.

1480

Deputy Le Pelley: Sir, for my Committee it is business as usual. We have had documents or notification of various things that may or may not happen in the future. I do not have a crystal ball I cannot tell you exactly what is going to happen in the future. We have been given five days to consider our positions and that is exactly what we are going to do.

1485

If Deputy Brehaut wants to keep on asking me every 15 minutes for an update, or an advance on what I have said, (*Laughter*) he is going to be wasting his time, because I have actually made my position quite clear. (*Interjections*)

1490 **The Bailiff:** Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Sir, this is regards the timeline of being able to get a policy letter out in time. In your email and the President stated –

1495 **The Bailiff:** It is not my email; I have not sent an email.

1500 **Deputy Hansmann Rouxel:** I am sorry, I apologise, sir. In his email, the President stated that his aim was to publish a policy letter on the future of education estate by June 2017. Following the workshop on 25th January, where all States' Members will discuss it and there will be further investigation depending on the timing, that policy letter will be debated in July or September 2017; in either case, after the debate on the States' capitalisation prioritisation programme.

Last week the context of a motion of no confidence in members of the Committee told the media that any delay which meant the proposals would not be ready before the debate –

1505 **The Bailiff:** You have five seconds remaining.

Deputy Hansmann Rouxel: If the Committee still believes this to be the case can the President confirm why it this ... [*Inaudible*] to be timeframe –?

1510 **The Bailiff:** Sorry, I have been requested to be firmer in the enforcement of the Rules, and that is what I am trying to do. It is not going down very well with some people, but that is what I am trying to do.
Deputy Le Pelley.

1515 **Deputy Le Pelley:** There is no question.

The Bailiff: There is no question.

1520 **Deputy Le Pelley:** I did not think it got to the end of the question, sir.

The Bailiff: Right, in that case, Deputy Ferbrache.

1525 **Deputy Ferbrache:** Sir – and I am really just seeking this for clarification and not for any other purpose – Deputy Inder asked, 'Has selection gone forever?' My understanding of the President's remark was that the 11-plus has gone forever. But I think, if I have understood Deputy Inder's question more widely – and really I would like the answer to that – has selection, in the Committee's view, at any age, i.e. 13, 14, gone forever?

1530 **The Bailiff:** Deputy Le Pelley.

1535 **Deputy Le Pelley:** Sir, under the extant Resolution, selection at 11 has gone. I have not had a chance to take it further with my Committee, or even from the Assembly, as to where they might want to go in the future. I have not got a crystal ball. All I can tell you is that the extant Resolution rules out selection at 11. I have not, and neither has my Committee, considered anything else. We have just agreed that we will operate going forward in line with the extant Resolution. Absolutely nothing less, nothing more.

The Bailiff: Deputy Yerby.

1540 **Deputy Yerby:** Sir, as Deputy Hansmann Rouxel referred, the timeframe chosen by the Committee for its work on the education estate falls outside the timeframe for both the capital prioritisation debate and the Policy & Resources Plan phase two debate. Why has the Committee chosen this timeframe if it wishes to deliver?

1545 **The Bailiff:** Deputy Le Pelley.

Deputy Le Pelley: Sir, we have reverted to the extant Resolution timeframe.

The Bailiff: Deputy de Sausmarez.

1550 **Deputy de Sausmarez:** Sir, with all the confusion, I am a little concerned that we are descending from education into 'educhaos'. Previously, Deputy Le Pelley has assured us that his entire Committee support the rebuild of the La Mare de Carteret. Can the President for Education, Sport & Culture please confirm whether this is still the case, or whether this has been replaced by the more recent confirmation of the Committee's commitment to the extant Resolution? Can the President please advise which one of those is the case?

Thank you.

The Bailiff: Deputy Le Pelley.

1560 **Deputy Le Pelley:** Sir, there are several options to do with the three-school model. They are available for debate, discussion, consideration, participation by all Members of this Assembly who have been invited to take part in those workshops on 25th January, and one of those options, some of those options, may or may not involve the retention or the rebuild of the La Mare de Carteret, but it will be a three-school model as per the extant Resolution.

The Bailiff: Deputy Lester Queripel has not asked a question yet.

1570 **Deputy Lester Queripel:** Sir, I am somewhat confused, as are some of my colleagues. My great concern is that other members of the Committee may resign before or after the workshop, or the Committee of course may resign *en masse*, before or after the workshop.

Is the President able to give the Assembly an assurance that there will be no more resignations from the Committee? I ask the question although some of my colleagues are mumbling 'no'; I want to hear that from Deputy Le Pelley. I ask the question because we were told that the whole of the Committee were as one after the States' debate, and then Deputy Leadbeater resigned. Surely, we need to be clear about the future intentions of the Committee.

The Bailiff: I do not think that is within the context of the original question, so you do not need to answer that.

1580 Deputy Gollop.

Deputy Gollop: Yes, given the commitment the Committee has made for a workshop to evaluate the three-school model, which of course does not take into account other people's preferences for a two- or four-school model, post the election, how far will that workshop go into intriguing areas, as to which of the three schools would have a sixth form attached or whether we would prefer to re-evaluate a tertiary college of FE combined model, which I think is crucial to the future of debate?

The Bailiff: Deputy Le Pelley.

1590 **Deputy Le Pelley:** Sir, that is part of the purpose of the workshop: to determine such things as that.

The Bailiff: Deputy Fallaize.

1595 **Deputy Fallaize:** Thank you, sir.

On a careful reading of all of the Resolutions, which Deputy Le Pelley referred to, does he believe that they bind his Committee to all-ability schools between the ages of 11 to 16, or does he believe that it leaves open the possibility of selection at 13 or 14?

1600 **The Bailiff:** Deputy Le Pelley.

Deputy Le Pelley: Sir, the decision of the States at its last meeting, when I thought this was resolved, was that there would be no selection. The schools will now be operating, in future – from 2019 onwards, I believe is the date – on an all-ability entry, as per the extant Resolution, dare I say again.

The Bailiff: Deputy Trott.

1610 **Deputy Trott:** Sir, while the President for the Education, Sport & Culture Committee has made his position very clear. Would he also agree with me that it is important that this Assembly does not lose sight of the important determination of value for money and affordability, and whilst he has, I think, convincingly expressed his view, with regard to the direction of his Committee, in line with the extant Resolutions of this Assembly, value for money and affordability will form an essential part of any final decision? As a consequence, some of the questions that he has been asked today have been unreasonable in the extreme.

A Member: Hear, hear.

The Bailiff: Deputy Le Pelley.

1620

Deputy Le Pelley: Sir, I very rarely disagree with Deputy Trott, and I am certainly not going to disagree with him on this occasion.

The Bailiff: Deputy St Pier.

1625

Deputy St Pier: Sir, I think the President for the Committee for Education, Sport & Culture has been extremely consistent this morning that his Committee are determined to deliver the extant Resolutions – and he has referred to that, I would say, a number of times. For the avoidance of doubt, could he confirm, therefore, that the Committee, and indeed the workshop, is not going to spend time considering either two- or four-school options, because that does not form part of the extant Resolutions?

1630

The Bailiff: Deputy Le Pelley.

1635 **Deputy Le Pelley:** Sir, the workshop is going to be looking at various ways in which a three-school model can be produced. That is not to say that other Members who may attend may wish to say other things. But the actual presentation will be on a three-school model, and there are several different ways in which that can actually be achieved. We will investigate them. Hopefully, everybody will be there to help us to do that.

1640

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

1645 Would the President agree with me that it is important as many States' Members attend as possible in January and also that States' Members, following your answers this morning, that have been very succinct, relay that publicly, instead of the misinterpretation and some of the things that are being said about 'selection is still on the cards', when you have made it very clear this morning and sent out the right message?

The Bailiff: Deputy Le Pelley.

1650

Deputy Le Pelley: Thank you very much Deputy Lowe.

1655 I cannot make it clearer. We have, as a Committee, taken on board the direction of travel that this Assembly has demanded we take. We are fully prepared to do that, and if anybody needs to know exactly what it is I am quite happy for the extant Resolution to be published. Well, it is published widely, people can get hold of it on the States' website. That is exactly what we are going to deliver. Nothing more, nothing less. In reply to what you suggested about everybody taking part, please do. We want to have every Member of this States' Assembly helping us to determine which way we are going to go forward on a three-school model for all ability entrance to secondary schools.

1660 Please be there.

The Bailiff: Yes, Deputy Tooley.

1665 **Deputy Tooley:** Sir, I wonder if the President would agree with me that where it concerns the education of our children and young people no question is unreasonable, and it is not unreasonable for parents and Members of this Assembly to expect the answers to questions regarding these matters.

The Bailiff: Deputy Le Pelley.

1670

Deputy Le Pelley: And I think you have had them, Deputy Tooley.

The Bailiff: Deputy Brehaut.

1675 **Deputy Brehaut:** Thank you, sir.

What is playing out, perhaps, is the disconnect between the extant Resolutions and the President's summing up speech at the time, where he spoke of Guernsey being unable to compete with Jersey. He spoke of sink schools and States' Members ruing the day. On reflection would he like to withdraw those comments, now?

1680

The Bailiff: Deputy Le Pelley.

Deputy Le Pelley: Sir, I do not think that has had anything to do with the statement I made at the beginning of this Question Time.

1685

The Bailiff: I think that was beyond the context of the question, you are right. I see no one else rising. We will move on then to the next item.

Billet d'État XXX

VI. Schedule for Future States' Business – approved

Article VI.

The States are asked to decide:

Whether, after consideration of the attached Schedule for future States' business, which sets out items for consideration at the Meeting of the 11th January 2017 and subsequent States' Meetings, they are of opinion to approve the Schedule.

1690 **The Deputy Greffier:** Article VI, Schedule for Future States' Business.

The Bailiff: Deputy St Pier.

1695 **Deputy St Pier:** Sir, I have nothing to add to the Schedule, other than merely to note that of course it may be subject to change in view of the statement which you gave first thing this morning, sir.

1700 **The Bailiff:** Indeed, I think the version that has been circulated does not include the Proposition to elect a new member for the Committee for Education, Sport & Culture. It is already out of date. But that will obviously appear under Elections and Appointments.
Deputy Fallaize.

1705 **Deputy Fallaize:** Sir, just a very quick question. In the event that the Committee for Education, Sport & Culture does not resign, and there is a motion of no confidence debated at the January meeting, will the motion be debated before or after the States have elected a member to replace Deputy Leadbeater, who will already have resigned?

1710 **The Bailiff:** Well, I think that is covered in what I said earlier, but under the Rules, Deputy Leadbeater's resignation will not take effect until a successor has been elected. So if we were to elect a successor to Deputy Leadbeater before the motion of no confidence is debated, it would mean a motion of no confidence in the person who has only just been put forward for election –
(Laughter)

1715 **Deputy Fallaize:** I know.

The Bailiff: – which I think would be slightly absurd, and is not likely to encourage people to stand for election knowing that immediately they are going to have a motion of no confidence. So I think –

1720 **Deputy Fallaize:** That is why I asked the question, because normally elections are taken before motions of no confidence.

1725 **The Bailiff:** Yes, but it is a matter for me; but, as I say, under the Rules it would be rather absurd if somebody is asked to stand for election on the basis that immediately they are facing a motion of no confidence. So I think that pragmatism has to come in, rather than a rather ridiculous sort of sticking to the precise letter of the Rules.

Yes, we then need to just vote on the Schedule for States' Business, unless there is any further debate on it. Those in favour; those against.

Members vote Pour.

The Bailiff: I declare it carried.

Christmas greetings

1730 **The Bailiff:** I will conclude by wishing you all and your families a very Happy Christmas, and I look forward to seeing you back here in the New Year.
Deputy Lowe.

Deputy Lowe: Thank you, sir, and thank you for your Christmas greetings.

1735 On behalf of the States, I would like to wish you and your family a very Happy Christmas and if, through you, sir, you would be kind enough to pass our good wishes to His Excellency and Lady Corder.

1740 On behalf of the States, I would also like to say publicly a huge thank you to our 5,000 plus employees who help this Island tick, help us work and help keep the Island safe and secure and able to function. I hope our staff have a very Happy Christmas and look forward to a peaceful New Year.

Several Members: Hear, hear.

1745 **The Bailiff:** Thank you Deputy Lowe.

I will certainly pass on your best wishes to His Excellency, who is attending in Alderney today, where there is a meeting of the States of Alderney, and it is also their Homecoming Day tomorrow, so he felt it was appropriate that he should be there rather than here. I will certainly pass on your best wishes.

1750 That concludes this meeting for this year.
Happy Christmas to you all.

The Assembly adjourned at 11.39 a.m.