



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Wednesday, 29th November 2017**

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**Law Officers**

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Deputies P. T. R. Ferbrache, J. Kuttelwascher, D. A. Tindall,  
B. L. Brehaut, R. H. Tooley

**St Peter Port North**

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

**St Sampson**

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

**The Clerk to the States of Deliberation**

C. Foster (H.M. Deputy Greffier); S. M. D Ross, Esq. (H.M. Deputy Greffier) (*morning only*)

**Absent at the Evocation**

M. M. E. Pullum, QC, (H.M. Procureur); Deputy J.S. Merrett (*relevée à 11 02*);  
Deputy P.T.R. Ferbrache (*relevé à 11 06*); Deputy P.R. Le Pelley (*absent de l'île*);  
Deputy J.P. Le Tocq (*absent de l'île*)

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# States of Deliberation

*The States met at 11.00 a.m.*

[THE DEPUTY BAILIFF *in the Chair*]

## PRAYERS

*The Deputy Greffier*

## EVOCATION

## CONVOCATION

**The Deputy Greffier:** Billet d'État XXIII of 2017. To the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday, 29th November 2017 immediately after the meeting of the States of Election convened for 9.30 a.m. to consider the Items listed in this Billet d'État which  
5 have been submitted for debate.

**The Deputy Bailiff:** Good morning, Members of the States of Deliberation.  
Deputy Merrett, do you wish to be *relevé*?

10 **Deputy Merrett:** Yes, please, sir.

**The Deputy Bailiff:** Thank you very much. We will mark Deputy Merrett as present.

## STATEMENTS

### **Guernsey Armed Forces Covenant – Statement by the President of the Policy & Resources Committee**

15 **The Deputy Bailiff:** The first matter for this morning is a statement from the President of the Policy & Resources Committee on the Guernsey Armed Forces Covenant.  
Deputy St Pier.

**Deputy St Pier:** Thank you, sir.  
20 As many of you will no doubt be aware, 20th November 2017 marked the 100th Anniversary of the beginning of the Battle of Cambrai, a conflict which is considered important by war historians for the first significant use of tanks in conflict during the First World War. For us Islanders, of course, tomorrow, 30th November 2017, is arguably more significant in terms of commemorating that terrible battle as 100 years ago over 900 of our servicemen from the Royal Guernsey Light Infantry entered the battle and tragically, of course, many of them never returned.

25 I would like to take this opportunity to advise the Assembly that after consultation with you, sir,  
that the Deputy Bailiff has kindly agreed that we will suspend proceedings tomorrow at 10.00 a.m.  
in order to observe a two-minute period of silence and reflection to mark the remembrance of the  
sacrifice of our servicemen. This will coincide with the unveiling of the new Royal Guernsey Light  
Infantry World War I Memorial at Cambrai and Masnières, which, of course, explains the absences  
30 of the Bailiff and Deputies Le Tocq and Le Pelley from this meeting of the States.

I would also like to take this opportunity to bring a very timely update to the Assembly about  
the Guernsey Armed Forces covenant, which is now ready to be signed off and upheld. By way of  
reminder, the covenant acts as a commitment between the States of Guernsey, on behalf of the  
people of Guernsey, and the local Armed Forces community. Its intention is to ensure that those  
35 who currently serve in the Armed Forces, or have done so in the past, whether regular or reserve,  
and their families, should face no disadvantage compared to other citizens regarding public and  
commercial services. Special consideration is appropriate in some cases, especially for those who  
have been affected most, such as the injured and the bereaved.

As Members may be aware, there is already a UK Armed Forces covenant, which sets out the  
40 relationship at a national level between the Armed Forces and the UK government. The Guernsey  
Armed Forces covenant is built around similar principles of mutual support and moral obligation  
towards our Armed Forces community. This covenant promotes the integration of service life into  
civilian life and encourages members of the Armed Forces community to engage in Island life. The  
measures that form the foundation of this covenant include looking after the welfare needs of our  
45 Armed Forces personnel and their families; recognising and remembering the sacrifices faced by  
the Armed Forces community in annual services of commemoration; acknowledging the  
important role of the cadet forces of all military services and their valuable contribution to the  
youth and community services of Guernsey; and developing ways of improving access to  
information for serving and ex-service personnel and their families in respect of support and  
50 services in Guernsey.

Recognising those who have performed military duty unites the community and demonstrates  
the value of their contribution. This has no greater expression than in the upholding of this  
covenant. The States of Guernsey will periodically review the measures that we are taking to  
implement the principles of this covenant and consider if further actions would be helpful.

55 Sir, thank you for the opportunity to update the Assembly about this covenant and to draw  
Members' attention to the proposed two-minute silence tomorrow. I trust that Members and  
others will support this important commitment that we are making to the Armed Forces  
community in Guernsey and, of course, I also invite everybody across the Island to join with the  
Assembly in observing this period of silence and reflection at 10.00 a.m. tomorrow.

60 **Two Members:** Hear, hear.

**The Deputy Bailiff:** Thank you, Deputy St Pier.  
Deputy Ferbrache, would you like to be *relevé*?

65 **Deputy Ferbrache:** Yes, please.

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

Does anyone have a question to put to the President of the Policy & Resources Committee  
70 within the context of the statement that has just been delivered?

Deputy Graham.

**Deputy Graham:** This is a slightly contrived question, I have to admit, Mr Deputy Bailiff,  
because I am going to invite to Deputy St Pier to agree to accept my thanks on behalf of the  
75 Armed Services community, if he would please do so. I feel entitled to do that because I am

Patron of the Guernsey Combined Services Charity and I feel safe in thanking him on behalf of that community.

80 The only point additionally I would make, I would ask him if he would agree with me that actually it is a two-way process, this covenant. The Armed Services community do not themselves ask for special privileges; it is more an emphasis on protecting them against any disadvantages from their service. But the two-way bit is really that the Armed Services community – and I hope he agrees with this – themselves see themselves committed to an extra special engagement with the community at large too.

85 Thank you, sir.

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

**Deputy St Pier:** Sir, I am grateful to accept Deputy Graham's thanks and also this opportunity to thank him and indeed others who have contributed to the development of the covenant.

90 I absolutely agree with him in his question, sir, that this is a two-way commitment and obligation, and I hope that some of that was reflected in the statement which I made.

**The Deputy Bailiff:** Deputy Gollop.

95 **Deputy Gollop:** Sir, in relation to the earlier part of the statement, we are, of course, proud that the Bailiwick, and other representatives of the States, are involved with the Cambrai celebrations.

100 Having attended a very interesting lecture by Major Edwin Parks recently on the subject it emerged from a very senior figure that the Battle of the Lys in 1918 was as significant and, arguably, an even greater sacrifice and achievement for our brave people from Guernsey of that era. Will the States in one way or another be able to commemorate that occasion with due formality as well please?

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

105 **Deputy St Pier:** Sir, I certainly take note of Deputy Gollop's historical observation. I am afraid he is better informed on this than I am, but it is certainly worthy of further consideration, given his comments.

110 **The Deputy Bailiff:** Deputy Inder.

**Deputy Inder:** Thank you very much.

I am just wondering if Deputy St Pier would be able to share a copy of the Armed Forces covenant with States Members at some point.

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

**Deputy St Pier:** Yes, of course, sir, and it will, of course, be a publicly available document.

#### **General update –**

#### **Statement by the President of the Committee for Environment & Infrastructure**

120 **The Deputy Bailiff:** No one else is rising, so we move to the second of the Statements. This is a Rule 10(4) Statement, a general update from the President of the Committee for Environment & Infrastructure, Deputy Brehaut.

**Deputy Brehaut:** Thank you very much, Mr Deputy Bailiff.

125 Sir, I welcome this opportunity to present my second statement on the work of the Committee  
for the Environment & Infrastructure to the Assembly, and I will remind them that myself, along  
with my Vice-President and the Chief Secretary, attended a Scrutiny Management Hearing at St  
Martin's Parish Hall. The hearing touched on a number of areas within our mandate and there will  
be a *Hansard* record of that hearing.

130 So, in no particular order then: hydrocarbons, or rather the manner in which we import them  
onto our Island, is finally taking shape. You may be aware the recommendation is to investigate  
further the Multi Buoy Mooring option for clean fuels, rather than rely on fuel tankers that have  
built in obsolescence. We are seeking to become less tide dependent, less wind dependent, less  
weather dependent, and in doing so become more independent, less reliant on elements and  
factors outside of our control. Is that process expensive? Yes. Have we been well served by the  
135 existing system over the years? Yes we have; but E&I need to be clear on the rationale and the  
need to change our existing import method.

I also need to stress, despite comments to the contrary, we did not embark on the  
hydrocarbons project because of pressure from either the EU or the UK. We are not being  
directed to do anything by any international body, nor did we engage consultants, as has been  
140 alleged, to tell us something others already knew. The energy market is changing. We need to be  
proactive not reactive. Hydrocarbon demand is falling – we know that – and we can no longer do  
what we have always done. A number of risks have been identified within the current system, all  
based on research and discussion and consultation with key operators and others within the  
supply chain. Threats to the safety and security of supply are real. We have to act to secure our  
145 fuel supplies in the long-term and we anticipate having a Policy Letter to this Assembly the first  
quarter of 2018.

It would be remiss of me not to address energy policy in the context of fuel supply. The  
Committee has placed the energy policy as its number one priority. We are committed to drawing  
up the dots between existing policy and the hydrocarbons and renewable programmes, in  
150 recognition of the fact that a large part of Guernsey's energy sector are waiting for a firm direction  
from the States that will allow them to make significant and, more importantly, progressive  
investment decisions for the future.

Turning now to progress with delivering the States Integrated Transport Strategy, what I intend  
not to do is to read a long list of projects that help us deliver the Strategy. I want to take this  
155 opportunity to remind you all of the ethos of the Strategy, its reason for being. The Strategy is not  
about moving cars around the Island. It is about moving people – well, actually goods and people;  
making travel safe; making it more convenient; making it easier for people. Whether that is  
investing in our bus service or doing something simple like allowing the growing number of  
cyclists through road closures, or having charging points in our car parks, or working more closely  
160 with committees in assisting them with our travel plans.

The Integrated Transport Strategy is not all about blister paving, toucan and tiger crossings,  
not forgetting our much loved zebras, or scoring its success or otherwise by the number of people  
on a cycle path, in the bleak midwinter, on the east coast, in a gale. It is about more than that: it is  
about health; it is about wellbeing; it is about air quality; it is about safety. Ultimately, it is about  
165 families and it is about communities.

I am delighted to see our bus passenger numbers continue to exceed all expectations, with the  
third quarter of 2017 returning a growth of 7.8% that is compared to the same period in 2016.  
That is up 17.5% over two years – yes, 17.5% over two years. On 24th October we carried our 1.5  
millionth passenger for the year to date, an achievement that we only reached during the last two  
170 days of the year in 2015. We are now on course for another record-breaking year, with  
approximately 1.75 million passengers expected to have used the scheduled bus network by the  
end of the year.

Just touching briefly on an area – one of many perhaps that gets a great deal of public  
interest – our roads programme. In 2017 Traffic & Highway Services started recovering a



175 contribution from works that reduced the life of roads and therefore add extra cost to the public  
 purse by accelerating the need for resurfacing. This scheme encourages utilities and construction  
 companies to change the way that they plan future projects to avoid digging in roads that have  
 only recently been resurfaced wherever possible. This system included a period immediately prior  
 to resurfacing when any excavations in the road would be exempt from charges, to encourage  
 180 companies to programme works during this time. We are pleased to say that this incentive has  
 meant that there has been a notable increase in utilities undertaking works crucially before works  
 take place or resurfacing takes place. While this may not mean fewer road works or better roads  
 immediately, it is another action we are taking to ensure that over time it will improve the  
 condition and life of our road network. A fit for purpose road network is crucial to everyday life in  
 185 Guernsey in many respects – social, economic and environmental.

Briefly touching on farming: in recent months the Committee has had the opportunity to gain  
 a closer understanding of the work on our Island's dairy farms, the work of the Guernsey Dairy  
 and the way their businesses are collaborating to ensure a year round supply of milk to satisfy all  
 Island needs. The work to define the vision for the industry was agreed by the last Assembly and  
 190 my Committee was pleased to meet farmers and to be invited to visit farms at the beginning of  
 October to hear from them of the challenges they face, their concerns for the future and to  
 explore the way the States and farmers can work together to produce the right outcomes for the  
 Island and its countryside. I would like to place on record my thanks to the Guernsey Farmers'  
 Association, and in particular its President.

195 The remit of the Committee is wide, from strategic and existential to things much closer to  
 home. One example of the latter has been the work of our land management team to try and halt  
 the establishment from the Island of the non-native Asian hornet, which is a voracious feeder and  
 a threat to honey bees and pollinating insects. (**A Member:** Hear, hear.) Collaborating closely with  
 local beekeepers, the public and with the States Analyst Lab, many sightings have been checked.  
 200 Those that have been confirmed have been digitally matched to provide evidence of the areas of  
 the Island where nests are likely to be located. Two nests have been found, safely destroyed, and  
 it remains to be seen if the Island is able to resist this invasive species coming from European  
 mainland – realistically that is probably unlikely.

I am also pleased to report that positive progress has been made in development of a strongly  
 205 community based action plan to assist the delivery of key elements of the States Biodiversity  
 Strategy. The approach adopted has been to address the basic elements of the information and  
 public awareness, with priority being given to the acquisition of reliable data from an Island  
 habitat survey, independent reviews of biodiversity action plans on dairy farms, improvements  
 and support for Guernsey's Biological Records Centre and support for the employment by  
 210 Environment Guernsey – and that is not the Environment & Infrastructure Committee; it is  
 Environment Guernsey – of a biodiversity education officer who will be able to take the  
 biodiversity and conservation message out to the community.

The Committee has recently submitted two Policy Letters: one on waste charging, the other on  
 inert waste management. These are examples of collaborative working, as envisaged by the States  
 215 Review Committee. On behalf of my Committee I would like to thank members and staff of the  
 States' Trading Supervisory Board for such a productive and constructive working relationship.  
 Following the States' Resolutions from the L'Ancrese Policy Letter, which was debated in this  
 Chamber at the start of the autumn, we are now progressing with the implementation and  
 planning of this project to enable it to proceed. We are aware of the sensitivities of this project  
 220 and we will be communicating regularly with the stakeholders and other partners, such as the  
 States' Trading Supervisory Board, to make sure that these resolutions are successfully  
 implemented and benefit our Island community.

And my final paragraph, sir, in closing, looking to the future, the Committee will be coming to  
 this Assembly early in 2018, with its conclusions and next steps with a Policy Letter including  
 225 KPMG's Guernsey Housing Market Review, which has six areas of focus, namely: credit provision  
 and a highly concentrated mortgage market; affordability for first-time buyers; provision of elderly

tenures; provision of key worker housing; Government support to the housing market and; ongoing monitoring of housing targets and KPIs. Again, we are working closely with the Committee for Employment & Social Security, but we are also seeking the views of Policy & Resources, Economic Development and the Guernsey Housing Association on how KPMG's recommendations can be implemented.

Sir, I only have 10 minutes, I am aware that Members can only ask me questions that stem from my speech, so can I say: harbour action area, coastal defences, *(Laughter and Interjection)* bathing pools and electric vehicles may also be referred to.

**The Deputy Bailiff:** Members of the States, the President seems to think you can only ask questions arising out of his statement. It is question time now for up to 20 minutes, possibly extended, on any matter within the mandate of the Committee **(A Member: Hear, hear.)** so we turn up our mandates and fire a pile of questions at him. *(Laughter)* So who wants to question the President?

Deputy Lester Queripel.

**Deputy Lester Queripel:** Sir, I believe I am right in saying the President said at the recent Scrutiny Committee Hearing he referred to, his Department's preferred option for the delivery of hydrocarbons to Guernsey is an offshore floating facility. If that is the case, can the President please tell me if his Department will be recommending relocating the actual storage tanks for hydrocarbons, which are currently placed alongside Guernsey Electricity and Channel Island Fuels on the north side of the Bridge and Fuel Supplies Ltd on Bulwer Avenue, not forgetting, of course, the underground storage facility of gas close to Longue Hougue?

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Thank you, and I am sorry, sir, for misleading the House at the end of my statement – entirely unintentional.

The hydrocarbons project is a piece of work that gets through stages incrementally. We will be coming to this Assembly at some point in the future with a recommendation for a multi-point fuel buoy. That is what we will be coming to this Assembly for. Any other matters relating to that will be detailed in any Policy Letter that appears at that time.

The very issue you refer to is not a plan, it is not on the agenda, and it is not something that we intend to do, but it is something that has to be factored in to any future decision making in relation to hydrocarbons.

**The Deputy Bailiff:** Deputy Inder.

**Deputy Inder:** Thank you.

Deputy Brehaut, the vergée price for land has risen astonishingly over the past ... when I said land, I meant fields and farming land, from around £5,000 to £15,000 per vergée, and more at the moment, and it has all happened in a very short period of time, many fields being turned into lawns, extensions of various small estates in Guernsey or part of an investment portfolio or over to horses. Has the Committee conducted any work to the extent of the loss of the land to the farming community and its effect upon the industry itself?

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** I believe Mr Andrew Casebow, a former States' employee, who was the liaison officer between the former Commerce & Employment – and I do apologise, I have forgotten his professional role – was responsible for farms for some time and at the end of the Occupation I think there were about 141 farms on Guernsey; I think we are now down to 13.

When we met with farmers recently, a farmer that we met with had on the wall in front of us a map of Guernsey with the fields which he had to reach every day and they were dotted pretty much all over the north of the Island. It is not the most productive way to work. Fields are lost because of what is referred to as 'horsiculture' I think, and the mechanism may be to deal with the loss of agricultural land could be possible through a mechanisms through TRP, through P&R so that land that is given over to something other than agricultural use, but related to a specific ... Horse grazing, for example, may have a higher TRP and could possibly discourage that use.

But no, like others I observe the loss of land in relation to farming and ideally farmers would like to acquire a great deal of land in close proximity to the farms they operate from.

**The Deputy Bailiff:** Deputy Paint.

**Deputy Paint:** Sir, I would also like to ask the President questions about hydrocarbons. Is the President aware, by what he has told us this morning, that there will be a huge reoccurring cost by putting buoys out into the Little Russell, we presume? I spoke on this matter with the Harbour Master several years ago and he was not favourable, simply because he said that at that time it would cost £20 million to put a buoy there and it would have to be replaced every 20 years, if not sooner.

Can the President confirm that a supplier went to one of the workshops and said that he was perfectly happy to continue putting in tanker ships into St Sampson's –

**The Deputy Bailiff:** Thank you, Deputy Paint.

**Deputy Paint:** – with things as they were –

**The Deputy Bailiff:** Deputy Paint, your time is up.

As far as I could see you are asking more than one question anyway, so the first question, Deputy Brehaut.

**Deputy Brehaut:** I thank Deputy Paint for his questions.

Any infrastructure projects of this size will have relative reoccurring cost. I think, in comparative terms, if we are thinking about replacing both fuel tankers, that is the clean fuel tankers replacing the tankers that bring heavy fuel and replacing the gas vessel, then that is a colossal up front capital cost, so it is apples and pears. Yes, there will be a recurring sum, ultimately with the maintenance of a fuel buoy and quite some significant sum with its installation.

If I can answer the second question, can I?

**The Deputy Bailiff:** I do not think it was asked!

**Deputy Brehaut:** Okay, I will give way.

**The Deputy Bailiff:** Deputy Oliver.

**Deputy Oliver:** Sir, I would just like an update, if we could, on the progress of the rebuilding of Fermain Wall, please.

**The Deputy Bailiff:** Is that a question?

**Deputy Oliver:** Yes. *(Laughter)*

Please could I have an update on the rebuilding of Fermain Wall?

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Yes, we would very much like to press ahead with the Fermain Wall and we will be approaching our colleagues at P&R for, I think, an estimated £600,000.

The issue with Fermain Wall is that the land behind absorbs a great deal of water and expands, it moves forward when it is full of water, the water then drains and the wall sits back. So that dynamic, year in, year out, with the wall being pushed forward and sitting back, has meant that the wall has collapsed. It is not a sea defence and the damage was not done by the sea; it is done by the surface water run-off from the land above which has meant the wall has collapsed.

It is one of our priorities, but a priority that comes with an extremely heavy price tag.

**The Deputy Bailiff:** Deputy Roffey.

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

Given that the number of electric cars in Guernsey has gone up five-fold in the last two years and is rapidly increasing at the moment, does the President of Environment think that the States of Guernsey ought to be mirroring the action of the UK Chancellor and taking positive steps to encourage this trend?

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Sir, was he asking us to encourage this trend, is that what he said? Yes. I agree. Where Guernsey, I think, if we are not careful, could get caught out is that I think in December 2015 there were between 23 and 24 fully electric vehicles on Island. As of this month, November, there are 144 fully electric vehicles so the growth is phenomenal. What we need to do ... we are putting electric charging points in one of the car parks, but in Island infrastructure terms we run the risk of getting caught out because there is a huge amount of work that needs to be done with regard to infrastructure.

With regard to incentives to encourage that trend, there is currently no disincentive for anyone to buy an electric vehicle. The first registration duty, for example, is done on an emission basis but it is a growing trend and we need to adapt to it. That will mean, I am sure at some point in the future, coming back with significant plans to look at, particularly, the electrical infrastructure; the cables that are in the ground.

**The Deputy Bailiff:** Deputy Graham.

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

I cannot pretend that the issue of attempting to sell vehicles privately on public land is the most important issue facing the Committee, let alone the States, but it is one of the most irritating and frustrating. (**A Member:** Hear, hear.) I would ask the President whether ... I offer him my support, and always have done, for the attempt to do this by persuasion and shaming with the voluntary notices out, but the early signs are not very good at the moment. I would just like to ask if I can have an assurance that the Committee has not really let go of this and considered it a job done already?

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Sir, I thank Deputy Graham for the question.

The issue with the Environment & Infrastructure's relationship with what might be called the 'car lobby' or the 'car owner' is that people have always encouraged us to soft pedal because we will at some point come back to this Assembly with legislation, possibly to look at a revisit of motor tax, so what we do not want to do, in one fell swoop, is alienate the entire community by saying we have it in for any specific group.

The simple signs that we put out – we are asking people can you please do the right thing, can you do the decent thing, this is inconvenient. If they do not work – and it is relatively early days yet – but if it is demonstrated they are not working will have to revert to the law. But there are a number of laws already in place that could dissuade and discourage people from parking, particularly in coastal car parks, anyway.

**The Deputy Bailiff:** Deputy Merrett.

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

Is the President, with regard to the Waste Strategy, comfortable with the weighted views in coming to the conclusion that Longue Hougue South is the preferred choice because I am led to believe that Mont Cuet North also scored highly as a consideration; furthermore, is the President comfortable to only furthering the preferred choice, mainly to the States having a future time sensitive, binary choice?

**The Deputy Bailiff:** Can I just make a comment before inviting Deputy Brehaut to respond.

It is supposed to be individual questions, one at a time, please; Deputy Paint has already tried to do multiple questions. You get a second bite of the cherry; you do not have to ask two questions in one go. One at a time will make life a lot simpler for the President, and for the rest of the Assembly.

So first question: answer, Deputy Brehaut.

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

The joint Policy Letter that will be coming to this Assembly identifies Longue Hougue South as option A. Now, what that Policy Letter will do is ask us to embark on a process that will initiate an environment impact assessment, best practice environmental option, the planning process and ultimately, I suppose, an open planning meeting, if it got that far – it is option A.

Option B is Mont Cuet But of course, the option we may have, or the States may have, is running a parallel assessment so along with assessing works at Longue Hougue itself, to run a parallel exploratory exercise in regard to planning terms to Mont Cuet. But we are some way from that yet. We have identified option A and we will be coming to this Assembly with the reasons why we believe it represents, at this time, the best site.

**The Deputy Bailiff:** Deputy Lowe.

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

Would the President agree with me, or consider, that electric cars or hybrid cars are certainly the way that we are trying to encourage people to go and that maybe it might be worthwhile for Environment & Infrastructure to bring a report to the States to have a States policy across the States, bearing in mind how many cars are actually owned by the States – we could be leading the way.

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** I actually think we really do embrace environmental policy, because sometimes it is concealed within strategic documents and not given the profile that it should be. I actually think the overarching policies are in place. But it is a vehicle – it is not a motor vehicle ... well, it is an electric motor vehicle – and while it is the panacea for emissions, Guernsey might not need 85,000 electric vehicles. So what I envisage the problem we have, I should imagine, in five or ten years' time is Guernsey's perennial problem, which is managing traffic, the use of vehicles and the public realm. But I do not think the means by which a vehicle is necessarily propelled does not prevent any charging mechanism in relation to its usage on the Island's roads.

435 **The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Sir, as a follow up really to Deputy Lowe and Deputy Roffey, we have heard a lot about electric cars and maybe buses, but what is the policy of E&I towards driverless cars? A prospect that, personally, fills me with dread.

440 **The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Autonomous vehicles are an exciting prospect. I know the technology exists; I know that they work in cityscapes. I do not know what fine tuning would be necessary to work within a small island community, and with some of the quirks that we have within our road systems. I suppose they could readily identify a *Ruette Tranquille* if they were pre-programmed, for example.

445 All I say is I support that general direction – I was going to say direction of travel! I support that general direction, but I think in the Guernsey context that is probably just a little bit ahead of the curve at the moment.

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

**Deputy De Lisle:** Can I ask, sir, what is the Committee doing about providing more parking in town for vehicles for residents, shoppers, workers and visitors?

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Thank you, sir.  
460 Would Deputy De Lisle be good enough to declare an interest, sir, can I ask him to do that, as a town trader?

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

465 **Deputy De Lisle:** I am quite prepared to declare an interest, sir.  
But also it is a problem that is on the minds of many people shopping in Town.

**The Deputy Bailiff:** Deputy Brehaut.

470 **Deputy Brehaut:** I thank him for that and I thank him for his question.  
There is broadly a misconception with the volume of vehicles in St Peter Port and people's ability to stay and to shop or to eat. You will notice that over the Christmas period there is a slight tweak, which gives people longer dwell time, so people can shop, and as I have said earlier, perhaps go to a restaurant after they have shopped, and that gives them a longer period of time.

475 But when a cruise liner is in, for example, there is no net loss of parking, it means that people can park somewhere else other than on the piers. But if you want to bring more vehicles into Town and you want more vehicles to stay for longer you have this problem of how do you get that mass of vehicles out of St Peter Port between five and six o'clock. So our job, as the Environment & Infrastructure Department, is to give people the alternatives and we are trying to do that through the use of, obviously, the bus service and investing in cycle path and related infrastructure.

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

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

I just wanted to ask Deputy Brehaut a question about the removal of the L'Ancrese Wall. If the beach does not reform as envisaged, so the sand banks do not re-establish themselves and so on, is there a plan B, and if so what is the plan B to safeguard against, possibly, sea water ingressing or advancing beyond the predicted profile?

490 Thank you, sir.

**The Deputy Bailiff:** Deputy Brehaut.

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

495 The structure that the States approved acknowledges the fact that it is a dynamic beach, that materials move on the beach. The idea is, then, to have the rock armour in place rather than a defined set concrete structure that can never be moved, is that, for want of a better word, the structure can be tweaked or balanced or refined, adapting to how the waves and tide behave to it.

500 But no, we would be naïve not to acknowledge that with any plan of this nature there are relative risks and we have our eye on those risks and would act immediately if we felt that any one part of the scheme was not working as the engineers anticipated.

**The Deputy Bailiff:** Deputy Prow.

505 **Deputy Prow:** Thank you, sir.

Please could I ask the President of Environment & Infrastructure if there is likely to be any further public consultation with regard to the removal of scrubland, blackthorn and gorse to the Icart Headland in order to build a footpath and a field of dry grassland on this popular coastal beauty spot?

510 Thank you, sir.

**The Deputy Bailiff:** Deputy Brehaut.

515 **Deputy Brehaut:** Sir, all works – like any other committee – are subject to the planning process and people can contribute or make representations during that time. But I did mention invasive species, with regard to Asian hornets, and as fond as we all are, I certainly am, of Icart Headland we have to acknowledge what is there now is not native. So you have quite large areas of land that have been taken over by non-native species. They will be managed; we will have, possibly, the Guernsey Conservation back there to manage the meadow that will come through.

520 All I can do is acknowledge the sensitivities to the path being sited there, but of course, there was a path used for many years before that that was in common usage which has been removed, so it is felt that the public have a right of access to something that is clearly in community ownership.

525 **The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, does the President agree with me that not only from an environmental health point of view, but also wider public health aspects that we should be doing more to encourage people on to electric bikes rather than electric cars?

530

**The Deputy Bailiff:** Deputy Brehaut.

535 **Deputy Brehaut:** Yes, I cannot disclose too much at the moment, I am afraid, but my Committee, the Committee for Environment & Infrastructure, is working on a scheme at the moment that would assist people financially with the purchase of electric bikes. The uptake in Jersey has been absolutely fantastic. What people have to do in Jersey when they buy an electric bike is keep a log of when they use it, how often they use it, their mileage is recorded, simply to

stop people buying a bike and then putting it on eBay ... and I am sure people have attempted that!

540 Sir, what we are trying to do is assist people in the purchase of these bikes but also recording their usage to ensure that people are getting best use and the taxpayer is getting best value from them.

**The Deputy Bailiff:** Deputy Paint.

545

**Deputy Paint:** Sir, in his statement earlier the President of E&I said that when you are operating with buoys the vessel would become less weather dependent. Can he explain how that would be, when in the report they are not weather dependent?

550 **The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** I will give way to Deputy Paint's broad field of knowledge in this area with relation to maritime matters. Clearly there are occasions, whether through windage, whether through rough seas, with the tidal conditions when it is more difficult to get a tanker to dock. Presumably it is sat off then while it is sat off it may be able to unload. All I am saying is that the margins are not as tight and the opportunities are greater, that is the point I am making.

**The Deputy Bailiff:** Deputy Roffey.

560 **Deputy Roffey:** Thank you, sir.

Will the President agree with me that it is crucial to our agriculture industry to not allow any significant block of good quality agricultural land to be eroded, as we have seen announced today with Les Blanches?

565 **The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** I was not aware of the decision on Les Blanches. I have to also say that I sat on an open planning meeting and I did vote in favour of the Les Blanches development so it may not be appropriate for met to comment any further at the time when I was a member of the Environment Department.

**The Deputy Bailiff:** Deputy Gollop.

575 **Deputy Gollop:** The President has made clear his commitment to the Integrated Transport Strategy and the purpose of investing in buses and moving people around the Island, but would he commit himself and the Committee to ensuring that the right level of marketing effort is put in to publicise existing and revised services for the future to ensure that the new network serves efficiently public need and does not over serve some areas of the Island at the expense of others?

580 **The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Deputy Gollop, was your question should we market the service more? Was that the...? (**Deputy Gollop:** Yes.)

585 The contract is so tight that it does not give anything for the bus company, very small amounts, even to promote the bus service. We have received representations before from the bus operator because they would like to spend more, as we would, on the promotion of the service but the margins are that tight.



590 So we can do what we can as political Members to promote the service and I hope all of us do in this Assembly because we have a stake and a great deal of money invested in this, but there is not the marketing budget that runs parallel to the bus contract, which would be ideal, in my view.

**The Deputy Bailiff:** Does anyone other than Deputy Prow want to ask a question at all?

We will take Deputy Prow next then. I am extending this beyond the 20 minutes because of the amount of business for this meeting not being as great as for some other meetings.

595 So Deputy Prow.

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

May I further ask, following the Presidents earlier reply, does he not consider blackthorn or gorse to be a native species?

600 Thank you, sir.

**The Deputy Bailiff:** Deputy Brehaut.

605 **Deputy Brehaut:** I do, but respectfully, Deputy Prow introduced those to the question, I was speaking of non-native, but there will be an area of land that will be cleared and any – whether it is native or otherwise – one dominant species will crowd out any real biodiversity.

We should not overlook the fact that, certainly in the 18th and the tail end of the 19th century, the cliffs were managed. If you walk around to Moulin Huetyou will see that land was terraced so the cliffs were managed. People have withdrawn from farming, managing, using the cliffs, so the non-native species and dominant local species have returned. My Committee has an obligation to manage that process.

**The Deputy Bailiff:** Deputy Merrett.

615 **Deputy Merrett:** Thank you, sir.

I would like the President to answer if he thinks there is a risk that only furthering the preferred choice of the Inert Waste Strategy being Longue Hougue South may lead in the future to the States having a time sensitive, binary choice.

620 **The Deputy Bailiff:** Deputy Brehaut.

625 **Deputy Brehaut:** I do get the sense of the question ... because of the lifespan of Longue Hougue it is dictating that we use Longue Hougue South, I think is the essence of your question. The considerations with regard to Longue Hougue South apply to Mont Cuet. So if it is not Longue Hougue South it is Mont Cuet and all of the considerations are equal with regard to biodiversity. In fact, some of them are greater because of the nature of the breakwater that would have to be built because of the wind direction and tidal direction. So there is option A and there is option B, if those two options were not in place and we went to quarries, for example, quarries would have the same type of considerations – because they have returned to nature – in environmental terms. 630 My point being is, as uncomfortable people seem to be with what looks like a binary choice, if you extend it out further the challenges or the relative difficulty of the decision does not change, it remains, in my view.

**The Deputy Bailiff:** Deputy Oliver.

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**Deputy Oliver:** Sir, at an expense wild flowers were planted along Fort Road, this was apparently to be a saving of £20,000, however, I have since noticed they have been all cut down, does this mean that it is no longer happening?

640 **The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** I think winter has probably played its part in that process! I am not a gardener but I think, to be serious, there are annuals and perennials and I think the manner in which some of them die back is less attractive and they seem to disappear, but they will return.

645 It is interesting because people use this expression of decline, managing neglect and managing decline when actually biodiversity in nature is not particularly attractive and certainly compared to very neat mown grass, anything that has died back on that common may not look particularly attractive over the winter period.

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

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

Deputy Brehaut mentioned in his statement zebra crossings. Now I am not a zebra crossing connoisseur, but there are some very good examples of zebra crossings across the Island, sir. The Grammar School has a one that is well marked, the one by the Grammar School is well marked, it is raised and it is well lit. There are others that give me cause for a concern. There are a couple by Admiral Park that are effectively hidden at night time, and I just wondered if the Committee had any plans for upgrading zebra crossings so that they could all ideally look like the ones by the Grammar School and be in that kind of setting?

660 Thank you, sir.

**The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** We do. What dictates sometimes the priority with zebra crossings is their proximity to things like electricity supply, because some of the more remote zebra crossings need electricity supply or cabling to light them in the evening.

I did mention, I think, in my speech, toucan crossings, which are slightly different and even tiger crossings, which I think, if I am right, allow cyclists to move across them. But there is a catch-up; we are playing catch-up in a number of areas. There are things that we really want to get resolved, whether it is the speed limit review, whether it is the review of infrastructure and particularly zebra crossings – it is, genuinely, a work in progress with the other demands that we have on us as a Committee.

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

675 **Deputy De Lisle:** Sir, given the Department's priority with respect to energy policy and assistance being given to electric bikes – the intention of – is the Department also considering assistance being given for PV solar?

680 **The Deputy Bailiff:** Deputy Brehaut to respond on behalf of the Committee.

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

Incentives with regard to energy may not all sit with the Environment & Infrastructure department. I think if we look at how the corporate housing programme has been used historically, and the corporate housing programme was really for refurbishment and build of – and I do not know what is left in the corporate housing programme, if it still exists: excuse me for not knowing that – but could money be released from that to incentivise home insulation and also considering whether it is a possibility to extend that to at-home micro-generation and giving subsidies to people who do that?

690 It is a possibility, but it may not be entirely in the ownership of Environment & Infrastructure.

**The Deputy Bailiff:** I think we might end questions to the President at this point. So thank you very much, Deputy Brehaut.

## Questions for Oral Answer

### COMMITTEE FOR ECONOMIC DEVELOPMENT

#### Arts and Sports Community – Removal of funding for events

695 **The Deputy Bailiff:** We now move into Question Time proper. The first set of questions are from Deputy Hansmann Rouxel to the President of the Committee for Economic Development, although I understand it will be the Vice-President who will respond to this set of questions and others.

Deputy Hansmann Rouxel.

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**Deputy Hansmann Rouxel:** Thank you, sir.

Before I begin I should declare a special interest in that I have been approached by the Committee for Education, Sport & Culture to be a trustee of the Guernsey Arts Commission, but as yet have not been officially appointed. However, I have confirmed that this does not present a conflict of interest and I can still ask the questions.

705

The first question is: in the Committee for Economic Development submission to the Policy & Resources Plan Phase 2, the Committee outlined that funding for tourism-related events should increase from £150,000 to £250,000. However, the overall event budget has instead been cut from £150,000 to £100,000 for 2018. Could the President outline the rationale behind this and confirm whether the Committee believes that event support does not provide value for money, return on investment and outline the evidence used to support this rationale?

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**The Deputy Bailiff:** Deputy Kuttelwascher.

715

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

The quoted figure of £250,000 for Events Group funding is related to the submission from the Committee to the States that was based on an overall request for increased funding of £4.4 million. This submission was based on a range of possible actions that could be taken to support the economy. As the Committee expected, the P&R planned to debate the size of any increased funding and its prioritisation. Subsequently the States has chosen not to provide any funding increase to the Committee and as such its plans for 2018 are based on its 2017 budget, less the requirement for the savings as with all States Committees. As such, the States has effectively already decided to remove the potential for any increase.

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The original budget for the Events Group in the 2018 budget was £156,750. The Committee decided to reduce this to £100,000 on the basis of the overall level of tourism support already provided to the economy, 40% of the budget of the Committee, and the need to support other areas of the economy. For clarity, tourism promotion is already supported to the tune of £2.85 million and the Events Group funding is in excess of this amount. The Committee has publicly acknowledged that there is limited formal quantitative evidence of the economic impact of the majority of its activities to support activity across the economy and the decisions were taken based on the best advice available to the Committee and the relative needs it perceived across the economy.

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**The Deputy Bailiff:** Thank you very much, Deputy Kuttelwascher.  
Any supplementaries?

**Deputy Hansmann Rouxel:** Yes, sir. £156,750 represents just 5% of the £2.85 million. This is a small amount, and given that for the arts events alone this year – which supported 15 events – there was only £37,600, probably the equivalent of a small consultation, yet the total cost of putting on these events was £310,043 – that is just 12% of States support and yet most of these events happen in the shoulder months, supporting tourism and the industries around them. Will the Committee be looking at this investment in the round and not only through such a narrow lens?

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, we are looking at the whole strategic plan, we are having a strategic review of the way we fund tourism. People forget that our responsibility is not to fund the Arts Commission or indeed Sports – that rests with Education, Sports & Culture. We are only funding what is of value to Guernsey tourism: that is if there is an event, be it arts or sports, to what extent should we promote it to attract tourists?

I would like, personally, to see the back of us being involved at all in this, because we already do it. The problem we have is we already have a budget; why should we give a little bit of it to someone else to do our work? That is the problem. It is an anomaly, which is a legacy issue which appeared, I think, during the period of the last Commerce & Employment. I personally would like to see all the funding given, whatever is available, even if it meant, dare I say, taking some away from our budget and let Education, Sport & Culture support these actual events. We will continue to support events.

Now, I have got a minute for this, haven't I? I think I am almost out of time but –

**The Deputy Bailiff:** You are using your time.

**Deputy Kuttelwascher:** Sorry?

**The Deputy Bailiff:** You are using your time, Deputy Kuttelwascher. You have got some left! *(Laughter)*

**Deputy Kuttelwascher:** Thank you, sir, in which case I will stop there.

**The Deputy Bailiff:** Deputy Yerby.

**Deputy Yerby:** Sir, for clarity, did the Vice-President just say that he feels his Committee can do a better job of promoting sports and arts related tourism than the Commission set up for, amongst other things, that very purpose?

**The Deputy Bailiff:** Okay, that is not a supplementary question arising out of the answer; it is a supplementary question arising out of the answer to the supplementary question so it is out of order.

You do not have to answer that, Deputy Kuttelwascher.

**The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, could the President advise whether the Committee considered how much the events funding budget had reduced over the last few years before deciding to cut it further?

785 **The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, that would be in an answer which I will give to a subsequent question, so we will leave it at that. And I thank you, Deputy Soulsby, for promoting me. *(Laughter)*

790 **The Deputy Bailiff:** Second supplementary from Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** Thank you, sir.

As per the answer, tourism represents 40% of the Committee's budget. Is part of the reason that it is so important to develop tourism because Guernsey's small size cannot support commercially sustainable air and sea links unless through increased visitor numbers and that part of the investigation into a runway extension was predicated on an increase in visitor numbers of 100,000 by 2025?

800 **The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, I am thoroughly confused now because the Question 2 I have in front of me has got nothing to do with what has just been –

805 **The Deputy Bailiff:** This is a supplementary to the answer to Question 1, **(Deputy Kuttelwascher:** Oh, sorry!) so you have still got to answer it, Deputy Kuttelwascher, *(Laughter)* unless you are unable to do so in the circumstances, or you might be misleading.

**Deputy Kuttelwascher:** Sir, I would prefer to defer this because I could give a very detailed response and I would prefer to do that as a Committee response in writing.

810 **The Deputy Bailiff:** Yes, well maybe, Deputy Hansmann Rouxel, you can follow it up with a Question for Written Answer.

No more supplementaries on the first answer, so we will move to the second question, Deputy Hansmann Rouxel.

815 **Deputy Hansmann Rouxel:** Thank you.

In the same P&R submission under their critical priorities it states:

Review the Guernsey Tourism Strategy to strengthen the Island's unique product offering through supporting the development of the Island's events.

820 What other areas, within the critical priority 'support tourism in order to maintain and grow the economic contribution the industry makes to the islands', have been prioritised over what was approved by the States on 27th June this year?

**The Deputy Bailiff:** Deputy Kuttelwascher.

825 **Deputy Kuttelwascher:** At this time, none. The Committee is undertaking a strategic review of Guernsey tourism and its promotion. The results of this work will be presented to the States for their consideration and this will subsequently inform all future funding decisions.

Thank you, sir.

830 **The Deputy Bailiff:** Question 3.

**Deputy Hansmann Rouxel:** Could the President advise how the event group budgets in 2015 of £175,000 in 2016 of £170,000 and in 2017 of £150,000 were apportioned between Taste

Guernsey, Floral Guernsey, the Arts Commission and the Guernsey Sports Commission respectively?

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** Thank you.

I am just going to read out the contents of a table here. For the years 2015, 2016 and 2017 funding was as follows: Floral Guernsey was £55,000, then £70,750, and then £47,000; Taste Guernsey was £65,000, then £55,000, and then £51,500; Arts Commission; £30,000, then £27,000, and then £37,100; Sports Commission, £25,000, £17,250 and then £31,400.

**The Deputy Bailiff:** Nobody is rising to ask any supplementaries, so Question 4, Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** When determining the apportioning of funds to the different areas, which according to the media reports was not a unanimous Committee decision, what was the rationale behind reducing to zero the support of sports and arts and not Floral Guernsey and Taste Guernsey? Could the President outline the specific economic enablement factors that were taken into account and where both the direct and indirect factors were considered?

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, as noted in response to Question 1, the Committee has acknowledged that there are major limitations in the information set available to support considerations of the economic impact. The Committee have, however, noted the results of the latest exit survey of departing visitors which demonstrate influences for visitors to the Island and which make clear that arts and sport are significantly smaller drivers than food and taste and floral in terms of influences for people to visit Guernsey. For food, 31.7% said it was a big influence, for Floral Guernsey and gardens, 24.4% said it was a big influence, for arts it was 5.3%, for sport it was 1.4%.

**The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, can I ask the Vice-President whether those figures are on average over a year or taken at various monthly points in time, because I would have thought some people who are attending the Literary Festival might well be there purely for the arts.

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, I am not in a position to answer that because I am not fully aware of the way these exit surveys are done, but there we go.

**The Deputy Bailiff:** Deputy Tindall.

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

Would Deputy Kuttelwascher be able to advise us what the actual question was which he has given the response to?

**The Deputy Bailiff:** Deputy Kuttelwascher, I am not sure that that really calls for an answer because the question was posed under reply to.

**Deputy Tindall:** No, the question in the survey, sorry, apologies, sir.

885 **The Deputy Bailiff:** Oh, the question in the survey.  
What was the question in the survey, Deputy Kuttelwascher?

**Deputy Kuttelwascher:** Sir, I do not have the survey. It is usually more than one question. I do not have a copy of that but if Deputy Tindall would like a copy I will get a copy sent to her.

890 **The Deputy Bailiff:** Thank you.  
Supplementary, Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** If the exit survey played such a crucial role in deciding on funding  
895 would the Vice-President please make sure that all of the Assembly receives a copy of the survey.

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Thank you, sir.  
900 I am sure some of our staff are listening to this; I am sure they are working at it right now.

**The Deputy Bailiff:** Question 5, Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** When deciding on the apportioning of funds, what consultation  
905 took place with the Arts Commission and the Sports Commission to assess the impact that removal of funding would have on their sector; was the economic impact of reduction in scale, diversity and number of sporting and arts events factored into the decision; and, if so, could the President outline the impact broken down into the arts and sports events sectors respectively?

910 **The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, the Committee has noted that this issue should have been handled better, in a more consultative and timely fashion and regrets the manner in which this has been conducted and the negative impact this process had on stakeholders.

915 As noted in responses to Questions 1 and 4, the Committee is also clear that the full economic impact of many of its actions, including the Events Group, is not well enough understood yet.

**The Deputy Bailiff:** Deputy Gollop, supplementary.

920 **Deputy Gollop:** My supplementary on this would be, bearing in mind the possible, and as it turned out, actual negative impact it made on the Arts & Sports Commission and their followers, why was the opportunity not taken earlier to discuss these matters with the stakeholders – in fact reversing an earlier policy when these Commissions decided the funding allocations themselves?

925 **The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** I think I have already answered that. We have already acknowledged it would have been better to have done what was suggested and we didn't and that is the end of the matter now. We have restored the funding for this coming year. But what is interesting is we  
930 now have the draft copy of a consultant's review of the tourism and marketing issues. There is a lot more data in there which was not available before. Some of it is *very* surprising, some of it some Members would find rather disappointing. It is in draft form, we have responded to that. Within weeks we should have the final report and we will then base all future decisions on that evidence.

935 **The Deputy Bailiff:** Deputy Tindall.

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

Will Deputy Kuttelwascher please confirm that not only will he rely on this data but whether or not he would actually, and the Committee, go for consultation as well?

940 Thank you.

**The Deputy Bailiff:** Deputy Kuttelwascher, can you answer that?

**Deputy Kuttelwascher:** Consultation with whom? I am not quite sure about the detail of this. This is a report which will inform us on how to best spend the taxpayers' money on marketing tourism – that is our job. We have managed to secure over £300,000 extra funding to market the Island on the back of the Guernsey Literary and Potato Peel Pie Society film; that has got nothing to do with giving money to the Sports Commission, the Arts Commission or anybody else. That is the object of our mandate really is to market Guernsey. And the £2.85 million we got, even if we were to be taken away from giving any money to these four groups, we could still market it. If a certain event was to take place that had some value to tourism we would market it.

The whole issue is really why should somebody else do a very small part of our job, it is just an anomaly which I find extraordinary and I would like to see removed.

955 **The Deputy Bailiff:** Deputy Hansmann Rouxel, is it a supplementary?

**Deputy Hansmann Rouxel:** Yes, sir.

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

**Deputy Hansmann Rouxel:** I realise events have overtaken my questions, and I am glad that the Committee has decided, for 2018, to partially reinstate the funding for arts and sports. Will the Committee undertake to have early and proactive consultation with not only the Sports & Arts Commission but the Education, Sport & Culture Committee and the Policy & Resources Committee so that a repeat of this incident will not happen?

**A Member:** Hear, hear.

970 **The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, I think the whole issue of grant funding is under review by the Treasury Department in P&R and it is an issue because we are looking about accountability here. Even with the funding that we will be providing to the four groups, there will be a member of our Committee overseeing how it is spent because it is meant to be spent only to promote – yes, it is only meant to be spent to promote activities by these groups to try and enhance our tourism attraction, that is what it is for. The whole issue of grant funding is going to be removed because where is the accountability? You give somebody a pile of money, you should really know where it is going and that is something else that is ongoing.

980 So the answer is yes, of course, we will discuss it with the various groups but I would see there will be a change in which grant funding is delivered and overseen.

**A Member:** Hear, hear.

985 **The Deputy Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Sir, in his answer, the Vice-President said that the Committee regret the way they handled the whole issue, but that did not sound like an apology to me. *(Laughter)* Can the Vice-President tell me if they ever said they were sorry?



**The Deputy Bailiff:** Deputy Kuttelwascher.

990

**Deputy Kuttelwascher:** The only people we apologised to were the four groups, in particular, to the Arts Commission and the Sports Commission. They came to us; we certainly ate humble pie on this. There were a lot of issues in mitigation on why this all precipitated rather suddenly but I am not giving excuses or even reasons at this stage. It was not done in the best possible way, we acknowledge that. I do not have to apologise to Deputy Queripel or anybody else. You apologise to the people who directly were affected and that has been done and one has got to move on from there.

995

Now, if you want to dwell on this issue and keep bringing it up, fine. We have done the apology, the funding has been restored for 2018, despite the fact that our budget and everybody else's have been cut. And the review of how one funds these groups in the future will be decided and in 2019 it might be somebody else, that is yet to come.

1000

**The Deputy Bailiff:** Deputy Tindall.

1005

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

Would Deputy Kuttelwascher confirm if the Committee for Economic Development will consider working with the other three Committees who also receive some form of sports funding to try and arrange to see if that could form a consolidated fund?

1010

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, all the stakeholders will be involved on how to progress this matter so from a point of view of governance it is more effectively delivered, yes.

1015

**The Deputy Bailiff:** Deputy Hansmann Rouxel, Question 6, please.

**Deputy Hansmann Rouxel:** In the Committee's submission to the Policy & Resources Plan under their critical priorities they list:

Support tourism in order to maintain and grow the economic contribution the industry makes to the islands

And:

Investigate and support appropriate new opportunities to diversify the local economy through innovation, with a particular focus on the digital, creative and IP sectors.

1020

How does the Committee feel their reduction in total event funding and complete removal of event funding from arts and sports helps them achieve these two critical aims?

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

1025

**Deputy Kuttelwascher:** Sir, as noted in response to Question 1, the Committee has to make hard choices within its existing budget as to support across the entire economy. The level of support for tourism – 40% of the Committee's budget – can be contrasted with the economic impact of that sector; it is just 4% of GDP. Whilst the Committee would wish to fully support all forms of economic activity it has to make choices and prioritise. The Committee has stated it will need to address, on an ongoing basis, the relative funding of tourism as part of the overall tourism promotional approach adopted. Funding for events in 2019 will reflect the results of the ongoing strategic review of Guernsey Tourism and its promotion.

1030

1035 The Committee is determined that, going forward, funding to support tourism promotion is used in the manner which best drives economic activity and that one sector is not favoured over and above the remainder of the economy.

**The Deputy Bailiff:** Question 7 then, Deputy Hansmann Rouxel.

1040 **Deputy Hansmann Rouxel:** Given that highly visible energetic and attractive cultural activities and arts festivals appeal to tourism policy makers in other competitive markets will the Committee no longer be providing support for arts and sports events despite overwhelming evidence to show that they have significant impacts across economic, political and social domains?

1045 **The Deputy Bailiff:** Deputy Kuttelwascher.

1050 **Deputy Kuttelwascher:** The Committee is clear that there is no overwhelming evidence to demonstrate the economic impact of the arts and sports events, as noted in the answer to Question 4. It is not the requirement of the Committee for Economic Development to focus on political and social domains. The Events Group funding providing to these groups is entirely focused on the provision of tourism related content. As stated in answers to previous questions, funding to support tourism promotion must be used in a manner which best drives economic activity and provides best value for money.

1055 The Committee is committed to improve its understanding of the economic impact of all its activities across the economy, not just in relation to events groups. The Committee is aware that the Islanders do not differentiate between economic and social support and as such it has publicly stated it will work with other committees and stakeholder to achieve a coherent and joined up approach to funding sports and arts in their various roles within the Island's economy and society.

1060 **The Deputy Bailiff:** Supplementary question, Deputy Hansmann Rouxel.

**Deputy Hansmann Rouxel:** The question was not that there is evidence in Guernsey, but rather internationally that arts and culture events do impact tourism and do generate economic benefits.

1065 Will the Committee be looking at competitive jurisdiction's strategies and take into account studies like the value of arts and culture, people and societies which evidences the spillover impact of arts and culture events in tourism, festival attendance, Arcadia C and Whitford M, 2006, 'Festival Attendance and the Development of Social Capital, Journal of Convention and Event Tourism, Devine, A Boyd – it goes on. There is a plethora of papers written which all reference how tourism is impacted by cultural, artistic and sports events.

1070 **The Deputy Bailiff:** Deputy Kuttelwascher.

1075 **Deputy Kuttelwascher:** Sir, I have already answered that question that we have already received our evidence based consultative report on this issue and I think that Deputy Hansmann Rouxel would find the results somewhat disappointing.

1080 The results will be forthcoming shortly. I have already said, on several occasions, we lack evidence. It may be of great value for the UK to put on an Olympic Games – we cannot do that. I have also given some figures of our existing visitors to what weighting they put to sporting and cultural events and they are very low, just from exit figures. We need that data. There will be data provided in this report and it will be based on that. It is a report relating to what Guernsey can achieve, not what anybody else can achieve.

**The Deputy Bailiff:** Deputy Leadbeater.

1085 **Deputy Leadbeater:** Sir, I would just like to ask the Vice-President if the exit survey showed that there is not a great deal of visitors coming here for the arts and for sports, shouldn't we be doing more to encourage them?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1090 **Deputy Kuttelwascher:** If you could identify that certain events would enhance our economic activity, yes, but the Committee that does that is Education, Sport & Culture. They give over £200,000 a year to the Sports Commission, over £100,000 a year to the Arts Commission, who both then have additional funding from private sponsorship and I cannot quantify that because I  
1095 do not know what it is, they already have funding. My view is the actual delivery of these events should rest with that Committee. That is my view.

Thank you.

**The Deputy Bailiff:** Deputy Brehaut.

1100 **Deputy Brehaut:** Can I just ask a supplementary related to that, sir?

Would it not be the right way to view funding to the literary festival as seed funding to just acknowledge its potential? Because people do travel, it becomes part of the tourist economy when people do travel to such events. So should the longer-term view not be seed funding for  
1105 things that could get bigger, and if over a period of time they are clearly not, then that would be the time to set back?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1110 **Deputy Kuttelwascher:** As I said before, my whole point is where is that seed funding to come from?

**A Member:** The seed! *(Laughter)*

1115 **Deputy Kuttelwascher:** We are there to promote an activity, to promote economic activity. If seed funding is regarded for an event that is not really in our mandate. Somebody can provide it and that is what I think will be resolved in the near future, how do we arrange Government around distribution of grants? And in fact we are actually producing this Guernsey Fund for Innovation, it could be something that comes from that.

1120 We do not have a very good system at the moment and it is causing us problems. And, as I said, we are waiting the outcome of our report whether or not Treasury Department think they have to look at the whole issue of grant funding and this is what it is about at the moment, grants. Seed funding is not really grant funding, but there we go.

1125 **The Deputy Bailiff:** Deputy Hansmann Rouxel, Question 8, final question.

**Deputy Hansmann Rouxel:** Given that a significant area of the Committee's mandate is developing all sectors of business and the commitment in the P&R plan to diversify the economy, naming the creative industries as one of their key areas, are any other areas of the Committee's  
1130 overall budget focused on supporting the creative industries, who make up 5% of the working population, with a 9% total output from over 200 creative businesses and organisations? Does the Committee feel that no further funding from Economic Development should be apportioned to the arts or sports from across the budget going forward?

1135 **The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** Sir, the data for the creative sector is unclear. Of the impact mentioned, 9% of gross value added, the vast majority of this, over 90%, of this economic activity refers to computer programming, consultancy, information services and other related activities. Whilst content for some local IT operations is important, it is clearly difficult to conflate this overall economic impact of the IT sector with the funding for arts and sports. The Committee is strongly supporting the development of digital business, including those captured by this wide definition of creative industries. As outlined in its recently submitted Policy Letter, 'Guernsey Economic Vision: Investment, Growth and High Value Employment.

**The Deputy Bailiff:** Deputy de Sausmarez.

**Deputy de Sausmarez:** Thank you, sir.

If that is what the data says, I strongly suspect it is wrong. As someone who has worked in the creative industries for pretty much all of my professional life, I am slightly alarmed by this answer because it seems to suggest that the Vice-President of the Committee does not even actually have a strong understanding of what the creative industries are. I am talking about roles such as graphic designers, (A Member: Architect.) exactly – architects, advertisers, copywriters, media producers, photographers, music composers, web and software development and the artistic and creative and the ideas that go into that, that is the important bit.

So will the Vice-President undertake to better understand the value of the creative roles, not just to the headline creative industries such as advertising and design and architecture, but in-house across just about every sector of the economy?

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, once again we are waiting for the final draft of the consultation we have had with an expert in this area. The figures will be different, I have seen them, and some of them will be very disappointing.

But again, one has to be careful what it is one is supporting. You say support architects; well, a lot of them could support me! I mean, what specifically are we talking about here? Do you support a business to grow or do you fund young architects getting ... You have to be a bit more specific, and to start talking about architects in the same sentence as maybe talking about people involved with digital creativity, people writing apps – it is not all straightforward.

The information we have at the moment, and I have said before, it is inadequate. We have inadequate data all across the States (A Member: Hear, hear.) and a lot of our decisions are based on basically assumptions and presumptions. Now, I would like to see that come to an end, and quickly, and we are trying to make a step forward to get real good data on which to base what we do, and it is not there today.

**The Deputy Bailiff:** Deputy de Sausmarez, second supplementary.

**Deputy de Sausmarez:** Thank you.

The Vice-President talked about supporting the digital sector but I would just again reiterate the need to understand what it is that makes the digital sector successful. It is not the digital enablement in its own right that necessarily adds value it is the creative impetus of that that gives companies and industries their competitive edge. And the link between a strong arts culture in the Island and that creative talent feeding through to our industries is really strong, so will the Vice-President undertake to perhaps consult more closely with Creative Industries Guernsey, for example, in order to really get a more detailed understanding of the link between the creative culture in the Island and the economy.

Thank you.

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

1190

**Deputy Kuttelwascher:** Sir, the creative culture is already supported. I do not mind consulting with everybody. The problem is – look at the Digital Greenhouse, that is a venue for all sorts of creative possibilities in the digital sector and it is busy. That is going to be improved, because I am hoping from 1st January we will have a facility which will actually deliver some actual businesses. It is not an incubator at the moment, it has incubated nothing in relation to actually producing businesses, but there is a possibility of that being changed.

1195

And again, be careful. Our job primarily is, as it were, to facilitate and promote diversification. That is one of the ways we do it, through the Digital Greenhouse. But ultimately, as far as tourism and marketing, it relates nothing more than using what we have got as a marketing tool to attract people here. There are different priorities here and some of them are being a little bit conflated so I have nothing really else to say. We will promote any creative industry but they have got to make the case for being promoted.

1200

If you remember recently, Specsavers moved a vast amount of their creative activities to Jersey because they could not find anybody here to do the job.

1205

**Deputy de Sausmarez:** Point of correction.

**The Deputy Bailiff:** You cannot have a point of correction during Question Time, Deputy de Sausmarez, and your time is up, Deputy Kuttelwascher.

1210

No more supplementaries so that concludes the questions from Deputy Hansmann Rouxel to the, as it was, Vice-President of the Committee for Economic Development.

### Procedural

**The Deputy Bailiff:** Now, Members of the States, I am going to crave your indulgence at the moment. As you are, I believe, aware, the President of the Policy & Resources Committee has to be elsewhere off Island later today, there is a set of questions from Deputy de Sausmarez to him. I am going to put the motion to you that we take those questions next, even though they will be out of order, so that they can be answered by the President. Those in favour; those against.

1215

*Members voted Pour.*

1220

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

## COMMITTEE FOR POLICY & RESOURCES

### Investments –

#### Responsible ownership; environmental, social, governance and ethical investment policy

**The Deputy Bailiff:** Deputy de Sausmarez, your questions to the President of the Policy & Resources Committee then please.

1225

**Deputy de Sausmarez:** Can the President please confirm when his Committee will develop a consistent policy on responsible ownership and social and ethical investment in line with the PAC investments review recommendations?

1230 **The Deputy Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, following the PAC's recommendations the Investment & Bond Subcommittee is currently developing a Government framework document which will set out the way in which we approach the management of our investment portfolios, and this document is due for release early next year, which will coincide with the proposed structural changes to the portfolios which I referred to in the budget. Amongst other things, it will contain our policy on environmental, social and governance (ESG) issues relating to investment.

1235 In advance of this formal policy, where appropriate, we gain confirmation that our managers to apply such principals as part of their investment process. The gold standard for ESG policy is the United Nations Principles of Responsible Investment, and I can confirm that all our international fund managers are signatories to these principles. We will be encouraging the local fund managers, and one private equity manager, to see if they can also become signatories. In addition, and where appropriate, we gain confirmation that managers are part of the UK Stewardship programme on governance. We believe that tying ourselves to such an internationally recognised standard enables us to be consistent and is indeed preferable to determining our own standards in what is a complex area.

**The Deputy Bailiff:** Deputy de Sausmarez, supplementary.

1250 **Deputy de Sausmarez:** Will our policy require fund managers to invest in a manner that does no harm? In other words, will it take a negative screening approach designed to exclude an agreed set of stocks and even industries or will it take a more progressive, best in class approach and instruct fund managers to positively screen for funds and stocks that are based on clear and proven positive ESG performance?

1255 **The Deputy Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, as I say, I think we will be working to the international guidelines rather than seeking to design our own, so I do not think I am in a position to confirm exactly how it will work at this stage, sir.

**The Deputy Bailiff:** Deputy Ferbrache.

1265 **Deputy Ferbrache:** Sir, could the President confirm that taking into account all the factors that Deputy de Sausmarez has mentioned, that we actually ensure that our investments still give us a reasonable return because the States has to pay its bills?

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

1270 **Deputy St Pier:** Sir, yes, I can confirm that a return is clearly the key objective. However, there is plenty of evidence that adhering to ESG principles does not necessarily compromise return and that clearly is the difficult balance which obviously we are seeking to achieve together with our investment managers.

1275 **The Deputy Bailiff:** Deputy Inder.

**Deputy Inder:** Sir, I do not have an awful lot of knowledge in investments, but I am just wondering generally is there a greater risk to investments from ethical investment versus traditional models?

1280 **The Deputy Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, the response to this perhaps builds on the previous question. Historically there was probably underperformance with some ethical investments but more recent ... and to some extent it goes to Deputy de Sausmarez's question about the screening process, actually if undertaken in the right way there is no reason why there should be increased risk or reduced return.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Sir, I am at risk of asking a supplementary of myself here. Well, I am not on the Investment Subcommittee, but will this workstream that Deputy St Pier has outlined in relation to ethical investment guidelines for the States not just apply to Policy & Resources' considerable funds but also perhaps to the funds currently managed separately through advisers linked to employment and social security?

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

**Deputy St Pier:** I was not sure there was a question in there, sir.

**Deputy Gollop:** Well, will you share your information?

**Deputy St Pier:** The information certainly is shared between the two committees and there is absolutely every intention to ensure a common set of standards.

**The Deputy Bailiff:** Deputy de Sausmarez, is this a supplementary?

**Deputy de Sausmarez:** It is a further supplementary.

**The Deputy Bailiff:** Second supplementary, Deputy de Sausmarez.

**Deputy de Sausmarez:** Under this policy, will our fund managers be required to select, verify, track and crucially report against ESG criteria so that we have a transparent and consistent way to appraise, compare and aggregate the real world impact of our investments as well as their financial performance?

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

**Deputy St Pier:** Sir, I refer to my previous response to the previous supplementary.

**The Deputy Bailiff:** Question 2, Deputy de Sausmarez.

**Deputy de Sausmarez:** Can the President please explain his understanding of the importance of environmental, social and governance factors relating to this Committee's investments, particularly in terms of reputational risk to and opportunities for the Island?

**The Deputy Bailiff:** Deputy St Pier to reply.

**Deputy St Pier:** Sir, one of the key benefits that ESG factors bring to the investment analysis is a greater recognition of long-term issues. Often they are not properly considered under traditional risk return analysis models. In addition, as the inclusion of ESG factors becomes more mainstream we are seeing increased evidence that such approaches are providing returns, as we referred to in the supplementaries, more in line with conventional approaches, which has not always been the case.

Investment managers are increasingly voluntarily subscribing to ESG standards, since not doing so risks reputational damage and also loss of business. Our investment advisor is considering the recommendation that a section of our portfolio is established, focusing on innovative approaches, including where environmental factors are the central focus of the investment decision-making. It could well be that with such investments it will provide the basis for establishing the Island as a leader in this field.

**The Deputy Bailiff:** Supplementary, Deputy de Sausmarez.

**Deputy de Sausmarez:** Approximately how much of our overall investment portfolios are being considered for these more innovative approaches?

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

**Deputy St Pier:** I am not in a position to answer that question today, sir.

**The Deputy Bailiff:** Second supplementary, is it, Deputy de Sausmarez?

**Deputy de Sausmarez:** Yes, it is.

In the President's opinion how important is it that our investments are consistent with the States own strategic objectives?

**The Deputy Bailiff:** Deputy St Pier to reply.

**Deputy St Pier:** Sir, would Deputy de Sausmarez mind repeating the question?

**The Deputy Bailiff:** Could you repeat the question for the benefit of the President.

**A Member:** Sir, may I ask Deputy de Sausmarez to bring her microphone further forward, I think that may ...

**Deputy de Sausmarez:** Sorry, in the President's opinion how important is it that our investments are consistent or the underlying philosophy of our investments are consistent with the States own strategic objectives?

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

**Deputy St Pier:** It is important that we – going back to Deputy Ferbrache's question – remember what the primary purpose of the investment of our reserves is, which is to obtain a return on those reserves, so that is the overriding objective. Clearly, how we achieve that is something which is discussed with the investment advisor, and indeed with all the individual investment managers who have a different role in delivering that overall objective. So there is not necessarily entire consistency between different investment managers working towards a single common objective.

**The Deputy Bailiff:** Deputy de Sausmarez, third question please to the President.

**Deputy de Sausmarez:** Does the President agree that it is our fiduciary duty to integrate ESG criteria across all States of Guernsey investment portfolios?

**The Deputy Bailiff:** Deputy St Pier to reply.



**Deputy St Pier:** Sir, we agree it is important to have an integrated approach to all investments, including the approach to ESG and we will look at evolving an agreed approach with the Committee for Employment & Social Security, as I referred to earlier with Deputy Gollop's question. This will be achieved through the alignment of the governance documents being developed, following the PAC's report. This is a rapidly evolving area in the investment markets and thus one which will need to be kept under continuous review.

**The Deputy Bailiff:** Deputy de Sausmarez, supplementary.

**Deputy de Sausmarez:** Will this agreed approach result in more rigorous procedures across both Committees to facilitate and monitor more detailed reporting on ESG outcomes, as well as financial returns?

**The Deputy Bailiff:** Deputy St Pier to reply.

**Deputy St Pier:** Yes, I imagine that is a highly likely outcome, sir.

**The Deputy Bailiff:** Well, Members of the States, nobody else is rising to ask any supplementary questions arising out of the latest answer. It has just gone 12.30 p.m. We will now adjourn until 2.30 p.m. this afternoon, when Question Time will resume.

*The Assembly adjourned at 12.32 p.m.  
and resumed at 2.30 p.m.*

## Questions for Oral Answer (continued)

### COMMITTEE FOR ECONOMIC DEVELOPMENT

#### Cuts to Arts and Sports funding – Risk of loss of new events

**The Deputy Bailiff:** Members of the States, we will resume questions to Presidents of Committees, and reverting to the list, it is Deputy Gollop to pose questions to the President of the Committee for Economic Development about cuts to Art and Sports funding, but I understand they will be answered by the Vice-President.

Deputy Gollop.

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

As has been said, a week is a long time in politics, and these questions were drafted before recent events. But only one, I think, has been completely answered, so far, and mine are more folksy, perhaps, than the previous ones.

The first question, sir, is, which I have posed to Deputy Kuttelwascher, as acting President for the Committee for Economic Development ... *(Interjection)* Well, he is acting Vice ... The recent report says the new Economic Development Vision Strategy observes that visitor attractions have not changed much in three decades. Why then has the Committee risked losing new arts and sports festivals and events due to funding cuts?

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

1425 **Deputy Kuttelwascher:** Thank you.

The Committee has noted the results of the latest exit survey of departing visitors, which demonstrates influences for visitors to the Island, which make clear that arts and sports were seen as being a relatively small influence into the reasons for people visiting the Island.

1430 For food 31.7% said it was a big influence for visiting; for floral and gardens 24.4% said it was a big influence for visiting; for arts 5.3% said it was a big influence for visiting, for sport 1.4% said it was a reason for the visit to attend a sports event. This is not to decry the influence of arts and sports as part of the tourism product of Guernsey, but to identify the factors the Committee had to weight, when considering the appropriateness of additional funding to support tourism.

1435 Tourism is responsible for 4% of the GDP of Guernsey and attracts £2.85 million of promotional support from the States of Guernsey; 40% of the budget of the Committee. The events funding is in addition to the amount.

**Deputy Gollop:** My two supplementaries, if I may.

1440 **The Deputy Bailiff:** Yes, Deputy Gollop.

**Deputy Gollop:** Firstly, the figures you give suggest that around 7% see arts and sport as a significant influence. Does the Committee want to retain and strengthen that 7% at least?

1445 **The Deputy Bailiff:** Deputy Kuttelwascher.

1450 **Deputy Kuttelwascher:** I said in previous answers this morning – during my apprenticeship this morning I did mention, and I will mention again, that we do not have robust data to defend any of this. Everything is based on exit surveys. That is not good enough. We have got more robust data, more credible data now, through a consultation we have had with certain consultants, this will become available very shortly, and that will then, as it were, define where we go to from here. The exit surveys figures are just not good enough, there is a lack of sufficient data in all areas of Government, and this is one of them, which we are trying to put right.

1455 **The Deputy Bailiff:** Second supplementary, Deputy Gollop?

1460 **Deputy Gollop:** My second supplementary is: from one extreme from the capital of Scotland, Edinburgh, to the very small Welsh border town of Hay-on Wye, festivals are a key part of their cultural and international identity. Does the Committee believe we might persuade the younger and maybe more affluent demographic to visit the Island, who would be interested in those things as well as food and flowers?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1465 **Deputy Kuttelwascher:** How you persuade the younger demographic to visit is interesting, because I can say that the information we have, so far, is that our main tourism target is the boomers, young boomers and older boomers. So we are talking 45 and up. That happens to be the main makeup of our current visitors.

1470 **The Deputy Bailiff:** Deputy Gollop, second question.

**Deputy Gollop:** My second question is, why were the cuts, if necessary, not discussed earlier with the Arts or Sports Commission leadership, or indeed other relevant Committees, such as Education, Sport & Culture? But I think we have already had answers along those lines.

1475 **The Deputy Bailiff:** But we will still have the answer, Deputy Gollop.  
Deputy Kuttelwascher.

**Deputy Kuttelwascher:** I say again, the Committee has publicly noted that this issue should have been handled better, or it should have been handled better in a more consultative and timely fashion, and regrets the manner in which this has been conducted, and the negative impact this process has had on stakeholders.

**The Deputy Bailiff:** Is it a supplementary question, Deputy Gollop? No supplementaries.  
Third question then, Deputy Gollop.  
1485 Oh, is it supplementary, Deputy Inder?

**Deputy Inder:** I believe it is, sir.

**The Deputy Bailiff:** Supplementary, Deputy Inder.  
1490

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

Would the Vice-President agree with me that *VisitGuernsey's* promotion is spread loosely between, destination marketing, thematic marketing, and event marketing, and would he agree with me that any comparison with UK successes to events and festivals is irrelevant, given the appalling state of our sea ferry links, and our air links?

**The Deputy Bailiff:** Deputy Kuttelwascher. Not entirely sure that was a supplementary, but never mind.

1500 **Deputy Kuttelwascher:** I get the drift.  
Basically, the answer is yes. The facts, as he mentioned, are indeed factors all to be considered in the future marketing of Guernsey as a tourist destination.

**The Deputy Bailiff:** Your third question then, Deputy Gollop, please.  
1505

**Deputy Gollop:** My third question is, how does the potential loss, or indeed scaling down, of the proposed May Guernsey Literary Festival 2018 accord with the positive effects of the cited and acclaimed Guernsey Potato Pie film to be launched around about Easter?

1510 **The Deputy Bailiff:** Deputy Kuttelwascher.

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

The level of funding from the Events Group funding provided to the Literary Festival in 2017 was £800. It therefore seems rather unlikely that this festival would have been significantly impacted by this decision, which has now been reversed.

1515 The Committee has requested and been granted over £300,000 for funding from the future Guernsey Economic Fund to support the film of the book the Guernsey Literary and Potato Peel Pie Society. This funding which is over and above that identified in Question 1, demonstrates the commitment of the Committee to the tourism sector, and ensuring the Island benefits in full from this opportunity.  
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**Deputy Gollop:** I thank the Vice-President, but point out that I believe –

**The Deputy Bailiff:** Deputy Gollop, is this a supplementary?  
1525

**Deputy Gollop:** Yes.

**The Deputy Bailiff:** Supplementary question.

1530 **Deputy Gollop:** My supplementary is would you not acknowledge, though, that it brings value to the Island when the Literary Festival is able to bring over guests such as Terry Waite, Sebastian Faulks, and the Children's Laureate?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1535 **Deputy Kuttelwascher:** When you say value to the Island, I have no doubt it does. The question for analysis is do these visiting guests actually enhance the tourism product, and the answer to that is we do not know.

1540 **The Deputy Bailiff:** Deputy Gollop, your fourth question then, please.

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

How does reduction of arts and sports work in terms of satisfying either Economic Development objectives, or wider Policy & Resource Plan objectives?

1545 **The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** The role of the Committee with respect to arts and sports funding through the Events Group is limited to focusing on their economic impact upon tourism. It is not the role of the Committee to focus on the wider promotion of sports and arts.

1550 The Committee is aware that Islanders do not differentiate between economic and social support and, as such, it has publicly stated that it will work with other Committees and stakeholders to achieve a coherent and joined up approach to funding sports and arts in their various roles within the Islands' economy and society.

1555 **The Deputy Bailiff:** You are stopping there, are you? (*Interjection*)

**Deputy Kuttelwascher:** You're dead right. (*Laughter and interjections*)

1560 **The Deputy Bailiff:** Deputy Kuttelwascher to continue.

**Deputy Kuttelwascher:** I have got so many paragraphs, I cannot remember where the questions are.

1565 The Committee has committed in its policy letter, 'Guernsey Economic Vision: Investment, Growth and High Value Employment', to providing a review of the Guernsey tourism and product and promotion for the States' consideration. The Committee is determined that, going forwards, funding to support tourism promotion is used in the manner which best drives economic activity.

As such, funding for the Events Group and all other forms of tourism promotion in 2019 and beyond will need to reflect the results of this ongoing review and the views of the States upon that work.

1570 I think why I paused is that I have said this already this morning.

**The Deputy Bailiff:** Deputy Kuttelwascher, you do not have to explain. (**Deputy Kuttelwascher:** No.) Just wait and see if there is another question, please.

Any supplementary? Deputy Gollop, supplementary.

1575 **Deputy Gollop:** Will this review consider the anecdotal view that one reason why high net worth individuals are attracted to live here, and professionals are attracted to remain living here, is the very wide and high quality arts and sports provision that the Island provides?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1580

**Deputy Kuttelwascher:** Interesting you mention that, because last night I attended a *LocateGuernsey* event, where some recent residents were – people were there who were planning to come and people who have been a few years – this was not an issue that was raised.

1585

**The Deputy Bailiff:** Deputy Inder, supplementary.

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

Just on the sports tourism, and there is a general view, again back to the appalling state of our ferry links and our air links, would he then agree with me that part of that review would be almost  
1590 pointless to focus on one element of our product without dealing with our transport links, primarily – the expense of here being a disbar to getting to our Island?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1595

**Deputy Kuttelwascher:** Sir, I think, in a way, I have already answered that. I think the reason why the so-called boomers are our prime target market, inasfar as they seem to be the ones that are coming here, is that the cost is quite high and for the older generations, generally, that is not the biggest issue as regards tourism. They are not looking for the cheapest option, and the cost of getting here is a secondary consideration for them. I believe if we had far more economical air  
1600 links and sea links, far more convenient ones, that in itself would be a driver for more visitors.

**The Deputy Bailiff:** Your fifth question then, please, Deputy Gollop.

**Deputy Gollop:** Thank you very much, sir.

1605

Why were the obvious budgetary pressures omitted from both the holistic budget report and indeed the debate earlier this month?

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

1610

**Deputy Kuttelwascher:** Sir, the Budget Report and debate did not focus at the level of the Events Group. The Committee repeats the view that it is aware that the issue should have been handled better in a more consultative and timely fashion, and regrets the manner in which it has been conducted, and the negative impact this process has had on stakeholders, including Members of the Assembly.

1615

**The Deputy Bailiff:** Is it a supplementary question, Deputy Gollop?

**Deputy Gollop:** Yes. Would it be helpful if in future, Committees such as Economic Development were to put more detail into their budgetary submissions that would be published  
1620 as part of their proposals?

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** I am quite happy with that, because he did say all Committees, basically, that is fine. Yes, I could live with that.  
1625 Thank you.

**The Deputy Bailiff:** No further supplementaries.

So, your final sixth question Deputy Gollop to the Vice-President.

1630

**Deputy Gollop:** My final question is, would the Committee agree that arts and sports adds immeasurably to both our attraction as a community and, indeed, as an economic enabler, and a source of part-time and full-time paid employment?

1635 **The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** Sir, the Committee is clear as to the role of arts and sports to our community. Similarly, arts and sports clearly do have positive economic impact, but this does not mean that this impact is the same as could be achieved in other sectors of the Island's economy.

1640 The Committee has made clear the basis of some evidence that exists in respect of the role of arts and sports in visitor attraction. It is, however, aware that in this area, as with all others, the level of understanding of the local economy and the economic impact of the support provided by the Committee is below that which should be expected. The position has existed historically, both over the tenure of the Committee and its predecessors, and the Committee have publicly declared  
1645 in recent days a need and desire to address this.

**The Deputy Bailiff:** Supplementary question, Deputy Gollop.

**Deputy Gollop:** I think my final supplementary will be, bearing in mind the answers you gave earlier to Deputy de Sausmarez, will the Committee be examining in detail the definition, development and contribution of the creative sector, as usually defined?  
1650

**The Deputy Bailiff:** Deputy Kuttelwascher.

1655 **Deputy Kuttelwascher:** Yes.

## COMMITTEE FOR HOME AFFAIRS

### OFSTED Review of the Family Proceedings Advisory Service – Response to recommendations

**The Deputy Bailiff:** We now move on, Members of the States, to questions posed by Deputy Green to the President of the Committee for Home Affairs.  
Deputy Green.

1660 **Deputy Green:** Sir, thank you.

Can the President of the Committee for Home Affairs update the States' Assembly on how her Committee intends to respond to all of the seven recommendations set out in the recent independent OFSTED Review of the Family Proceedings Advisory Service?

1665 **The Deputy Bailiff:** Deputy Lowe to reply.

**Deputy Lowe:** Thank you, sir.  
I would like to thank Deputy Green for his questions.

1670 The final report was received on 10th November, and published within two working days of receipt. The Committee will be discussing, and considering, recommendations, which it welcomes, in more detail, and decisions will be made in relation to which actions to prioritise.

**The Deputy Bailiff:** Supplementary question, Deputy Green.

1675

**Deputy Green:** Supplementary question, sir, please, yes.

I understand the answer that Deputy Lowe has just given, and understand the decisions have not been made. But can the President commit to returning to the Assembly and making a statement once those key decisions have been made by her Committee?

1680

**The Deputy Bailiff:** Deputy Lowe.

**Deputy Lowe:** Absolutely. Happy to do that. It will be in the public domain anyway, because the answers to one of your questions further down, they will be published as per the Marshall Report recommendations.

1685

**The Deputy Bailiff:** Your second question then, please, Deputy Green.

**Deputy Green:** In the interests of transparency is the President of the Committee for Home Affairs prepared to publish a detailed action plan, together with clear time lines on how her Committee proposes to address all of the recommendations, one by one?

1690

**The Deputy Bailiff:** Deputy Lowe.

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

1695

I will not say 'ditto' to the supplementary. I will actually answer and say once it is finalised and agreed by the Committee the details of the action plan will be in the notes of the Advisory Committee meetings, which are publicly available, as recommended by the Marshall Report.

1700

**The Deputy Bailiff:** No supplementaries.  
So, Deputy Green your third question, please.

**Deputy Green:** Third question. What, if any, are the General Revenue resource implications for the Committee for Home Affairs as a result of the independent review?

1705

**The Deputy Bailiff:** Deputy Lowe to reply.

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

The main revenue implication will be the appointment of a Subject Specialist Practice Manager, which has been recommended as an invest to save approach by the Inspectorate. This appointment will alleviate the pressures on front line staff and the Committee support that.

1710

**The Deputy Bailiff:** Again nobody rising to ask a supplementary. Supplementary question?

**Deputy Green:** Sir, there is. Yes, it is a supplementary question to the third question, sir

1715

**The Deputy Bailiff:** Thank you very much.  
Deputy Green supplementary.

**Deputy Green:** Given the pressures that Deputy Lowe has just referred to, can I ask what the Committee is presently doing to support the front line staff, in light of the pressures that she has just described, before the new manager is actually put into place?

1720

**The Deputy Bailiff:** Deputy Lowe.

1725

**Deputy Lowe:** Yes, indeed, and I think from the report that we have received, that has clearly been taken on board, we were aware that there are pressures existing currently in the Family

Proceedings Advisory Service, and we are doing all we can to support the staff, and the staff are reviewing how they operate in anticipation of the review of the plan to come back to us for us to approved.

**The Deputy Bailiff:** Deputy Roffey.

**Deputy Roffey:** Can the President explain how the appointment of a manager will have a budgetary impact when there was a manager in place until June, sorry, April of this year, a post that has been left vacant for the last several months. Surely, the budgetary allocation has already been made?

**The Deputy Bailiff:** Deputy Lowe.

**Deputy Lowe:** When the manager vacancy was there, those resources were put in to fund other members of staff to assist with the backlog that existed at that time. I am pleased to say there is not a waiting list currently, so therefore, that will be a new post which will be coming forward, which we support.

**The Deputy Bailiff:** Deputy Green, your fourth and final question, please.

**Deputy Green:** Sir, thank you.

What was the total cost to the States of Guernsey of the OFSTED Report on the Family Proceedings Advisory Service?

**The Deputy Bailiff:** Deputy Lowe.

**Deputy Lowe:** The cost to the States of Guernsey was £27,000, plus an additional £1,500 for flights, accommodation, and expenses for the pre-inspection visit, and inspection week.

**The Deputy Bailiff:** Nobody wishes to ask anything further about that topic.

## COMMITTEE FOR ECONOMIC DEVELOPMENT

### Aurigny and Alderney – Alderney/Southampton air route

**The Deputy Bailiff:** So we turn to the final set of questions, which are to be put by Deputy Gollop to the President of the Committee for Economic Development, and once again I understand it will be the Vice-President replying.

Deputy Gollop, your questions in relation to the Alderney/Southampton air route, or Aurigny and Alderney.

**Deputy Gollop:** Thank you very much, sir.

I appreciate that Economic Development have agreed to answer these questions, especially as I originally addressed them to Policy & Resources, because I felt there was a degree of overlap, and that might be reflected in some of the answers, but if anybody from Policy & Resources wishes to add answers I would be very grateful.

The first question is, sir, why has there apparently been a change of policy regarding strategic airline lifeline links, with the possibility being mooted of Alderney to Southampton Eastleigh



Airport no longer considered a strategic lifeline link, worthy of potential subsidy, and or a future public service obligation?

1775 **The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** It is important to initially note that the States of Deliberation can only choose whether and how to provide financial support on the Alderney Southampton route. The operation of the route is not regulated by the Air Transport Licencing (Guernsey) Law, 1995 and is  
1780 subject to Alderney Law, and therefore the direction of the States of Alderney.

The current position of air travel between Alderney and Southampton is documented by the Memorandum of Understanding between the States of Guernsey, States of Alderney and Aurigny Airlines, dated 9th February 2016. This document, which is not legally binding, references the provision of services to and from Alderney to Southampton, and acts as a schedule with the  
1785 frequency and nature of this provision and fair distribution sought, recognises that services to and from Alderney are loss making.

The Committee for Economic Development has over the last year been conducting a review of air transport licencing framework for Guernsey, which governs the structure for air licensing. This framework inevitably focuses on all routes across the Bailiwick, due to the current loss-making  
1790 nature of many of these routes.

The Committee for Economic Development's review in this area has been influenced by a letter to the Committee by the President of the Policy & Resources Committee that followed the Aurigny Review, and recommended PSOs be defined for routes to and from Alderney. Since receiving that letter the Committee, notably through its President and Vice-President, has met  
1795 several times with that, and other Committees of the States, in order to help determine the optimum position with respect to Alderney routes, and more recently, with the States of Alderney themselves.

**The Deputy Bailiff:** That is your time, Deputy Kuttelwascher.  
1800 Any supplementaries? Deputy Gollop?

**Deputy Gollop:** Well, yes.

Clearly, the Vice-President has answered that Policy & Resources considered recommending PSOs for more than one route to and from Alderney. What has changed since?  
1805

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Well, nothing has changed since, because it is on Friday, this Friday, we plan to put the finishing touches to our route licensing framework policy letter. We have been  
1810 awaiting two consultation responses, and all of these should have been received and considered by then. So, what will come forward is a policy letter regarding route licensing, with recommendations, which are based very much on advice from our consultants, and Members must realise that whatever we bring forward is subject to amendment, and at the end of the day this Assembly will decide what we do.

1815 Thank you.

**The Deputy Bailiff:** Second supplementary, Deputy Gollop.

**Deputy Gollop:** Second supplementary.

1820 I heard Deputy Mooney in a BBC interview say that one helpful way this review could proceed would be if the States of Alderney, or other parties, presented the Committee with evidence about economic value. What evidence would the committee wish to see provided?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1825

**Deputy Kuttelwascher:** We are waiting for that evidence, and I have not seen that yet, but I expect to have seen it by then. We will assess to what extent it is valuable. We do not want anecdotal stories, we want evidence, and I presume it will arrive.

1830

**The Deputy Bailiff:** Deputy Parkinson.

1835

**Deputy Parkinson:** Yes, sir, in answer to the first question Deputy Kuttelwascher made it clear that the question of whether there should be PSOs or PSAs on either or both of the Alderney routes has nothing to do with the Air Transport Licensing system, so could he possibly now make it clear whether his Committee is going to recommend that there be PSOs or PSAs on both Alderney routes, and if so, when he expects to be able to bring forward proposals to that effect?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1840

1845

**Deputy Kuttelwascher:** As I said we make that decision on Friday when we get the last evidence. We will be recommending PSOs or if you want to call them PSAs public service obligations or public service agreements, and they may not be the only routes. There may be route support regarded elsewhere. I think the whole purpose of P&R's, shall we say, intervention is that if we are operating other routes, if Alderney is operating other routes, if Aurigny is operating other routes which are loss making then a PSO possibility exists. So, I cannot say what the final recommendations are, but we will have made a decision on Friday. The policy letter will be published and, as I say, it can be open to amendment when it comes to the States. If the States do not like it they can amend it, and that is the position we are in.

1850

**The Deputy Bailiff:** Deputy Parkinson, second supplementary.

**Deputy Parkinson:** Sorry, sir.

I did not really get my question answered.

1855

I understand the policy letter which will be published on Friday is to do with air route licensing, air transport licensing, and yet the PSO system is a different issue, it is a different question. Is Deputy Kuttelwascher telling the Assembly that on Friday Economic Development will be publishing proposals in relation to both air transport licensing and PSOs?

**The Deputy Bailiff:** Deputy Kuttelwascher.

1860

1865

**Deputy Kuttelwascher:** No. Air transport licensing is one issue; there will be a separate publication of PSOs, because nothing has gone out yet, as far as public service obligation tendering. Not yet. Because it makes sense, doesn't it? We need to know which routes are going to apply first, before we ask people to tender for them. We do not know, at the moment, which routes will be recommended for a PSO treatment, if I can call it that. When we know that, we can then go out to tender on how these PSOs will be delivered.

**The Deputy Bailiff:** Alderney Representative Jean.

1870

**Alderney Representative Jean:** Could Deputy Kuttelwascher tell me if it would be possible for the Alderney delegation to attend, as this is such an important matter for them, and for the Alderney people.

Thank you.

1875

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** I have already replied to that question, and to Alderney Representative Louis Jean. We are going to have a meeting some time on Friday, depending on whether or not we are still here. It could be a lunchtime meeting, but I have asked Alderney Representative Jean to make his request known to our staff, so it could be included in the agenda. We are quite happy for them to visit us to make their representations.

**The Deputy Bailiff:** Your second question to the Vice-President then, please, Deputy Gollop.

**Deputy Gollop:** Thank you very much, sir.

Whilst I am not biased for or against any airline potential provider, it would surely help transparency and competition for our policy making point of view as a collective Assembly, if Aurigny detailed management accounts could be published, or at least made available in considerable detail to States Members of both Guernsey and Alderney. Will these reports be published?

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** The Committee is aware that some analysis has been conducted by Aurigny with respect to route profitability. The Committee have been provided with the results of this cost allocation and allowances by the States' Trading Supervisory Board, with respect to the two Alderney routes. But we are asked to keep the results confidential. As such, the Committee is unable to provide this information, and any questions on its publication would need to be addressed to the States' Trading Supervisory Board.

For the avoidance of doubt the Committee favours the publication of these disaggregated results.

**The Deputy Bailiff:** No supplementaries.  
So, your third question, Deputy Gollop.

**Deputy Gollop:** My third question, and I am likely to have a supplementary on this, is why will the Economic Development Committee not immediately put up for debate the two Aurigny review reports, particularly bearing in mind both the Southampton and City of London links, although I appreciate the reports were part of Policy & Resources?

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** The two reports resulting from the Aurigny Review were provided to Policy & Resources as opposed to the Committee. The Committee was not represented on the reviews.

Whilst the Committee has made clear to stakeholders its views on the outcome of the Aurigny Review, it is not its place to bring these reports for debate.

**The Deputy Bailiff:** Deputy Roffey, supplementary.

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

Can I ask the Vice-President of Economic Development what status he understands, if any, that these two reviews, or these two variations of a review, actually have in the workings of the States?

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** The simple answer to that is, I do not know. No-one has ever said to me how I treat this review or that review is such a status. We have two reviews which are not

exactly in line with each other on everything. What is the status of these reviews? I do not know. I really do not know.

1930

**The Deputy Bailiff:** No further supplementaries.

So, the final question from you Deputy Gollop. Fourth question to the Vice-President.

**Deputy Gollop:** I do have a supplementary for this, which fits better for this than the third one.

1935

Would Vice-President agree that the current uncertainty regarding Alderney social and economic links to the UK, so-called, mainland is both a deterrent to tax capped, potential high net worth new residents, and does not fulfil policy plans of making us maybe the happiest Bailiwick in the world?

1940

**The Deputy Bailiff:** Deputy Kuttelwascher to reply.

**Deputy Kuttelwascher:** The Committee is well aware of the uncertainty caused by its consideration of the Alderney-Southampton route. However, it would be irresponsible for the Committee not to provide full consideration of all air routes to and from the Bailiwick in its forthcoming policy letter on the issues. Particularly in the light of the level of losses that have been recorded by Aurigny in recent years.

1945

**The Deputy Bailiff:** Supplementary question, Deputy Gollop.

1950

**Deputy Gollop:** I, of course, am not asking these questions on behalf of Aurigny continuing the links, as it is open to any and every airline to potentially run links to and from England to Alderney, but my question therefore is does the Committee have in mind a potential cap on how much they are prepared to spend in terms of a PSO on these routes? Is it £1 million; is it £2 million; is it £3 million?

1955

**The Deputy Bailiff:** Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Simple answer to that is that at this stage we do not know. Until it goes out to tender, and we get some indication of what other airlines, not just Aurigny, may be requiring by way of a public service obligation, I cannot answer that. Do I have a cap? No. But I suspect Treasury & Resources might have a cap because whatever the support required is, it will come from the public sector, from General Revenue and from the taxpayer.

1960

So at the end of the day, any potential route support would have to be approved by Policy & Resources.

1965

**The Deputy Bailiff:** Well, as no one else is rising, that will conclude Question Time for this meeting.

Now we move on to the legislation, please.

## Billet d'État XXIII

### STATUTORY INSTRUMENT LAID BEFORE THE STATES

**The Notifiable Animal Diseases Order, 2017;  
The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit)  
(Amendment No.3) Regulations, 2017;  
The Health Service (Pharmaceutical Benefit) (Amendment) Regulations, 2017;  
The Control of Poisonous Substances (Guernsey) (Amendment) Regulations, 2017;  
The Firearms and Weapons (Forms and Particulars) (Guernsey) Regulations, 2017;  
The Firearms and Weapons (Exceptions, Exemptions and Defences)  
(Guernsey) Regulations, 2017;  
The Firearms and Weapons (Fees) (Guernsey) Regulations, 2017;  
The Firearms and Weapons (Approved Ranges) (Guernsey) Regulations, 2017;  
The Data Protection (Transfer in the Substantial Public Interest) (Amendment) Order, 2017**

1970

**The Deputy Greffier:** The following Statutory Instruments are laid before the States: The Notifiable Animal Diseases Order, 2017; The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit) (Amendment No.3) Regulations, 2017; The Health Service (Pharmaceutical Benefit) (Amendment) Regulations, 2017; The Control of Poisonous Substances (Guernsey) (Amendment) Regulations, 2017; The Firearms and Weapons (Forms and Particulars) (Guernsey) Regulations, 2017; The Firearms and Weapons (Exceptions, Exemptions and Defences) (Guernsey) Regulations, 2017; The Firearms and Weapons (Fees) (Guernsey) Regulations, 2017; The Firearms and Weapons (Approved Ranges) (Guernsey) Regulations, 2017; The Data Protection (Transfer in the Substantial Public Interest) (Amendment) Order, 2017.

1980

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

We will note that those nine Statutory Instruments have been laid at this meeting.

### COMMITTEE FOR HOME AFFAIRS

#### I. The Data Protection (Bailiwick of Guernsey) Law, 2017 – Approved

##### *Article I*

*The States are asked to decide:-*

*Whether they are of the opinion to approve the draft Projet de Loi entitled "The Data Protection (Bailiwick of Guernsey) Law, 2017", and to authorise the Bailiff to present a most humble petition to Her Majesty praying for Her Royal Sanction thereto.*

**The Deputy Greffier:** Article I – The Committee for Home Affairs – The Data Protection (Bailiwick of Guernsey) Law, 2017.

1985

**The Deputy Bailiff:** The President of the Committee for Home Affairs, Deputy Lowe, to open debate on this Article.

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

1990

Sir, I am pleased to present to the States' Assembly, The Data Protection (Bailiwick of Guernsey) Law, 2017. The new Law both enhances the Bailiwick of Guernsey's current data

protection regime, in ensuring the Bailiwick residents are afforded the same privacy rights as EU citizens, and also looks to ensure we maintain EU adequacy, which will allow the continued free flow of personal data into and out of the Bailiwick from EU member states.

1995 Whilst the EU General Data Protection Regulation represents the biggest global change in data protection in well over a decade, and is a regulation that is relevant to every organisation, irrespective of size or sector, it is important to note that the new Law represents an evolution in data protection rather than a complete reform. Accountability is at the heart of the changes, with an increased expectation that organisations will be able to demonstrate compliance, and ensure that the rights of the data subject are respected and protected.

2000 This Law brings data protection legislation up to date and strengthens rights for individuals; it strengthens rules on consent; rights to access; rights to data portability; and rights to amend incorrect personal data. In addition, it provides for increased transparency around how personal data is used. This Law also provides the assurance that data is safeguarded as we progress within an ever-evolving digital world, based on a system with more accountability.

2005 Enforcement is enhanced, with the Data Protection Commissioner given the powers to ensure residents of the Islands are provided with appropriate levels of protection.

The legislation is intended to enable the Bailiwick to demonstrate, in due course, that it is a jurisdiction which provides an adequate level of protection for personal data in accordance with the standards set out in the GDPR, and for the purposes of Law Enforcement Directive, which will enable the continued free flow of information to cross border collaboration purposes.

2010 The timeline for drafting has been particularly challenging with a requirement to ensure that our new Law is in place from 25th May 2018, in accordance with the GDPR. Extensive consultation has been undertaken throughout this process, and the feedback from our business communities has been very positive.

2015 Sir, I would like to conclude by saying that, although there will inevitably be an increase in compliance obligations as a result of the new Law, the Committee for Home Affairs believes that it provides the Bailiwick of Guernsey with a number of economic opportunities, both in creating a well-regulated compliant jurisdiction, with highly trained and experienced data protection professionals, and also in providing a regulatory authority which is approachable and works alongside businesses to achieve our long term vision.

2020 Sir, I have got an amendment if you are happy for me to propose the amendment now.

2025 **The Deputy Bailiff:** If you have finished opening debate, Deputy Lowe, and you want to lay the amendment now, then please do.

#### *Amendment*

##### *In the Proposition –*

*a) immediately after "The Data Protection (Bailiwick of Guernsey) Law, 2017" insert ", subject to the amendments indicated immediately below", and*

*b) at the end, insert the following list of amendments –*

##### *"Amendments*

*1. In clause 21 (pp. 33 - 35) of the Projet –*

*(a) in subclause (1) (p. 33), for "a data subject disputes the accuracy or completeness of personal data", substitute "personal data is processed", and*

*(b) in subclause (3) (p. 34), for "inaccuracy or explaining why the personal data is incomplete", substitute "grounds in subsection (1) on which the data subject believes this section applies".*

*2. In clause 74 (pp. 113 – 118), for subclause 9 (pp. 117 – 118), substitute the following subclause –*

*"(9) The States of Deliberation may by Ordinance make any provision they think fit to –*

*(a) exempt any person from the power of the Authority to order an administrative fine,*

*(b) specify a limit to the amount that may be ordered by the Authority by way of an administrative fine against any person, in addition to the limits specified in section 75, or*

(c) otherwise restrict the power of the Authority to order an administrative fine against any person."

3. In clause 108 (pp. 160 - 164) of the *Projet*, immediately after subclause (5) (p. 163), insert the following subclauses –

"(6) An Ordinance made under this Law ceases to have effect –

(a) in Alderney if, within the period of four months immediately following the approval date, the States of Alderney resolve to disapprove its application to Alderney, and

(b) in Sark if, at the first or second meeting of the Chief Pleas of Sark following the approval date, the Chief Pleas resolve to disapprove its application to Sark.

(7) If the States of Alderney or the Chief Pleas of Sark resolve to disapprove the application of an Ordinance in accordance with subsection (6), the Ordinance ceases to have effect in Alderney or (as the case may be) Sark, but without prejudice to –

(a) anything done under the Ordinance in Alderney or (as the case may be) Sark, or

(b) the making of a new Ordinance having effect in Alderney or (as the case may be) Sark.

(8) In this section, "approval date", in relation to an Ordinance, means the date of its approval by the States of Deliberation."

4. In clause 109 (pp. 164 - 167) of the *Projet*, immediately after subclause (5) (p. 166), insert the following subclauses –

"(6) Regulations made under this Law cease to have effect –

(a) in Alderney if, within the period of four months immediately following the relevant date, the States of Alderney resolve to disapprove the application of those regulations to Alderney, and

(b) in Sark if, at the first or second meeting of the Chief Pleas of Sark following the relevant date, the Chief Pleas resolve to disapprove the application of those regulations to Sark.

(7) If the States of Alderney or the Chief Pleas of Sark resolve to disapprove the application of any regulations in accordance with subsection (6), those regulations cease to have effect in Alderney or (as the case may be) Sark, but without prejudice to –

(a) anything done under those regulations in Alderney or (as the case may be) Sark, or

(b) the making of new regulations having effect in Alderney or (as the case may be) Sark.

(8) In this section, "relevant date", in relation to any regulations, means the date on which those regulations are made by the Committee."

5. In clause 111(1) of the *Projet* –

(a) for the definition of "parental responsibility" (p. 188), substitute the following definition –

"parental responsibility" –

(a) in relation to Guernsey and Alderney, has the meaning given by section 5 of the Children (Guernsey and Alderney) Law, 2008, and

(b) in relation to Sark, has the meaning given by section 4 of the Children (Sark) Law, 2016,"

(b) in paragraph (c)(iii) of the definition of "police officer" (pp. 189-191), for "Court of the Seneschal", substitute "Constable", and

(c) in the definition of "safeguard data subject rights" (p. 197), immediately after "safeguard data subject rights", insert "means".

6. In Schedule 1 to the *Projet*, immediately after paragraph 2 (p. 204), insert the following paragraph –

"3. Application to the Constable of Sark, etc.

(1) This Law applies to the Constable and the Vingtenier.

(2) For the purposes of this Law each of –

(a) the Assistant Constable of Sark, and

(b) a special constable appointed by the Constable whilst acting as such, is to be regarded as a servant of the Constable.

(3) In this paragraph, "the Constable" means the Constable of Sark."

7. In Schedule 4 to the *Projet*, in paragraph 2 (p. 213), immediately after "processor", insert "in accordance with any regulations made for this purpose".

**Deputy Lowe:** I have an amendment, which Members have had circulated, and it is being seconded by my Vice-President Deputy Graham.

2030 Sir, the proposed amendments are largely in response to representations made by the Chief Pleas of Sark, and are in relation to specific definitions within the law, and the ability to disapprove an Ordinance or Regulation.

In addition, Deputies have made representations related to administrative fines and extensions related to this.

2035 Paragraph 2 of the proposed amendments:

'...provides for the States of Deliberation to make provision by Ordinance to exempt specified persons from the power of the Authority to order an administrative fine, to limit the amount of administrative fine that may be ordered against a specified person, or to otherwise restrict the power of the Authority to order such fines against a specified person. This amendment would allow further consideration to be given to the appropriate scope of any exemptions to or limits on administrative fines, as such exemptions and limitations would be prescribed in an Ordinance and not in the Projet itself.'

Paragraphs 3 and 4 will:

'...enable the States of Alderney to disapprove an Ordinance within four months of its approval by the States of Deliberation, and the Chief Pleas of Sark to disapprove an Ordinance at their first or second meeting following its approval by the States of Deliberation. If so disapproved, the Ordinance ceases to have effect in Alderney or (as the case may be) Sark, but without prejudice to anything done under it, or to... making of a new Ordinance, in relation to Alderney or (as the case may be) Sark.'

2040 Both the States of Alderney and the Chief Pleas of Sark would also be able to disapprove any regulations made by the States of Guernsey's Home Affairs Committee in a similar manner, and to a similar effect.

2045 Several other amendments insert references to Sark Laws and Sark Law Enforcement Officers into the Law.

Other amendments are technical in nature and are intended to either correct minor omissions in the Law, or align the Law closer to the GDPR.

I ask Members to support the legislation.

2050 **The Deputy Bailiff:** That is formally seconded by you, is it, Deputy Graham?

**Deputy Graham:** Yes, sir.

**The Deputy Bailiff:** Right. Does anyone wish to debate the amendment?

2055 Deputy Soulsby.

**Deputy Soulsby:** Sir, I would like to thank HM Comptroller, and the President, for listening to my concerns, which has resulted in the amendment as set out in paragraph 2, and which is not about Sark.

2060 When I read the Law, some parts of the 260 pages in more detail than others, I have to admit, it became apparent to me that there was a discrepancy that if not dealt with could be an issue for States' Members. Under clause 74 whilst Douzaines may be protected and other public officials as would be Members acting through a Committee, there would be no protection for Members acting in their capacity more generally as a People's Deputy. It is a sad reality that Deputies are exposed to those who may not be grateful for the input they provide, particularly if the answer they receive may not be what they want to hear, and seek recourse against them, even if the Deputy has been acting in good faith. As such, Deputies can be placed in a vulnerable position. It was on the back of that concern that I contacted HM Comptroller and the President. Whilst, I would have prepared the changes to be in the primary legislation, I can understand why enabling changes through an Ordinance makes sense, albeit not the purest method.

2070



I thank the President for confirming that the relevant Ordinance will be in place before the Law goes live next year.

One anomaly that arose from the conversation was that, apparently, States' Members are not considered to hold a public office. I was advised that this was because we were self-employed, but I do not think that can be quite right, because we hold a public position, elected by the people, and I find it hard to understand what could be more public than that. (**Several Members:** Hear, hear.) Under the definition of public office on page 195, it would appear we are not included, as our functions are not specifically assigned by enactment. Of course, our roles are not defined at all, something I hope SACC could work on once it has got the referendum out of the way. (**A Member:** Hear, hear.) Indeed, I think it may be opportune to do so then, and I would suggest that it is something that would be more pressing should a form of Island-wide voting be approved.

On a final note, as the Committee for Health & Social Care says in its policy letter, which I hope is debated in December, health intelligence is crucial to a sustainable model of care. It is the means by which we can ensure we get the care, where it is needed, when it is needed. Within a health and care setting there is no contradiction between ensuring services rigorously protect the confidentiality of personal information, whilst also pro-actively sharing information to optimise the care delivered and patient safety. This sharing of information is vital to provide a seamless integrated service. I have previously been in an exchange with the President of Home Affairs on this matter, and welcome her commitment to working together to ensure this concept is developed further through legislation, although sadly it could not be included in this primary legislation.

So, sir, I do support the amendment, and will support the amended Law. Although, as I said, when we discussed the policy letter, I have real concerns about it, not about what it stands for in terms of data protection, but the minefield of compliance that it is going to generate, and the paranoia likely to arise on anything to do with the holding of data, as well as the subsequent cost. From my point of view, we now need to focus our attention on the positive use of data to make informed decisions, something that we know is currently sadly lacking.

**The Deputy Bailiff:** Deputy Gollop.

**Deputy Gollop:** Sir, thanking you.

I agree with everything Deputy Soulsby has said, and I do remember we discussed some of those issues that Deputy Lowe has raised about the complexities of the legislation at the Legislation Select Committee meeting. I was getting tired by the third hour and page 200, but it was a long session and one Member actually, it was not me, was perhaps unhappy at the time that we had to look at it, and consider it all, and the style of it. But I think the view from the professional community was very much that it did the job, the legislation was fit for purpose, and not only brought us greater protection, but also the Island, and accorded with international regulation, which is the main reason, I think, we are doing it, rather than to burden local businesses.

But I certainly did pick up the same point that Deputy Soulsby has made, about why we are not public officials. Guernsey, sir, is increasingly full of statutory officials, wise people with significant powers, but us Deputies run the risk of being something and nothing really. With very little status, powers, roles, offices, responsibilities, or anything else. I too wish to see a definition of the role of Deputy for the future, as an agenda item for SACC.

**The Deputy Bailiff:** Deputy Lowe, the proposer of the amendment, and the President, to reply to the debate.

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

I do not think there are really any questions that were asked. I just thank Members for their support and to support this legislation.

**The Deputy Bailiff:** Members of the States, I will put to you the amendment proposed by Deputy Lowe, seconded by Deputy Graham. Those in favour; those against.

*Members voted Pour.*

**The Deputy Bailiff:** I declare the amendment duly carried.  
Does anyone want to debate the *Projet* as amended?

Deputy Kuttelwascher.

**Deputy Kuttelwascher:** Sir, I just want to declare an interest, which is shown on my declaration of interests, I am a founding director and investor in a company promoting a particular product, which is involved with data protection. I do not think there is any sort of conflict at the present time, but I just need to make that known.

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

Any other contributions on this Article.

Well, I will put to you the approval of the Data Protection (Bailiwick of Guernsey) Law, 2017, the draft *Projet*. Those in favour; those against.

*Members voted Pour.*

**The Deputy Bailiff:** So the *Projet*, as amended, is duly approved.  
Thank you very much.

## COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

### II. The Health Service (Benefit) (Amendment) Ordinance, 2017 – 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) (Amendment) Ordinance, 2017", and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Greffier:** Article II – The Committee for Employment & Social Security – The Health Service (Benefit) (Amendment) Ordinance, 2017

**The Deputy Bailiff:** Is there any debate on this Article?

In that case, I will put the draft Ordinance to you, *aux voix*. Those in favour; those against.

*Members voted Pour.*

**The Deputy Bailiff:** I declare the Ordinance approved and the Article duly carried.

**COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY**

**III. The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2017 – Approved**

*Article III*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2017", and to direct that the same shall have effect as an Ordinance of the States.*

2160 **The Deputy Greffier:** Article III – The Committee for Employment & Social Security – The Social Insurance (Rates of Contributions and Benefits, etc.) Ordinance, 2017.

**The Deputy Bailiff:** Once again, is there anyone who wishes to debate this draft Ordinance? I will put it to the vote then. Those in favour of approving it; those against.

2165

*Members voted Pour.*

**The Deputy Bailiff:** I declare the Article duly carried and the draft Ordinance approved.

**COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY**

**IV. The Long-term Care Insurance (Guernsey) (Rates) Ordinance, 2017 – Approved**

*Article IV*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Long-term Care Insurance (Guernsey) (Rates) Ordinance, 2017", and to direct that the same shall have effect as an Ordinance of the States.*

2170 **The Deputy Greffier:** Article IV – The Committee for Employment & Social Security – The Long-term Care Insurance (Guernsey) (Rates) Ordinance, 2017.

**The Deputy Bailiff:** Similarly, is there any debate on this draft Ordinance? I put it to you *aux voix*. Those in favour of approving the draft Ordinance; those against.

2175

*Members voted Pour.*

**The Deputy Bailiff:** I declare the draft Ordinance duly approved and therefore the Article carried.

2180

**COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY**

**V. The Severe Disability Benefit and Carer's Allowance Ordinance, 2017 – Approved**

*Article V*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Severe Disability Benefit and Carer's Allowance Ordinance, 2017", and to direct that the same shall have effect as an Ordinance of the States.*

2185 **The Deputy Greffier:** Article V – The Committee for Employment & Social Security – The Severe Disability Benefit and Carer's Allowance Ordinance, 2017.

**The Deputy Bailiff:** I do not see anyone rising to debate this particular draft Ordinance. So, once again, those in favour of approving it; those against.

2190 *Members vote Pour.*

**The Deputy Bailiff:** I declare the Article duly carried and the draft Ordinance is approved.

**COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY**

**VI. The Family Allowances Ordinance, 2017 – Approved**

*Article VI*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Family Allowances Ordinance, 2017", and to direct that the same shall have effect as an Ordinance of the States.*

2195 **The Deputy Greffier:** Article VI – The Committee for Employment & Social Security – The Family Allowances Ordinance, 2017.

**The Deputy Bailiff:** Is nobody rising to declare any interests? I think we ought to on this one, don't you?

2200 **A Member:** If you wish.

**The Deputy Bailiff:** This is family allowances.

2205 **Deputy Oliver:** I know. Everyone has got family.

**The Deputy Bailiff:** I do not mind which order we take you in, let's start from the left to the right, then. Deputy Paint.

2210 **Deputy Paint:** Sir, I do have an allowance from the States for my two grandchildren.

**The Deputy Bailiff:** That is fine.  
Deputy Oliver.

**Deputy Oliver:** I have an allowance for my daughter.

2215 **The Deputy Bailiff:** Deputy Tooley.

**Deputy Tooley:** I again have an allowance for my children.

2220 **The Deputy Bailiff:** It does not have to be said what it is, it is just whether you are in receipt of it or not. Deputy Soulsby.

**Deputy Soulsby:** Yes, sir, I am in receipt of it.

2225 **The Deputy Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** I am in receipt of it.

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

2230 **Deputy Hansmann Rouxel:** Yes, sir.

**The Deputy Bailiff:** Deputy Trott.

2235 **Deputy Trott:** I think my wife might, sir, but I do not see it.

**The Deputy Bailiff:** It is still an interest, Deputy Trott. *(Laughter)*  
Deputy de Sausmarez.

2240 **Deputy de Sausmarez:** Yes, I am in receipt of it, sir.

**The Deputy Bailiff:** Deputy Meerveld.

**Deputy Meerveld:** Yes, I am in receipt, sir.

2245 **The Deputy Bailiff:** Deputy Merrett.

**Deputy Merrett:** Yes, sir, I am in receipt.

2250 **The Deputy Bailiff:** Deputy Dudley Owen.

**Deputy Dudley Owen:** Yes, sir, I am in receipt.

2255 **The Deputy Bailiff:** As you know – we have even more now.  
Deputy Prow.

**Deputy Prow:** I think I possibly am, sir. *(Laughter and interjections)*

**The Deputy Bailiff:** Deputy Kuttelwascher.

2260 **Deputy Kuttelwascher:** Sir, I am curious whether grandchildren come into this or not. If they do – I do not think they do, but ...

2265 **The Deputy Bailiff:** No. I think we are just really having it within the household at the moment, because ... Deputy Leadbeater.

**Deputy Leadbeater:** Sir, I did not realise I would have to declare an interest, on the previous one, because my son is in receipt of severe disability allowance. So, I would just like to declare that.

2270 **The Deputy Bailiff:** Right, thank you Deputy Leadbeater.  
Deputy Mooney.

**Deputy Mooney:** I am in receipt too, sir.

2275 **The Deputy Bailiff:** Deputy Paint, you have already had one go at declaring an interest.  
(Laughter)

**Deputy Paint:** I have, sir, but I think I should explain that following my daughter's death three years ago, my grandchildren are getting an allowance through my bank.

2280

**The Deputy Bailiff:** No. I understand that Deputy Paint. Thank you for the explanation.  
I think it is important, Members of the States, to have declarations of interest at the appropriate time because the Rules do say you are supposed to declare your interests before voting. If it is one that carries for everyone, then one might take a different view.

2285 Deputy Inder.

**Deputy Inder:** I apparently have to declare that I get family – well yes, I suppose we do, we are a family, I get family allowance as well.

2290 **The Deputy Bailiff:** Thank you very much.

I think it demonstrates the age profile in the States has dropped, potentially, from years in the past.

Deputy Yerby.

2295 **Deputy Yerby:** Do we therefore need a retrospective declaration of interest in respect of pensions for the earlier Ordinance, sir?

**The Deputy Bailiff:** I am going to put to you Members of the States the draft Ordinance, entitled the Family Allowances Ordinance, 2017. All those in favour of approving it; those against.

2300

*Members voted Pour.*

**The Deputy Bailiff:** I declare the draft Ordinance duly approved, the Article carried.

## COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

### VII. The Supplementary Benefit (Implementation) (Amendment) Ordinance, 2017 – Approved

2305

*Article VII*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled "The Supplementary Benefit (Implementation) (Amendment) Ordinance, 2017", and to direct that the same shall have effect as an Ordinance of the States.*

**The Deputy Greffier:** Article VII – The Committee for Employment & Social Security – The Supplementary Benefit (Implementation) (Amendment) Ordinance, 2017.

2310 **The Deputy Bailiff:** Is there any debate on this draft Ordinance?  
Now, I put the draft Ordinance to you *aux voix*. Those in favour of approving it; those against.

*Members voted Pour.*

2315 **The Deputy Bailiff:** I declare the Article duly carried, the Ordinance is approved.

## OVERSEAS AID & DEVELOPMENT COMMISSION

### VIII. Overseas Aid & Development Commission – Funding Arrangements and Future Developments – Debate commenced

*Article VIII*

*The States are asked to decide:*

*Whether, after consideration of the Policy Letter entitled "Overseas Aid & Development Commission –*

*Funding Arrangements and Future Developments" dated 25th September 2017, they are of the opinion:*

- 1. To agree that the Overseas Aid & Development Commission's budget allocations for Grant Aid and Disaster and Emergency Relief be treated as a single development aid budget and for the Commission to determine the proportion of its budget allocated across its core mandated functions;*
- 2. To note the Overseas Aid & Development Commission's decision to progress, in close consultation with the Policy & Resources Committee (as "lead partner"), the initial exploratory discussions it has had regarding the possibility and feasibility of establishing a Guernsey Development Impact Fund;*
- 3. To delegate authority to the Policy & Resources Committee to approve the investment of between £200,000 and £250,000 per annum of the Overseas Aid & Development Commission's budgets for 2018-2020 in the proposed Guernsey Development Impact Fund;*
- 4. To note the Overseas Aid & Development Commission's ongoing commitment to ensure good governance in all areas of its mandate, and especially to ensure strict monitoring of all Grant Aid awards;*
- 5. To note the measures the Overseas Aid & Development Commission has introduced to strengthen its compliance procedures in respect of preventing misuse of funds for money laundering or the funding of terrorism; and*
- 6. To note the Overseas Aid & Development Commission's response to the States Resolutions of January 2012.*

**The Deputy Greffier:** Article VIII – Overseas Aid & Development Commission – Funding Arrangements and Future Developments.

2320 **The Deputy Bailiff:** I invite the President of the Commission, Deputy Yerby, to open debate on this Article. Deputy Yerby.

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

2325 Sir, much will be said about our commitment to overseas aid and development in the course of  
debate on the amendments, and much has already been said in my update statement earlier this  
month, and the questions and answers that followed. So, I will try to be fairly brief now.

2330 However, this is a policy letter which looks at Guernsey's future commitment to overseas aid in  
the broadest possible sense, and I welcome, and invite, constructive discussion on every aspect of  
our work in the course of the main debate. The 2012 debate on overseas aid gave us direction for  
the next five years, which have now just concluded, and I hope that this debate will give us some  
clear ideas of what the States values in overseas aid, and the areas which States' Members would  
like us to explore, or consider, for development over the second half of the decade or so.

2335 At the start of this month, the States overwhelmingly agreed to maintain our commitment to  
overseas aid in 2018, for which I am very grateful. The agreed budget of £2.96 million represents  
an increase of RPIX minus 1% in 2018. A numerical increase, but a real terms reduction in the  
value of our commitment. This reflects the financial framework which the States is applying across  
part of its work, but inevitably it effects the amount that we have available to allocate to frontline  
projects, which are transforming lives in some of the world's poorest communities.

2340 As indicated in the policy letter our aim in future budgets will be to sustain the value of  
Guernsey's overseas aid commitment through RPIX, although, of course, with due regard to any  
changes in the Island's economic circumstances, and any further savings targets that may be  
imposed by the States.

2345 Sir, at present £200,000 of the Commission's budget is ring-fenced for emergency relief, that is  
immediate funding in response to natural disasters, or humanitarian crises. This funding has been  
fixed at £200,000 since 2005, without indexation, so its value has dropped in real terms over the  
years.

I anticipate that the main effect of removing the ring-fence, which is the subject of our first  
recommendation, will be to allow that part of what we give to share in any increases, nominal or  
real terms, which are applied to our budget as a whole.

2350 I should emphasise, however, that the most important work we do is through our core grant  
funding, where we invest in projects that help to prevent crises, that build in resilience to natural  
disasters, or that help communities to build back better after the worst has happened. That has to  
remain the heart of our work, and the area in which we invest the most, and we will, as necessary,  
develop internal policies to ensure that that is safeguarded, and that the strong heartfelt desire to  
2355 respond to crises, and catastrophes, is balanced against the less instant, but profoundly important,  
investment we make in transforming communities, and tackling the routes of these problems at  
their source.

2360 The policy letter also provides the States with an update on discussions that have been taking  
place over the past year about the potential creation of a Guernsey Development Impact Fund.  
We are at a very early stage in this, and the next step, if the States approve, will be to carry out a  
more detailed feasibility study. For that reason, I will respond to Members' questions in my  
summing up, rather than attempting to anticipate them now. However, I will record my thanks to  
the Policy & Resources Committee, who, given their investment expertise, are very much the  
senior partner in this, for their help and involvement so far, which has blended enthusiastic  
2365 engagement with cautious pragmatism, and for the role that they will continue to play after this  
debate and beyond.

2370 Sir, alongside this new development, we have provided an account of the most recent steps  
the Commission has taken to strengthen its governance procedures, so that we remain good and  
accountable stewards of public money. We have recapped progress since 2012 on improving our  
public communications, strengthening links with local charities and encouraging the wider  
community, businesses and individuals, to engage with overseas giving through a number of local  
initiatives, which we have match funded.

Members of the States will also have seen that the Commission's annual report is appended to  
this Billet, and provides powerful case studies showing the life changing work which Guernsey



2375 supports around the world. I cannot stress it enough, the projects we support through overseas aid are investments which we can all be proud of.

Sir, finally, I would remind Members that States' funded overseas aid is both credible, and creditable, it is a wise thing to do as well as a good thing. (**A Member:** Hear, hear.)

2380 In light of this debate it is easy for us to be accountable to those who intuitively recognise overseas aid as a good thing, an act of compassion, a duty of moral and responsible governments in an interconnected world. It is harder, of course, to respond to those who do not recognise the value of money sent abroad to Islanders at home. So, because the decisions we make today depend upon it, allow me for a moment to demonstrate the legitimacy of overseas aid as a core function of government.

2385 Almost everyone knows that there is an international target for wealthy countries to give 0.7% of their national wealth towards international development, on top of whatever might be given privately by their citizens. We are often embarrassed by Guernsey's commitment of just 0.12%. But the important fundamental question to ask is why does that target even exist? What is the purpose of government-led giving to overseas aid? Here it is in the words of United Nations  
2390 Resolution 2626, the Resolution that first set that target. They said:

'While a part of the world lives in great comfort and even affluence, much of the larger part suffers from abject poverty, and in fact the disparity is continuing to widen.'

Now that is scarcely less true in 2017 than it was in 1970. They went on:

'This lamentable situation has contributed to the aggravation of world tension.'

2395

So

'In the conviction that development is the essential path to peace and justice, Governments reaffirm their common and unswerving resolve to seek a better and more effective system of international co-operation whereby the prevailing disparities in the world may be banished and prosperity secured for all.'

2400 Development, sir, is the path to peace. Development offers safety, security and health, around the world, not just among those who benefit most directly. For example, stronger health and sanitation systems contain diseases that could otherwise transcend national borders and find their way even to our shores. Madagascar right now is suffering an outbreak of the plague. Yes, that plague. So, it is in our interests that Madagascar has strong enough hospitals and public health systems to contain it.

2405 The same is true of many other frightening infectious diseases. Zika, or Ebola or SARS, for example, that too often originate in poor and disadvantaged countries. Our investments in health and sanitation facilities can help to halt the progress of these diseases, or to tackle the risk factors that lead to them happening in the first place.

2410 Similarly, the risk factors for conflict and radicalisation reduce as people gain access to education and economic prospects. The massive displacement of people that follows widespread violence or civil war, again, is something that affects the whole world. Something that reaches even to our doorstep. But our investments in building schools, or delivering projects that give people secure and sustainable livelihoods for the first time, are a power for good in some of the most vulnerable parts of the world.

2415 States' Members should be in no doubt that the moral argument for overseas aid is strong, the argument for compassion is strong, but so is the argument for self-interest. Development helps to create a more stable, a safer and a healthier world. We all benefit from that. Overseas aid is a core function of government because we are compassionate and humane, because we recognise our duty to others. But it is also a core function of government, because we recognise our duty to our  
2420 citizens to contribute to a world in which everyone can flourish. That is why getting it right is so

important, and I welcome constructive debate today on how we can continue to develop what it is that we do.

**Several Members:** Hear, hear.

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

We have got three amendments that have been lodged with the Greffier. Proposing to take amendment 2 first, which is proposed by Deputy Lester Queripel.

So, Deputy Lester Queripel.

*Amendment 2*

*To delete Proposition 3 and substitute therefor:*

*"3. To direct the Policy & Resources Committee and the Overseas Aid & Development Commission jointly, to report to the States with the findings of the feasibility study into a Guernsey Development Impact Fund; and to agree that the States should provide no seed funding for such a Fund until the States have debated the aforementioned feasibility study and unless the States have resolved to establish and provide funding for such a Fund."*

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

I will start by saying I am really optimistic about this impact fund.

**The Deputy Bailiff:** Deputy Lester Queripel, I hoped you were going to start by complying with Rule 24(3) in saying who is seconding it.

**Deputy Lester Queripel:** Sorry, sir?

**The Deputy Bailiff:** You have to state the name of the proposed seconder.

**Deputy Lester Queripel:** Sorry, sir. Yes, Deputy Mooney is going to second this one, sir.

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

Do you want it to be read out?

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

**The Deputy Bailiff:** Deputy Greffier.

*The Deputy Greffier read the amendment.*

**The Deputy Bailiff:** Deputy Queripel.

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

So, I will start by saying that I am really optimistic about this impact fund. It is an investment fund, it has huge potential to reap financial dividends. That is why I have laid this amendment, because I honestly think it is the *panacea* we need. We put money in and we reap the reward, to the point where there could be just as much money, if not more, to spend on overseas aid by way of a return on the investment. That makes perfect sense to me, because then that would mean we draw less money from States' General Revenues and possibly even that could be phased out completely if the scheme goes from strength to strength every year simply by return on the investment.

Now, sir, that sounds like a win, win situation to me. Where everybody benefits. But I feel that we should all be involved. We should all be included, and we should all have the opportunity to

2465 have an input, which is why Deputy Mooney and I are asking colleagues to agree to P&R reporting the findings of the study back to the States.

Now paragraph 5.3.4 of the policy letter tells us that the Government investment would:

‘...boost the confidence of potential private investors in the fund and encourage them to commit.’

It goes on to say

‘The initial discussions have suggested that, to launch the fund, an annual investment of between £200,000 and £500,000 would be required for at least the first three years...’

2470 Yet, the Proposition itself is only suggesting a sum of up to £250,000. Deputy Mooney and I have laid this amendment in an attempt to accelerate proceedings. Because I am sure my colleagues have got their own ideas of how we could accelerate proceedings, and yet none of us are going to be included, and none of us are going to have any input, unless this amendment gets the support it needs to succeed.

2475 I say that because I think we need to invest a lot more than £250,000. I think we need to invest something like £2 million or even £3 million. Because that would be the kind of kick start the impact fund really needs. At the moment I am not included, so I do not have any input.

2480 I ask my colleagues to really think about the Proposition itself, because although it is well intended, and I am sure P&R have worked incredibly hard to get to this stage, supporting the actual Proposition will not really inject any great urgency into the situation. My view is, and shared by Deputy Mooney, if this amendment were to succeed, surely, the fact that the whole Assembly becomes involved, and has an input, would ensure that that much-needed injection of urgency would be introduced.

2485 Now, I need to expand on that for a moment, sir, in an attempt to encourage my colleagues to support this amendment, because my colleagues are probably wondering where on earth are we going to get £2 million or £3 million, and why am I so enthusiastic about this impact fund. Well, the answer to the last question is because I can see it working, and the quicker we get on with it, and the more we can invest in it the better. The answer to the first question is we have already got the money. We have got two pots of money, we have got well over £100 million in the Bond, waiting to be allocated. In fact I think it may be as much as £120 million. So instead of the money 2490 just sitting there why don’t we put it to work? We have also got millions of pounds in a Transformation and Transition Fund, waiting to be spent. So, perhaps we could use some of that, seeing as it is meant to be used to transform the way the States operate. But that is all just speculation anyway, sir, because unless we are all involved in the conception of this fund none of us will have a clue what is going on, or even what can or cannot be done, because we will not 2495 have any input whatsoever.

2500 I want to empathise at this point, sir, this is not about not trusting our colleagues on Policy & Resources, Deputy Soulsby said that when she laid an amendment on pooled budgets, seconded by Deputy Le Clerc, this is all about all of us being included and having an input into, what seems to me, to be the *panacea* we so desperately need if we are going to have any hope at all of rapidly increasing the amount of money we contribute to overseas aid. I am sure Deputy Yerby and the Commission would be absolutely delighted if we could double the amount of money we contribute before the term of this Assembly comes to an end. That would be a really good news story for this Assembly to celebrate. And seeing as we do not get that many good news stories to celebrate, I am sure we would all take great comfort from that, sir.

2505 Sir, the potential for this impact fund is explained in paragraph 5.1.3 of the policy letter, where we are told that:

‘Impact investing is an investment model that aims to generate specific beneficial social or environmental effects alongside a financial return.’

It goes on to say that:

'Examples of this asset class include investment into commercial agriculture, social housing, healthcare, education, sustainable technologies and microfinance as well investments into outcomes-based public services.'

This next sentence should be effective enough to convince colleagues that this is the route to go down, because this impact fund currently has more than U\$75 billion worth of assets under management, growing at around 20% year on year, and estimates indicate that assets under management in this area could reach a staggering US \$2 trillion by 2025. Surely, sir that is a clear indication that we cannot afford to pussy foot around here. We really have to take this seriously. We really do need to pay as much attention as we possibly can to establishing this impact fund, in an attempt to accelerate proceedings.

Sir, there is an old saying that needs to be brought into play here: that old saying is, many hands make light work. (*Interjections*) And as Deputy Gollop rightly says, sir, it is why we need more Deputies involved here. Because, surely, sir, we cannot expect P&R to handle this in isolation, when they already have 101 equally important issues to attend to. Surely, we all need to have an input and inject some urgency into the situation.

In closing, sir, should this amendment not get the support it needs to succeed, I offer my services to P&R: if there is any way I can help to establish this impact fund then I say to them please do not hesitate to call me. Nobody called me, sir, when I offered to mediate the Aurigny situation. I can only assume that my services were not needed, but no one actually told me that. So, I would like to ask P&R please, at least, let me know if my services are not required.

Sir, I am sure I am not the only Member of this Assembly who is absolutely fed up with Government moving at a snail's pace all of the time (**A Member:** Hear, hear.) despite all the efforts that Deputies make and assuming that Government moves at a snail's pace, so I urge my colleagues to please support the amendment, because Deputy Mooney and I truly believe we are offering the Assembly a chance to accelerate proceedings in at least one area of Government. In order to be able to do that we all need to be included, we all need to be involved, and we all need to have an input.

Thank you, sir.

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

**Deputy Mooney:** I do, sir.

**The Deputy Bailiff:** Thank you very much.  
Who wishes to speak? Deputy Trott.

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

Sir, If I may I will start with the Bond money, my friend Deputy Lester Queripel said it was just sitting there. It is not, sir. It returned double digit returns last year, and performance for 2017 is also very encouraging as we are seeking to enter the final month of this year.

**Deputy Lester Queripel:** Sir, point of correction.

**The Deputy Bailiff:** Point of correction, Deputy Lester Queripel.

**Deputy Lester Queripel:** Sir, I did not say the Bond money was sitting there; I said there is about £120 million of the Bond money sitting there waiting to be allocated.

Thank you, sir.

**The Deputy Bailiff:** Deputy Trott to continue.

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

The £120 million of Bond money that Deputy Queripel ... You have heard it all before, sir.

2560 Sir, for impact investing to have an impact you have got to get on with it (**A Member:** Hear, hear.) and listening to my friend Deputy Lester Queripel speaking to this amendment, I wondered if he was looking at the same one as me, frankly, (*Laughter*) because what he is asking for is another feasibility study, which, of course, is not needed for two reasons. The first is it will incur cost, and secondly it will incur delay. It is not needed because clearly this States' report is all the feasibility work that we need. It is a feasibility report in its own right, and if I may say so, through you, sir, a very good one at that.

2565 Sir, I sort of sense that I probably do not need to say this but the sooner this amendment is rejected and we can get on with it the better.

**The Deputy Bailiff:** Deputy Yerby.

2570 **Deputy Yerby:** Sir, just a couple of comments to add to what Deputy Trott says. There is an undertaking in the policy letter to carry out a further layer of feasibility investigations, but the intention was not to report those back to the States.

2575 I was fairly neutral on this amendment. I thought, it is a novel concept, if the States want to have more scrutiny on it by having it brought back to them, then so be it. My colleagues Deputy Le Clerc and Deputy Langlois will vouch for the fact that I am not a rash investor, however, and so the level of scrutiny that we had put into the policy letter was a level that I had made sure I was comfortable with. I am absolutely comfortable that working with P&R, this kind of thing is well within P&R's competency to evaluate, and the level of money to be invested is well within their delegated authority to approve.

2580 Deputy Queripel has spoken about speeding up proceedings. I am afraid that bringing things back to the States would, almost inevitably, slow down proceedings, and so I think if that is what the amendment is trying to achieve, the best way to succeed in that is to vote against the amendment.

2585 The other comment which Deputy Queripel has made in opening is that an impact investment fund would be a *panacea*, and I think it is really important to tackle that at the start. It is not a silver bullet. There are some opportunities which we can definitely tackle through impact investment, and it can definitely help us make our money go further, where it is appropriate. But some of the areas in which we work, some of the communities with which we work, are so far away from a stage of development at which impact investment is appropriate, that the only mode of working with them, we can envisage at this stage, is through grant funded projects. That is going to continue for the foreseeable future. It is going to continue to be an important part of our work for the foreseeable future. So, I think it is important to recognise the impact fund for what it is. It will be a really powerful complement to the work that we do, if we get it right, but it is never going to overtake, or not for a long time is it going to overtake the core business of overseas aid.

2595 So, fairly neutral on the amendment. I am going to vote against it. I do not think it achieves what its proposer intends for it to achieve, and I would recommend to the Assembly that they do not support it.

**The Deputy Bailiff:** Deputy Stephens.

2600 **Deputy Stephens:** Thank you, sir.

I absolutely agree with Deputy Trott. I am not in favour of a return to the States for a decision to proceed following a debate of a feasibility study, because I really do not see how that will accelerate things at all. It will only slow matters down.

2605 A funding source has already been proposed by the responsible Committee, and it is necessary for the sake of efficiency that delegated authority is given to those responsible for the next steps of the project, and a return to the Assembly will impede that efficiency. Let those with

responsibility be responsible. I think the Assembly should give space for this to happen. I ask Members to reject this amendment.

2610 Thank you, sir.

**The Deputy Bailiff:** Well, as nobody else is rising. I will turn to the proposer of the amendment Deputy Lester Queripel to reply to the debate on it.

2615 **Deputy Lester Queripel:** Sir, there is not a lot more I can say, really, except that I am sincere in this, so is Deputy Mooney. We felt that every single one of us being included would accelerate proceedings. Sounds like we were wrong in that assumption, but it was a sincere attempt to attain a win, win situation, and I still am of the view that this is the *panacea* that we need. But we need to put a lot more money into it to accelerate proceedings, because if this fund takes off, as I said, it will be a good news story for the Bailiwick, a good news story for many of the applicants who apply for financial assistance from our Overseas Aid & Development Commission.

2620 Sir, I am sure most of my colleagues have made up their mind, so I ask we go to the vote, and I would like a recorded vote, please, sir.

2625 **The Deputy Bailiff:** Well, Members of the States, this is the amendment to substitute Proposition 3 of the Overseas Aid & Development Commission's Propositions, proposed by Deputy Lester Queripel, seconded by Deputy Mooney, and we will have a recorded vote.

**The Deputy Greffier:** The vote this month starts with St Sampson.

2630  
*There was a recorded vote.*

**The Deputy Bailiff:** Members of the States, I am pretty sure that was lost. I will declare the formal result in a moment, but while the votes are being counted by the Deputy Greffier, perhaps we could move to the next amendment, which is proposed by Deputy Roffey, and if you want it read can you read it yourself, please, Deputy Roffey.

*Amendment 1*

*To add the following after "Fund" at the end of Proposition 3:*

*"and to direct the Policy & Resources Committee to transfer a commensurate amount from the Budget Reserve to increase the revenue expenditure budget of the Overseas Aid & Development Commission in 2018 and make appropriate allowance when recommending to the States Cash Limits for 2019 and 2020 for the Overseas Aid & Development Commission"*

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

2640 It is seconded by Deputy Peter Ferbrache, and I do not require it to be read. I am sure that Members have read it in advance.

2645 Firstly, let me say that I was a member of the old States' Overseas Aid Committee under Deputy Eric Waters. I was the first ever Chair of the Overseas Aid Commission, now rightly renamed as the Overseas Aid & Development Commission, so I clearly do have an interest in their work, and support it strongly. Indeed, I am proud of Guernsey's exemplary work in this area. The cash always goes to respected NGOs, it is never into government, it is never tied to trade deals or similar *quid pro quos*, unlike the aid programmes of many other countries. The projects submitted are carefully vetted, and those that are allocated funding are closely monitored. How much do our Commissioners get paid for this demanding role? Absolutely zilch. It is a system we should be very proud of.

2650 Indeed, I think we should be trying, when possible, to increase our giving. It is currently, as has been pointed out earlier, a tiny percentage of our GDP. Now, to be honest, I am not sure that that is actually the best yardstick – I know it is the international yardstick – but I am not sure it is the

best one for Guernsey to measure its aid programme against, given our unique economy, because the size of GDP does not always reflect on the affordability of our budget inside the States, because our income does not always mirror GDP, unusually. So, maybe a percentage of States' income might be a better guide. But whatever yardstick we use, Guernsey's programme of giving is incredibly modest, compared with just about any other developed country. So, it should be increased when we can afford it. But clearly, this is not the time. I even, with a heavy heart, accept the need to cut it by 1% in real terms next year. That is a very sad thing to have to do. But I accept ... I understand the rationale that we are cutting expenditure in all other areas.

What I cannot accept is an additional significant reduction in Guernsey's programme of giving over the next three years in order to seed fund a new local impact fund. Now, I know the Commission's total budget will not be reduced, but lending, or investing, is not the same thing as giving, and one cannot be regarded, in my mind, as a substitute for the other. So, to reduce our programme of aid and development donations in order to fund investments that are not only fully repayable, but also command market rates of return, would be a shameful act of calculated meanness.

Now, I do not know how familiar Members are with impact funds, they have been around for a long time, which I why I did not think we needed a report back to this Assembly. In fact, I am an investor in an impact fund that was set up in the 1970's by the World Council of Churches, and is run through a bespoke co-op in Holland. I am not going to rely on that experience as a guide, but rather, I went on line and looked at the guidance notes for the DFID-run impact fund, because that is quoted inside this policy letter, and guidance point number 9 is:

Individual investments by a Fund should be made at rates that reflect the risk of the transaction and do not distort local financial markets by providing subsidised capital.

Impact funds do not provide cheap or subsidised capital. They are commercial borrowing.

Now, make no mistake, I have no problem with that. I do not have any problem with commercial loans, they differ from other commercial loans in that they focus specifically on lending to projects which will aid development. These are typically agricultural in nature, but they can involve anything which generates an income to allow the interest to be covered and the capital repaid. In the process of doing that they help villages, or areas, or regions to develop. It is all very ethical investment, and to be applauded, but it cannot be used to build a free school, or a free clinic, or to pay for much needed sanitation projects, unless you are going to charge somebody to spend a penny, because there will be no return in order to repay that money. So, a bit like our own States' Bond scheme, non-revenue generating projects cannot be considered.

So, I say again, Mr Deputy Bailiff, this is lending. This is investment. It is ethical investment, but it is not giving, and to slash our donations to NGO's for the next three years to pay for it, simply is not on. It is not like funding micro finance schemes. I know that the Commission have done quite a bit of that over the years, and those too are revolving funds once they are lent on by the NGOs concerned. If the Commission give £25,000 to a NGO who then lend £500 here for a buffalo, or £500 there for some other income-generating thing, that money is repaid to the NGO, but the ultimate donor, Guernsey, does not expect that money back, that is the fundamental difference. It is a gift.

So, I say, simply, that if Guernsey wants to put very modest sums, and we are talking about what, between £600,000 and £750,000 over the next three years into a system of ethical investment, then three cheers as far as I am concerned. It certainly is not a *panacea* but it is a jolly good thing to be doing. I can support that, and if we do that in the way suggested by my amendment, it will be a tiny part of our investment pool to lend out in this fashion. That is exactly what this amendment is proposing. I think that is much better than slashing our traditional aid programme of development and emergency grants for the next few years in order to pay for it.

Sir, if my amendment is successful, this new and ethical investment may well go through the Commission's budget for the next three years, but it will not, repeat not, increase the level of

2705 donations to aid and development. That will remain exactly as it is now, well actually it will be 1%  
 down. All it would do is introduce a new incredibly modest programme of ethical investment by  
 the States, as a tiny wafer-thin slice of the investments that we make. We were talking this  
 morning about how our investments should be placed, how ethical they should be, and the need  
 to get returns, and I agree with all of that, but a tiny, tiny bit of it, if you approve this amendment,  
 2710 will go on an impact fund that will focus on development projects around the world, and will get a  
 rate of return. I think we ought to do that, but it is down to Members.

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

**Deputy Ferbrache:** I do, sir.

*Amendment 1 by Deputies Lester Queripel and Mooney:*

*Not carried – Pour 2, Contre 33, Ne vote pas 1, Absent 4*

**POUR**

Deputy Lester Queripel  
 Deputy Mooney

**CONTRE**

Deputy Trott  
 Deputy Merrett  
 Deputy Stephens  
 Deputy Meerveld  
 Deputy Fallaize  
 Deputy Inder  
 Deputy Lowe  
 Deputy Laurie Queripel  
 Deputy Smithies  
 Deputy Hansmann Rouxel  
 Deputy Graham  
 Deputy Green  
 Deputy Paint  
 Deputy Dorey  
 Deputy Brouard  
 Deputy Dudley-Owen  
 Deputy Yerby  
 Deputy De Lisle  
 Deputy Langlois  
 Deputy Soulsby  
 Deputy de Sausmarez  
 Deputy Roffey  
 Deputy Prow  
 Deputy Oliver  
 Alderney Rep. McKinley  
 Deputy Ferbrache  
 Deputy Kuttelwascher  
 Deputy Brehaut  
 Deputy Tooley  
 Deputy Gollop  
 Deputy Parkinson  
 Deputy Le Clerc  
 Deputy Leadbeater

**NE VOTE PAS**

Alderney Rep. Jean

**ABSENT**

Deputy Le Pelley  
 Deputy St Pier  
 Deputy Le Tocq  
 Deputy Tindall

2715 **The Deputy Bailiff:** Before I invite any debate on the amendment let me announce the result  
 of the voting on the first amendment debated. Proposed by Deputy Lester Queripel and seconded  
 by Deputy Mooney. Their voted Pour 2, Contre 33, 1 abstention and 4 absentees. I formally  
 declare the amendment lost and return the voting slip.

2720 Deputy Yerby.

**Deputy Yerby:** Sir, again, just a few short observations on this amendment, and, as I said in  
 response to the first Queripel/Mooney amendment, it is important to state that I and the  
 Commissioners were comfortable with the proposals as included in the policy letter. We felt the



2725 allocation of up to £250,000 from our budget was reasonable, and it gave us some ownership. It is as important to us that we are involved with P&R in the process of shaping what this impact fund will be, as it is that such a fund exists.

For the avoidance of any doubt, Members should be aware that the Commission, through its grant funding, supports various micro finance projects and others which could well be classed as lending, as Deputy Roffey has said, the returns from such lending do not come back to us, they go back into the lending organisation which lends it out again to other similarly qualifying beneficiaries, but lending is something that we are not in any way involved in, or do not currently endorse.

2735 I wanted to get up and speak before Deputy Trott on this one, simply because having had a couple of discussions with the President of Policy & Resources beforehand, I said, well, although we are comfortable with the proposals in the policy letter, it is very difficult for me to oppose this one. It is an amendment that appears to benefit overseas aid without doing any harm to the States elsewhere. For that, as a responsible President to benefit my Committee without harming the States as a whole it has to be something I have to be capable of supporting.

2740 One question that came up in discussions around this fund is what might happen to the financial return, as a result of any investments. In the first instance, and certainly in the early years of any impact fund, returns are uncertain and are likely to be small scale. When we first go into this we have got to go in recognising that there is an element of risk, it might turn out that what we are giving is, effectively, more grants, and there is not any real substantial return. It might be that the returns build up over a number of years as the fund becomes established.

2745 Just by the by in response to Deputy Roffey's point the UK impact fund has certain guidelines. The guidelines for Guernsey's impact fund will be set locally, and we can tailor those to whatever we feel is most appropriate within the cost of impact investment generally.

2750 It is likely to be the case, at least, as I said in the early years of an impact fund, that any returns that are made would be reinvested within the fund, but that is not to say that from time to time returns might be withdrawn and reinvested as part of the Overseas Aid's general grant-giving pot, all that is some years in the future, and will need to be worked out via the feasibility study and ongoing development process around an impact fund.

As with the previous amendment, sir, in effect, I am fairly neutral on it, but tend to support it.

2755

**The Deputy Bailiff:** Deputy Trott.

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

2760 Sir, always beware when the proposer of an amendment as skilful as Deputy Roffey says there is no need to read it out. So I will, because what the amendment says is:

'and to direct the Policy & Resources Committee to transfer a commensurate amount from the Budget Reserve to increase the revenue expenditure budget of the Overseas Aid & Development Commission in 2018...'

So this is real expenditure, just a month or so since the Budget was agreed. So bear that in mind.

2765 Sir, P&R have a fiduciary duty to maximise investment returns from the investment of our reserves. Now, the Guernsey Development Impact Fund is intended, as the policy letter suggests, to produce an investment return, I very much believe it will, but not, understandably, to maximise investment return.

2770 So, it follows, sir, that P&R would be most unlikely to make such an investment without a States' report, such would be the deviation from conventional fiduciary duties, with regard to the returns profile of such investments.

With regards the expenditure, well this amendment will have the net effect, if successful, of increasing General Revenue expenditure, to replace the funds invested. P&R, in my view, are very likely to take the view that the most prudent course of action would be to not invest in the

2775 Guernsey Development Impact Fund, to avoid the pressure on the Budget Reserve. So, this is  
where the money is coming from, the Budget Reserve is there, as we all know, to deal with  
unforeseen contingencies, such as maybe the breaching of a sea wall, or something like, I do not  
know, a particular long-term care issue, that the Health & Social Care Committee were not  
expecting, a burns victim, or something of that nature. So, that would severely impact on those  
2780 reserves. So you are making, if you like, a budget decision just a few weeks after the Budget has  
been agreed.

So, sir, in short there is a chance that this amendment could kill the GDIF and kill the  
opportunity to benefit and increase future overseas aid development from any investment returns.  
There is a genuine fear for the reasons I have explained.

2785 Now, the proposals, unamended, are reasonable and balanced, which is why everyone  
associated with their presentation, the Guernsey Overseas & Development Agency and ourselves,  
were in agreement. If this amendment succeeds, P&R would see little merit in supporting the  
amended Proposition 3, as, P&R are most unlikely to use the delegated authority granted to it,  
because of the impact on the Budget Reserve, because no-one can see into a crystal ball, sir, we  
have a particularly ferocious winter for instance, and who knows what the impact on that reserve  
2790 will be. It is there for unforeseen circumstances such as that. It is not there for budgetary planning  
of this nature. That is why we have the Budget.

**The Deputy Bailiff:** Deputy Fallaize.

2795 **Deputy Fallaize:** Thank you, sir.

I take almost exactly the opposite view from Deputy Trott, although possibly reach not  
altogether different conclusions, because if this amendment loses, I will vote against certainly  
Proposition 3 and possibly Proposition 2, because if those Propositions are carried unamended,  
then the actual effect of that will be, or could be, to reduce the amount of money which Guernsey  
2800 spends on core overseas aid and development by between £200,000 and £250,000, in each of the  
next three years.

Now, bearing in mind the debate which we are likely to have on the next amendment where, I  
suspect – I do not know, I may be wrong, but I suspect – the States are not going to want to cut  
the amount of States' contribution from General Revenue that is provided for core overseas aid  
and development. There will be no point, I think, in Members in that debate Member after  
2805 Member standing up and saying how committed they are to the States continuing to fund  
overseas aid and development from General Revenue, and not cutting the amount of giving, as  
Deputy Roffey called it, which is provided to the poorest countries and the poorest people in the  
world, if the States have voted against this amendment and then go on to vote in a way which  
2810 could result in a very material, in percentage terms, reduction in the amount that we provide for  
core overseas aid and development.

The Proposition is that £200,000 to £250,000 a year is no longer allocated for core overseas aid  
and development, and instead it is put into an impact fund. An impact fund has lots of  
advantages, but it is not what I understand as conventional overseas aid and development, which  
2815 sort of giving does not require a return.

So, this amendment actually protects the Overseas Aid & Development Commission's core  
budget. If the amendment is unsuccessful, for the reasons that Deputy Trott has articulated, or for  
any other reasons, then I would urge the States to vote against Proposition 3, because if we vote  
for Proposition 3 unamended we are, in effect, sanctioning cutting Overseas Aid & Development's  
2820 budget for the purpose of giving aid.

**The Deputy Bailiff:** Deputy Ferbrache.

2825 **Deputy Ferbrache:** Sir, Deputy Trott has said there could be a difficulty. There is no difficulty.  
The world is very simple, really, if you want it to be.

As Deputy Fallaize has said, the reality is that if you vote against the amendment and you carry the other Propositions to which he has referred, in practical terms, it is a reduction of £200,000 to £250,000 a year in the overseas aid fund.

Now, an impact fund is a great thing, and I am sure it will produce returns, because it will be prudently invested. £200,000 to £250,000 in Guernsey's terms is a lot of money, but can Guernsey really say, as a sensible and decent society, that it cannot afford (a) to put £200,000 to £250,000 a year for the next three years or so into this fund and (b) cannot afford to contribute somewhere between £2.7 million and £2.9 million, the core budget for overseas aid? It is disgraceful to even contemplate that it cannot do those things.

You cannot say to a child who has got contaminated water; you cannot say to a mother who has got to walk three miles to get some water; you cannot say to somebody who has not got proper latrines; you cannot say to somebody who has not got education because there is not a facility there that is available to them; you cannot say to somebody that has not got proper healthcare – 'Don't worry, Guernsey has invested £200,000 to £250,000 in an impact fund and you will get that money in three years' time', when they say, 'I have not got water now, I have not got toilets now, I have not got healthcare now.' For goodness' sake, this is such ... !

In the six, seven and half years I have been in the States altogether, much less time than some of my colleagues, this is the best amendment that I have ever seen in any policy letter, because it reflects the common sense and decency of this society, and the way that we can say to P&R, you will do what you are told, you will invest this money, you will listen to what the States say, is to pass the amendment overwhelmingly.

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

**Deputy De Lisle:** Sir, this, to my mind, if I read it correctly, is to increase the Revenue Expenditure budget of the Overseas Aid & Development Commission in 2018, and to make appropriate allowance when recommending to the States cash limits for 2019 and 2020. I calculate that to be £750,000 over the period.

At the same time we are turning to all other departments and saying you are going to comply with the austerity that the Government has put in of 1% reduction.

Also in reply to Deputy Ferbrache, we did not have, according to him, £150,000 to invest in inter-Island ferry services last summer, which lost not only traders in Guernsey here a lot of money, and also even more so Jersey. So, let's not say that that is not important money. It is.

I am certainly supportive of the Overseas Aid budget, but not increasing that budget at a time when other areas, such as education, health, and so on, are being asked to reduce their budgets. Also at a time when Social Security are asking, actually, older members of the community to look at reductions in the amount of support that they are getting.

So, I would call on Members to not support this particular amendment.

Thank you, sir.

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

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

Sir, I am undecided about this amendment at the moment. But I can understand, and appreciate, why Deputies Roffey and Ferbrache have laid it. They do not want to see a quarter of a million pounds a year taken away from the Commission's budget for the next three years, and I applaud them for adopting that approach.

We have only got to look at paragraph 5.3.5 of the policy letter to see that if £250,000 were to come out of the Commission's budget it would then mean that the Commission would not be able to support as many projects as in previous years. The paragraph goes on to say that would result in a reduction of around five to 13 projects, depending on the size of the commitment. So, we could be talking about as many as 39 projects not being progressed over a three-year period,

and that concerns me. But having said that, as Deputy De Lisle has just said, we are talking about increasing the expenditure of the States over a three-year period which is going to cost three quarters of a million pounds.

Several Members consistently express their concerns about increasing States' expenditure in times of austerity, which, as we know, is one of Deputy De Lisle's favourite phrases. He used it in the debate of SWBIC, and he and I and Deputy Paint spoke and voted against the SWBIC proposals, but as Deputy Gollop often tells us, we cannot have the penny and the bun, well I am sure Deputy Gollop would like both on occasion. So, I think we need to bear that in mind, sir. Three quarters of a million pounds over three years coming from States expenditure and increasing it by three quarters of a million pounds.

I do have a question for Deputy Roffey. We are told in paragraph 5.4.7 of the policy letter that the money P&R want to take from the Commission's budget will be returned to the Commission's budget should the impact fund not be established. So, I would like Deputy Roffey, please, to tell us whether or not the quarter of a million pounds he is seeking from the Budget Reserve will also be returned if the impact fund is not established.

I think we need to know that, because if the fund is not established, and the money is not returned, it will then mean that the Commission have an additional quarter of a million pounds in their budget, which might please some Members of the Assembly, and it might please some members of the community, but surely, it would undoubtedly raise questions about the States' procedures, and due diligence, etc. So, I think we need to know the answer to that question.

I think the fundamental point we need to bear in mind here is, as has already been expressed by Deputy Yerby, is that the Commission themselves have already agreed to relinquishing up to a quarter of a million pounds of their budget every year for a period of three years. So, surely, if they thought it was going to pose a major problem in years to come they would have rallied whole heartedly against such an idea. If their rallying fell on deaf P&R ears then, surely, Deputy Yerby herself would have laid this amendment.

Now, I might be completely off beam here, sir, which is why I say I do not know which way to vote on this this amendment at the moment, but I understand Deputies Roffey and Ferbrache wanting to be the good Samaritans here – oh, I give way to Deputy Yerby, sir.

**Deputy Yerby:** Sir, simply because Deputy Roffey will not be able to answer Deputy Queripel's question, and it bears answering. The Commission had good dialogue with the Policy & Resources Committee and the proposals in the policy letter were agreed by both parties. There is no overbearing on one part or the other.

**Deputy Lester Queripel:** Sir, I thank Deputy Yerby for that clarification, but I think we do need to bear in mind the points that have been made in this debate on both sides, because, no doubt the Commission are not at all happy that up to three quarters of a million pounds of their budget is going to be lost to them over a three-year period, but seeing as they have already agreed to that approach should we not respect their view.

Of course, sir, that three quarters of a million pounds is going to have to come from somewhere else, and as guardians of the public purse should we not be concerned about that.

Thank you, sir.

**The Deputy Bailiff:** Deputy Tooley.

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

I was concerned by one thing that I believe Deputy Trott said in his speech, and I hope he will correct me if I have misinterpreted what he was saying. I am sure he will.

I asked myself, in relation to this amendment, why do we give, and why do we lend? Generally speaking, we give to those who cannot help themselves, and we lend to those who might need some assistance in order to be able to help themselves. If I was interpreting Deputy Trott's speech

2930 correctly, part of what he said effectively meant that the impact fund ceases to be a good idea if they cannot access the overseas aid budget to fund it.

When I am making a decision about whether someone needs help because they cannot help themselves or making a decision about whether someone can be helped to help themselves, I do not take from one set of giving to create the other. If somebody is unable to help themselves I do  
2935 not want to say, well I can only help two people who cannot help themselves, because I am helping this person who can probably help themselves if I give them a bit of assistance. There are many who simply cannot help themselves.

Now, I do not want to give the impression that I think we can help everybody: clearly we cannot help everybody. But we as a States have decided that we can afford to give a certain  
2940 amount of money to help those who are not capable in any way of helping themselves. I, personally, believe it would be wrong of us to say that we are going to take some of that money away and use it fund another group of people who potentially need help. That is not because the first group are any less deserving, simply because we have decided to do some of it differently, and I am absolutely supportive of the idea of doing some of our giving differently, but I am not  
2945 supportive of taking away from those who cannot help themselves to do it.

Thank you.

**The Deputy Bailiff:** Deputy Merrett.

2950 **Deputy Merrett:** Thank you, sir.

I rise to support this amendment, and to support what Deputy Ferbrache said. We have another States' saying: we like to compare apples with apples and apples with pears, but we are not even comparing fruit with fruit, if we try to compare inter-Island travel. Inter-Island travel is a first world challenge. It is not travel to go and get fresh water, to get medicine or food; it is travel  
2955 for retail and business, something I am passionate about. But this aid will go to people that need water, food, medicine. These are not first world challenges, these are third world realities. (**A Member:** Hear, hear.) We cannot really compare challenges with realities.

Thank you, sir.

2960 **The Deputy Bailiff:** Deputy Le Clerc.

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

I am rising to my feet. I am in support of this amendment, but I think there appears to be some confusion in the Assembly, because this is not just giving a pot of money without any potential for  
2965 return. So, there is a potential for return, and as Deputy Yerby has said, it is not without some risk, because it is not investing as we invest our employment and social security funds, and how P&R invest funds, where we know there is a reasonable outcome and an investment return. But there is the potential that after the three-year period that some of that money will start to be repaid back. So we just have to see this as an alternative form of investment. It is not giving away £750,000, we  
2970 are investing £750,000 over a three-year period, with a potential of some return.

I just want to make that clear, and hope that that understanding, and perhaps, Deputy Roffey will confirm that my understanding of that is correct. So, instead of this £750,000 for the next three years being in the P&R investment pot, it is going to be, over the next three years, in a different investment pot, with a potential for return.

2975 Thank you, sir.

**The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, yes, Deputy Le Clerc stole my thunder there, that was what I was going to  
2980 talk about, because this is not about expenditure *per se*; it is about pots, and not clay or porcelain pots, this is what Guernsey does really well, and that is money pots. We have got loads of money

pots in our accounts. We, only just a few weeks ago, voted to create more pots, and we transferred millions of pounds into different pots. If you are thinking this was a budget and we saw £250,000 going directly to a pot which does not even go anywhere near the Overseas Aid & Development Commission, I do not think anybody would have batted an eyelid, just because of the way this has been done, effectively, saying, well, because the Overseas Aid Commission is saying it wants to invest in an impact fund it kind of isolates it and gives it a much higher profile than it would ordinarily.

I totally support this amendment, because I think we should not be reducing the aid side of what we do, and this should really help improve and increase what this jurisdiction gives in the way of aid, which is, as Deputy Roffey said, embarrassingly low for such a rich Island.

**The Deputy Bailiff:** Deputy de Sausmarez.

**Deputy de Sausmarez:** Thank you, sir.

Following hot on the heels of Deputies Le Clerc and Soulsby, I wanted to make much the same point, and I will only add a little bit, and this is about emphasis. I think we just need to be completely clear that the impact fund is a very good thing, and as the questions this morning, answered by Deputy St Pier outlined, this is something we should be doing anyway. But what we are talking about here is the investment fund is a financial product, essentially, and so it has got a very different emphasis. It is an investment, it is not expenditure, it is an investment, it does have potential returns. For that to come out of the giving budget is just not right. I mean, actually, in terms of our overall investment portfolio the sums we are talking about here are really quite small, and as I say, these are precisely the kind of considerations that all of our investment portfolios should be dealing with, what real world outcomes can we expect from our investments. It is something that I was really glad to hear there will be renewed focus on, or a new focus on. I think it is absolutely wrong for us to sacrifice our core giving in order to make something happen that should be happening anyway through any other mechanism.

**The Deputy Bailiff:** Deputy Brouard.

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

I just want to reinforce the remarks of my colleague on P&R Deputy Trott. Of course, you are bound to be sympathetic with this amendment, absolutely, but I do not think this is the right time to be debating this. You have just debated the Budget, when I was not here, and I will tell you why I was not here in a moment, but to take the money out of the Budget Reserve, which is just the fund that you have put aside for all those things that you think might go wrong during 2018, I think, is wrong. You can always make an argument that we could give more. I mean there is no end, and thanks to some of the sponsorship from yourselves we have been able to rebuild a school in Nepal, partly through Action Aid, and I was out there to see it. But that was one school in one slight part of Kathmandu; there were another 49 schools that I could find for you that you could also spend another £100,000 on from money raised locally. It just goes on.

We have got to be fairly prudent in this. The Budget Reserve is there for a particular purpose. It is to help the Committees when they really do have something that is going to come up and bite them, and we need to be able to cover it. So, although I have got every sympathy, I am going to be struggling to support the amendment.

The idea of the impact bond, okay, there may be times when we will not get a return back on the impact bond, we may not even get the money back at all. For me, it is the same as giving, the fact that we may get a return back on it, that you can then use again for something else again, in the overseas aid, is great, but you may also do as much good with the impact bond as you will do with a straight gift. Because there are circumstances where, by providing housing, or tools or equipment on loan, that are then used and people can start businesses, it can work in an overseas aid context.

3035 So, please do not think of it just as it is one or the other. Overseas aid does both now, already. I do not think we can start to say we want to give extra and extra and extra, because there is no end to that. I think we have to do this pragmatically at the Budget time.

3040 So, please, a little bit of caution, before we spend our Budget Reserve on it, because there is ... you could double it, or treble it, or out the whole Budget Reserve on this particular issue. So, please, just consider for a second, but I do have every sympathy with it.  
Thank you.

**The Deputy Bailiff:** Deputy Oliver.

3045 **Deputy Oliver:** Sir, if this amendment goes ahead, and a profit is made on the impact investment, it will not go to foreign aid, I believe. It is just going to stay within the Budget Reserve, and therefore it is not actually helping foreign aid at all, so I will be voting against this.

**The Deputy Bailiff:** Deputy Langlois.

3050 **Deputy Langlois:** Thank you, sir.

A lot of speakers have been making points, which sort of imply that the impact fund is a done deal, and what we are debating is whether the money should come from the Budget Reserve pot or the Overseas Aid pot.

3055 That is really a false picture of what is actually happening here, because all the power is with Policy & Resources, they will have the authority to decide, or the authority to allow the impact fund to be established, so they have all the control. It is not a question of if we vote for Deputy Roffey's amendment, this money is automatically going to get sucked out of the Budget Reserve, and as Deputy Trott said, that would not be a sensible thing to happen, given that we have just agreed the Budget.

3060 All the power is with Policy & Resources. If they consider that the Budget Reserve is sacrosanct regarding this matter, nothing is going to stop them regarding their precious Budget Reserve and using it in such ways as they see fit. This is not Overseas Aid diving in to the Budget Reserve.

3065 What this amendment, Deputy Roffey's amendment is saying is that if P&R considers an impact fund a good investment they should be putting their money, their Budget Reserve into that fund, not taking it out of Overseas Aid gifts.

So, it is really a lot simpler than Deputy Trott and Deputy Brouard seem to be implying. I mean it is a very straightforward amendment. Do you think that P&R should be putting their money where their mouth is, if they think an impact fund is such a great idea?

3070 Thank you.

**The Deputy Bailiff:** As nobody else wishes to speak on this amendment, I turn to the proposer of it, Deputy Roffey, to reply to the debate on the amendment.  
Deputy Roffey, please.

3075 **Deputy Roffey:** Thank you, Mr Bailiff.

3080 First, perhaps I have to apologise about the exact formatting of the amendment, but it was done with the best of intention, because it has allowed people like Deputy De Lisle to portray this as actually increasing budgets, which, of course, technically, it is. As a post box, the budget of the Overseas Aid Commission will be increased, but we will not be increasing by one penny the amount that they can spend, in the way that we would normally expect them to operate. They are being a post box for the money coming from the centre, possibly, if it goes ahead, into the impact fund.

Now, why did I do it that way? Well, initially, I was not mindful to do that at all, I was mindful not to touch the budget of the Overseas Aid Commission. Not to put it up, not to put it down, not

3085 to do anything, but to say that if we had an impact fund, as the States, that money should come from the centre.

Now, I have heard from both staff at both P&R and talking to people on the Overseas Aid commission that they felt the expertise of Overseas Aid would be useful in drawing up the parameters, and therefore they would prefer that it went through their budget in order to do that.  
3090 But that is all it is doing. If it goes ahead at all, it will be going through their budget and not touching the sides. So, Deputy De Lisle's portrayal of this as somehow increasing the revenue budget of Overseas Aid & Development Commission is ... well, I cannot deny the technical truth of it, in reality that is all it is.

Right in her opening, actually, to the whole policy letter, Deputy Yerby referred to our 0.1% whatever it is, in giving and how far that was below the UN target. But if we swap some of that giving to lending, we are going to be actually dropping the percentage of giving we give from our GDP to an even smaller level. Can we really live with that?

Deputy Trott says this is a real increase in spending. It depends how you define spending. All the time his Department are deciding to put some money into this investment, and that investment, on the expectation it will come back and with profit. That was not approved in the Budget, we just expect them to do it. It is investment. It is different to pure spending on something that will not come back. I was slightly worried about his... I mean I am very happy today, that is why I voted against the Deputy Lester Queripel amendment, to give them the authority to sign this off, but it did sound very authoritarian, and almost dictatorial, 'Don't you vote for this because if you do we will not be mindful to do it.' Well, be honest –  
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**Deputy Trott:** I am grateful, sir, to Deputy Roffey for giving way.

I did not wish to sound dictatorial, but the facts are facts, we have a fiduciary duty, and the fiduciary duty is to maximise the returns.

Now the problem with this particular investment is it may return nothing. It may be stratospheric, but it is unlikely and it may return nothing. Which is what makes it, potentially, real expenditure. But it does not sit comfortably with the fiduciary duties imposed by this Assembly on us, as P&R, to maximise returns with an investment that we know carries a very strong risk, and to describe it as loans, of course, some of them may well be loans, but loans suggest that there is a guarantee, or a likelihood, of return. There is not, and the consequences could be quite material.  
3115 So, on the performance of the asset, the two things do not sit comfortably side by side, and that was the point I clearly made badly, and maybe my most recent contribution has not helped.

I am grateful to Deputy Roffey for giving way.

3120 **Deputy Roffey:** Not at all, sir.

I accept that our own criteria might be slightly different from the ones from DFID that are quoted as an example in this policy letter, but DFID use, as a minimum criterium, the expectation of the return of capital, and then they go on to say that they expect to lend at commercial rates in the country concerned, because they do not want to undermine the credit market in that country.

So, this is investment and not giving, and what size of it ... I really do suggest to the Vice-President of Policy & Resources, I do not know if he has ever read the *Hitchhiker's Guide to the Galaxy*, but I think he needs to insert himself in the total perspective vortex. We are talking about – obviously not many people here have that – £200,000 a year, over three years, possibly £600,000, maybe at the outside the sum of £750,000 out of our what, about £3 billion of investments? We are sadly having shroud waving that it is going to strip the whole of the Budget Reserve and we will be paralysed and not able to do anything. Absolute stuff and nonsense.  
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But what worried me most is that if we get the vote for this amendment to day, I think it will be a message to P&R, and yet I was getting from the Vice-President, 'Well, if you do that, then frankly we are not likely to go ahead with this at all.' That is it, we are stymied. If there are good reasons for not going ahead, fine, but not in that type of reaction to the funding coming from the centre, where it clearly should not be a deal breaker at all.  
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Deputy Fallaize was right, it will be reducing our giving, Deputy Ferbrache ... I am not going to go through everybody that was in favour actually, because that would just be wasting time on a busy agenda.

3140 Deputy Lester Queripel talked about the reduction in the number of projects that could be financed in the traditional way, and he is absolutely right. He said, will it be repaid if an impact fund is not set up? Well, I apologise for not reading out the amendment, I never get my amendments read out, because I assume people have read them in advance, but it says:

'to direct the Policy & Resources Committee to transfer a commensurate amount.'

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In other words, if zilch is going into an impact fund, zilch will be transferred. It goes on to say, in future years to make '*appropriate allowance*' – in other words appropriateness means that if it is not going ahead the appropriate amount will be zero, so it will not be a question of paying back. These things will only be paid across if there is a need to put them because the two Committees

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have decided to go ahead with the impact fund.  
Sir, I am not sure, I think, I hope I am pushing at an open door. I may be mistaken. The only other, I think, person who said they were going to vote against, were two, Deputy Brouard says you can always make an argument that you can give more. I am not making an argument to give more. I am making an argument not to give less. I want to give more, but I do not think we can

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afford to give more. I just do not think we should be giving less. He said the impact fund is the same as giving, well no it is not. It worries me if one of the team of five who are going to be investigating whether to go ahead with this, who we are giving delegated powers to, does not understand the difference. There is a huge difference between the two.

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The last one, I have to admit, if she wants me to answer a point, can I ask Deputy Oliver to restate her points because I did not quite fully understand it.

**The Deputy Bailiff:** Deputy Oliver.

**Deputy Oliver:** I said that if impact investment were to make a profit it would not come back to Foreign Aid, it would stay within Budget Reserves.

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**Deputy Roffey:** Well, I have no problem with that whatsoever. I mean, it would be a matter for the States to decide, so long as we are maintaining a proper programme of giving, then that is fine, although I would hope that the States might decide that they would be allowed to roll up and be reinvested through fresh borrowing, through such a scheme, but you are quite right, if the States needed it, that is the same with any borrowing, when the time comes, you get it back. That is my whole point. This is not giving away money. What we are trying to ask the States to do here is not to give away less.

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**The Deputy Bailiff:** Members of the States, we come to the vote on amendment numbered 1, to these sets of Propositions. Proposed by Deputy Roffey, seconded by Deputy Ferbrache, to add wording at the end of Proposition 3

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**Deputy Lester Queripel:** Recorded vote, please, sir.

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**The Deputy Bailiff:** We will have a recorded voted.  
Can I just remind Members of what Rule 26(2) says. In part

'Immediately before announcing his or vote in a division, *appel nominal*, a Member must switch on his or her microphone, and switch it off again immediately after he or she has voted.'

3185 You might think it takes a long time to do all of these things, but if you please can comply with that, and speak clearly into the microphone, it does mean that people can hear the way that you are voting, rather than waiting to see the voting record in due course.

So, Deputy Greffier, when you are ready we will have the *appel nominal*.

3190 *There was a recorded vote.*

**The Deputy Bailiff:** Members of the States, whilst the voting is being counted, the indication I have got is that that was carried. The next amendment is not dependent upon the result of that particular amendment anyway. So, I am minded to move on to amendment numbered 3, which is proposed by Deputy Lester Queripel.

Deputy Queripel.

*Amendment 3*

*To insert the following Proposition immediately after Proposition 6:*

*"7. To direct the Policy & Resources Committee to carry out, or commission the carrying out of, a public consultation exercise within the Bailiwick relating to the future funding of overseas aid and, in particular, whether such aid should be provided from the General Revenues of the States or whether it should be provided exclusively from voluntary contributions; and by the end of November 2018 to submit to the States a report setting out the responses given during the consultation exercise together with suitable Propositions enabling the issues raised in the consultation exercise to be debated by the States."*

3200 **The Deputy Bailiff:** Do you want to read it?

**Deputy Lester Queripel:** I will read it, if I may, sir.

**The Deputy Bailiff:** Thank you.

3205 *Deputy Lester Queripel read the amendment.*

**Deputy Lester Queripel:** This is seconded by Deputy Mooney, sir.

3210 **The Deputy Bailiff:** Thank you.

**Deputy Lester Queripel:** Sir, I want to start by thanking Deputy Yerby for her input, and her co-operation. She very kindly met with me for an hour, several weeks ago now, to discuss my possibly laying amendments to this policy letter. We have exchanged emails since then and she supplied me with various pieces of information she thought I might need, and I thank her for that. Not only has she been helpful, sir, but she has also been thoroughly professional at all times.

I also want to thank Deputy Fallaize for his assistance in helping me structure and compile the amendments, Deputy Mooney and I laid before the States. Deputy Fallaize has also been thoroughly professional at all times, and I really appreciate professionalism from my colleagues, sir, because even though we often have opposing views on an issue there is no need whatsoever to be discourteous or disrespectful at any time. (**Several Members:** Hear, hear.)

I wish I could say the same about three members of the public who have threatened to do all sorts of vicious and horrible things to me for laying this amendment – like disfiguring my face, or beating me up so badly that I would never be able to walk again. All because they believed a wholly inaccurate and completely misleading press article, published in *The Guernsey Press*, approximately 18 hours after I had submitted this amendment, and without the reporter even speaking to me or Deputy Mooney.

I will come on to that in a moment, sir, I just wanted to say it never ceases to amaze me that we have people in our society who threaten physical armed harm to someone else who so much dares to have a different opinion to them. I give way to Deputy Lowe, sir.

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**Deputy Lowe:** I thank you for giving way, Deputy Lester Queripel.

All I want to say that is if any Member of this Assembly, or indeed the public, receive any type of threats please report it to the Police and they will investigate it on your behalf. Nobody has to put up with threats like that. The Police are there to deal with it.

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**Deputy Lester Queripel:** I thank Deputy Lowe for that, sir.

But it should not have to be because it is part of the job, sir, because it is not the first time it has happened. I have been assaulted in the past and my car has been vandalised on three occasions.

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I want just to focus on that wholly inaccurate and completely misleading *Press* headline, which I have with me, if anyone wants to see it, sir, because the *Press* headline really distorted the whole issue. In relation to this amendment it said:

Deputies want overseas aid budget of £2.9 million scrapped.

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The article went on to say that money for overseas aid could be sourced solely from voluntary contributions, if two Deputies get their way.

Sir, the truth is, two Deputies are not trying to get their way, and neither Deputy Mooney nor I have ever said we want to see the budget scrapped for overseas aid. The reporter obviously misunderstood the amendment, and I really wish he had spoken to me first, because that may have saved me from being accosted by those three members of the public who threatened to do all sorts of vicious and horrible things to me.

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So, sir, nothing could be further from the truth. So, what is the truth? Well, anyone who has read the amendment will see that it asks the States to agree to Policy & Resources undertaking a consultation to seek the majority view on how the public think overseas aid should be funded.

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Now, of course, P&R themselves will decide on the format and the structure of the actual question. I would imagine it being on the lines of 'Do you think funding for overseas aid should continue to come from States' General Revenues, or would you prefer it to be funded exclusively by voluntary donations?' Now, there would have to be a little bit of preamble on the form, but I think it would just mean a simple question, and a yes or no answer, But of course, people reading the form would need to be informed, and brought up to date, so yes, it would have to be, perhaps, a double-sided form, but that would be up to P&R themselves to decide.

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Now, why did Deputy Mooney and I think we should go out to public consultation on this? Well, the answer is there have been several letters in *The Press* over the years, they have been several calls to the *Sunday Phone-In*, and both Deputy Mooney and I have been approached by members of the public who have actually said they would prefer overseas aid to be funded exclusively by voluntary contributions.

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Now, I actually said in an interview on Channel Television recently that I had had dozens of those conversations over the years, but I had forgotten, I have got to correct that, because I had forgotten I knocked on doors in three campaign trails in 2008, 2012 and 2016, and I had hundreds of doorstep conversations, in fact, I had well over 1,000. Many of those were questioning the mechanism for funding for overseas aid.

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Deputy Mooney, of course, has had the same conversations – less than I have, I guess, but nevertheless it is an issue that is brought up from time to time.

I was asked recently by a member of the public, what kind of circles do I move in? Well, the answer to that, sir, is, in my role as a Deputy, I tend to spend a lot of time moving in the circles of the underprivileged, working one to one with my fellow Islanders helping them to solve all sorts of problems. Many of my colleagues will also do the same, they will also move in circles of the

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underprivileged, helping fellow Islanders to solve all sorts of problems. But this is not about the circles I move in, it is not even about what Deputy Mooney and I think or feel. It is about what the people in the Bailiwick think and feel. The only way we can find that out is if we ask them, then we can establish once and for all what the majority view is.

What is so wrong with finding out the views of the people? It is not as though the States have not consulted with people before. We have consulted with them on education, on population, on health, on housing, on waste, on social services, on our electricity supply, on person tax and benefits, on supported living and aging well, on strategic air links, on vandalism, which was an excellent piece of work carried out by Scrutiny when Deputy Brehaut was Chairman, and of course, talking of the Scrutiny Committee, I believe I am right in saying that they are still undertaking a public consultation on in-work poverty. Those are only just a few examples, so this is nothing new. We have consulted many, many times. People often say, 'Why do you even consult, because you have been elected to govern?' I suppose you could say well, why do we consult on anything then? Why have we consulted on anything? But we will continue to do so, this will not be the last request for consultation. The vast majority of those consultations have been extremely time consuming, very involved, and very expensive. This one need not be complicated, and it need not be expensive.

I would not expect the States to consult on everything, sir, but as I said, the other side of that is why do we bother to consult on anything then? The answer is because you want to establish the views of the public. But on the point of do we consult on everything from here on in, my response would be to that: I think we should consult a lot more with the public than we do. But having said that, I realise there are things that it would be fairly futile to consult with them on. For example, I think it would be futile to go out to the public with the question, do you think we should abolish income tax? I think the answer would be fairly obvious from the majority of the people on that one, sir.

But we do need to be reasonable. I agree we need to be reasonable about the whole issue of consulting. Now, as we all know, sir, there has been many a debate in this Chamber on the definition of the word reasonable over the years. I, myself, have instigated some of those debates. The dictionary definition of the word reasonable is to be moderate and fair, not to be extreme or excessive, but to be sensible and balanced.

Just to elaborate a little bit more on why Deputy Mooney and I feel it is important that we go out to consultation on this issue, sir. There is another aspect to consider to this. I guess it poses another question, but P&R will decide this. There are those out in our community who consistently say that the States should stop spending. Yet, when a Committee does try to stop spending there is an uproar. We witnessed that recently with Economic Development trying to withdraw funding for arts and sport. So, the people do not want us to stop spending on the arts and sport, they do not want us to stop spending on health, or education, or social housing, or our infrastructure, or the bus service, or Aurigny, or the schools music service, or Beau Séjour, or providing care homes for people who need care, or our benefit system for people who need financial assistance, and some people even say we should spend £30 million or £40 million extending the Airport runway. Some say we should build a deepwater berth at a cost of well in excess of £100 million, and some say we should just press ahead and spend £100 million on a cable directly to France. So where, exactly, do the public think the States should stop spending? Maybe that is a question that should be asked, but at the moment this amendment is about asking one particular question about the mechanism of funding for overseas aid.

Well, I just want to add something to that, because at the Douzaine meeting at St Peter Port Douzaine on Monday I put that question to the Douzaine, where do they think we should stop spending? One of the Douzeniers, I will not name him, said 'We do not want you to stop spending; we want you to stop wasting money', so there are two things now to consider, because the public – not all the public, but many members of the public – say stop spending, and yes many do say stop wasting money, but when I asked this Douzenier to provide me with a list of areas he thought we wasted money, the list was not forthcoming. So, is this all talk, sir?

3330 We need to establish once and for all, surely, the answer to this question, because as I said before, hundreds of Islanders have spoken to me over the years questioning the mechanism of funding overseas aid. Deputy Mooney has had those conversations. So the reality is there are people out there in our community who are not at all happy that their money gets sent off Island every year. And as much as some of my colleagues might not want to hear that, sir, that is the reality.

3335 As we all know we have been elected to deal with all of the issues, not just the ones in our comfort zone. The difficult ones as well, that make us feel extremely uncomfortable, and I am not at all comfortable with being threatened with having my face disfigured, or being beaten up so badly that I will never walk again, but as I have said before, I have never given in to a bully in this Chamber, and I have never given in to a bully outside of this Chamber, and I do not intend to start now.

3340 Now, sir, I appreciate many of my colleagues might feel extremely uncomfortable about this issue, and they might even be considering curtailing debate, and invoking either Rule 24(4) or Rule 24(6). That is their decision, but I ask them not to do that. You cannot expect to stay within your own comfort zone, you have got to deal with difficult issues. I fully appreciate, sir, this is a difficult issue, but I would ask colleagues who are considering invoking Rule 24(4) or 24(6) to think seriously about it.

3345 Sir, there are those in our community who have referred to this amendment as mean spirited. There are those out in our community who have spoken about this amendment in such a way that they infer Deputy Mooney and I have done something morally wrong by laying. Well, in response to those unfounded criticisms, I say, what is mean spirited and morally wrong about wanting to consult with the people of the Bailiwick to seek their view? I cannot see the relation between that being mean spirited or morally wrong.

3350 I think it is important, sir, that I emphasise at this point that there is no hidden agenda here. This is not an attempt to hinder or derail overseas aid. This is a genuine attempt to establish the majority view of the community. A former Deputy, a man I greatly admired, from the Vale, ex Vale Deputy Graham Gill used to say, 'It is rarely about what it is supposed to be about.' He had a good point. In this case, sir, I can assure my colleagues this is about what it is supposed to be about.

3355 Sir, I have already explained why I have submitted this amendment. I would just like to spend half a minute or so repeating what I said in interviews on Channel Television recently, because the interview was five minutes long, and they told me they were going to edit it down to 30 seconds or so. I do not have a television, by choice. I did not see the interview. I do not know what they put in, and what they left out. I just want to repeat two very brief sentences that they may have included, or may not have included. I said, I wished we could contribute more to overseas aid, and I repeated that on the step outside this Chamber at lunchtime, when Channel Television wanted to interview me again. But I also said that, I wished I could wrap my arms around the world and make it better.

3360 On Radio Guernsey yesterday on the *JKT Show* I freely admitted I had made a mistake in voting against the Commission's budget, during our Budget debate. I am afraid I was confusing two issues there. So, I will hold my hands up to that one. That was a serious error of judgement.

3370 But if you will allow me, sir, I will just explain why I voted against the Commission's budget. I said I was voting against the Commission's budget to be consistent with my view that the people of the Bailiwick should have the opportunity to give us their opinion first. That was an error of judgement, I was confusing two issues, and I am sorry I voted against the Budget proposals, what I should have done, of course, was just vote in favour to prove my support for overseas aid.

3375 There are a couple more things I would just like to focus on, sir, before I finish. I mentioned the cost earlier of the consultation. Should this amendment succeed, I am sure my colleagues would like to know the cost. Well, compared to the cost of a referendum, which, I believe I am right in saying, is well in excess of £150,000, I think this consultation could cost £10,000. The Post Office can deliver the form with a question on it, to 31,233 addresses in the Bailiwick for £3,591.80. The recipients of the form could photocopy it, of course, for members of the household, if they

wanted to, or we could have the opportunity for them to vote on-line, of course. I do not see the need to go out on all the road shows that we often go out on during consultations. Seeing that we are asking the people one simple question.

3385 Of course, a report will have to be written up, seeing as we are told the staff are there anyway, there will not be any staff costs to be incurred. It would just be part of the day job. We do have to factor in the printing costs, but printing costs would not be too expensive, 31,233 one-page forms, probably cost 10p each. So the only other expense would be the report, does not have to be a long report. Deputy Mooney said two pages, I say four. Seeing as how it does not need to go  
3390 into any great detail, surely, four pages would be enough. We would not need to print more than say 100 copies, because the results would be on-line anyway. So, even if we add another £2,000 for the reports that is still less than £10,000 in total. Well, Deputy Trott might blow my calculations completely out of the water, or someone else with more experience of consultation costs than me. But that is what I think it will cost, no more than £10,000. Of course, if it turns into a complicated  
3395 affair, because very often the States like to complicate things, it will cost a lot more. But why would we want to complicate what is simply a question on a form?

The other thing I would like to clarify before I close, is I have the utmost respect and admiration for Deputy Yerby and the members of the Commission. I attended one of the Commission's meetings recently, along with Deputy Oliver, where they were considering 60  
3400 applications for funding. That meeting took just under three hours. I was absolutely staggered by the commitment and the dedication of every single member of the Commission. They had obviously all done their homework and their research. They were extremely passionate about the role, and understood perfectly the seriousness of their duties and responsibilities. Suffice to say, sir, I have nothing but admiration and the utmost respect for all of them.

3405 I will finish, sir, by saying I sincerely hope we do go out to consultation, and I sincerely hope the majority of the public is a resounding yes, we want to continue funding overseas aid from General Revenues of the States.

Thank you, sir.

3410 **The Deputy Bailiff:** Deputy Mooney, do you formally second the amendment?

**Deputy Mooney:** I do, sir.

*Amendment 2 by Deputies Lester Queripel and Mooney:*

*Carried – Pour 24, Contre 10, Ne vote pas 1, Absent 5*

**POUR**

Deputy Merrett  
Deputy Fallaize  
Deputy Inder  
Deputy Hansmann Rouxel  
Deputy Graham  
Deputy Green  
Deputy Dorey  
Deputy Dudley-Owen  
Deputy Yerby  
Deputy Langlois  
Deputy Soulsby  
Deputy de Sausmarez  
Deputy Roffey  
Deputy Prow  
Alderney Rep. McKinley  
Deputy Ferbrache  
Deputy Brehaut  
Deputy Tooley  
Deputy Gollop  
Deputy Parkinson

**CONTRE**

Deputy Trott  
Deputy Stephens  
Deputy Meerveld  
Deputy Lowe  
Deputy Smithies  
Deputy Paint  
Deputy Brouard  
Deputy De Lisle  
Deputy Oliver  
Alderney Rep. Jean

**NE VOTE PAS**

Deputy Laurie Queripel

**ABSENT**

Deputy Le Pelley  
Deputy St Pier  
Deputy Le Tocq  
Deputy Kuttelwascher  
Deputy Tindall

Deputy Lester Queripel  
Deputy Le Clerc  
Deputy Leadbeater  
Deputy Mooney

3415       **The Deputy Bailiff:** The voting on the previous amendment proposed by Deputy Roffey, seconded by Deputy Ferbrache, was as follows. There were 24 in favour, 10 against, 1 abstention, and 5 Members were absent at the time. So, I declare that amendment carried.

Deputy Brehaut.

3420       **Deputy Brehaut:** Thank you, sir.

I did not know whether this amendment was mad, bad, crazy, irresponsible, mean-spirited, selfish, ill-judged, I was not too sure, then I realised, of course, it was all of those things. (*Laughter*) It is not that complicated, this issue at all. All we have to do is throw this ludicrous amendment out. I go door to door, and I speak to a lot of people, and occasionally, because bigots are allowed to be on the Electoral Roll they may give you an opinion that you may not want to hear, and it may make you feel a little bit uncomfortable. It does not necessarily mean that you need to bring it to this Assembly.

3425       Now, the idea that we, exclusively from voluntary contributions, fund our overseas aid is really, as I have said, quite ridiculous, because we have heard this in the community since this amendment has been debated. This misinterpretation of 'charity begins at home' – I will give way to Deputy Dudley Owen.

**Deputy Dudley Owen:** Thank you, I am really grateful for Deputy Brehaut for giving way.

I just wanted to raise a little eyebrow at the word that Deputy Brehaut has just used. Deputy Queripel has outlined, already the serious consequences of misinterpretation of his actions in bringing these amendments, and I really feel quite strongly, sir, that Deputy Brehaut may be perpetuating any misunderstanding in Deputy Queripel's intentions by using inflammatory language around this amendment, and I really request that he might withdraw (**A Member:** Hear, hear.) any inference that this particular amendment could be bigoted in any way.

3440

**Several Members:** Hear, hear.

**Deputy Brehaut:** Sir, I am not ... Thank you, sir.

3445       **The Deputy Bailiff:** Because it was a give way rather than anything else, I should not interrupt at this point, but forgive me for doing so. Are you minded to reflect on what you have said in the light of what Deputy Dudley Owen has just said in relation to using some of the language that you have?

3450       **Deputy Brehaut:** Sir, yes, I swung to my feet quite quickly to respond, because I think these are emotive issues. I am not saying for one minute that Deputy Lester Queripel is a bigot. What I am saying is that within our community there are people who share their views with us that make us all feel a little bit uncomfortable. It does not need to mean, necessarily, that we bring those views to this Assembly. That was my point. The Electoral Roll is surely a rich tapestry of people that share views with us that may be abhorrent to us.

3455

I want to place on record, I am quite shocked to hear how people have behaved to Deputy Lester Queripel. It is entirely inappropriate.

3460       But just to get back to what I was saying. When my starving parents and grandparent and their family members looked over St Peter Port and saw the *SS Vega* come through the pier heads, I think they were pretty pleased that the Swiss did not go out to consultation to say, 'What do you want to do? We have got the starving – literally people starving across Europe – we have got cities in ruins, we have got mass persecution of minorities' – it was not called ethnic cleansing then, but

it is now – ‘Do we respond to that, or do we go to these Islands in the middle of the Channel and distribute food parcels?’ Thankfully, they chose to do all of those things, because Government can, and should, do all of those things.

Now, being specific about our aid contribution, if you look at the Rohingya crisis in Myanmar, where about a million people now have gone over the border into Bangladesh. A million people. Now, that is a human catastrophe, and now it is an environmental catastrophe, because people have chopped down trees to make room for the huts that they are building, they have chopped down trees for firewood, and the surface water, run-off foul water has now polluted irrigation and drainage ditches, and so they do not have fresh water, and these people will obviously now be at the risk of typhoid and other diseases. Now, Guernsey does help in Bangladesh. In areas of Bangladesh there are areas of polluted ground water and Guernsey contributes to a charity that reaches the ground water, but actually the ground water has got arsenic in it, and the arsenic is filtered out to supply fresh water to communities. Why that is so important is that today the Rohingya maybe, or Yemen today, might be a story, and when things are in the news, and they are current, people contribute; then the story moves on and people do not. That is where Governments have to stay the distance. That is where Governments have to contribute. So, this idea that you ask the community, the community sometimes, quite rightly, as we all are, are moved to contribute in certain areas, whether it is Children in Need, whether it is significant one-off national charitable events, people contribute. Governments need to contribute and keep contributing around the clock to ensure the countries get back on their feet.

I think this is a very, very, dangerous amendment. In going to the community at a time when they may be, for example, disillusioned, with the spend pattern from one department, may be disillusioned with a decision within the Budget, maybe their TRP has gone up, maybe their household refuse collection has gone up, maybe they do not want to give, they do not believe that their taxes, at that point in time, should be going to overseas aid. Please, strongly, roundly, roundly, throw out this amendment.

It was never my intention to cause any offense towards Deputy Lester Queripel, but I feel as passionately as he does that this amendment is right, I feel equally that this amendment is wrong and we should roundly reject it.

**The Deputy Bailiff:** Deputy Mooney.

**Deputy Mooney:** Sir, in order to be reasonable, I feel that Deputy Queripel has said enough for both of us, but I do think we do need to go out to consultation. That is why I urge Members to support this amendment.

Thank you.

**The Deputy Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, when I saw this amendment it disappointed and saddened me. That is because although it is wrapped up in what sounds like a warm and cosy consultation exercise, what it really means, if we support this amendment, is that we, the States of Guernsey, have no commitment to supporting the poorest in the world.

I do understand the sentiments behind it, can we do more to support the poorest people on Guernsey? Of course, we can. We know there are people living in relative poverty who really struggle to make ends meet. Something we are hoping to partly address through the Health & Social Care policy letter, and other good reason why it should be bumped by Education, Sport & Culture. But the point is, as a member of the global community, and through various agreements we, as a Government, are expected to support the world’s poorest. These include the UN’s Sustainable Development Goals, and the Commonwealth Charter, signed in 2013. The Charter includes the following statement:



We are committed to collaborate and to find ways to provide immediate help to the poorest and most vulnerable, including least developed countries, and to develop responses to protect the people at risk.

3515 As a member of the Commonwealth we are committed to this Charter. Now, I have wanted us, since this Charter was approved, to expressly demonstrate that commitment through this Assembly. This was something I believe we began in the last term but appears to have been put on the back burner in this term. So, it would be good to hear from Policy & Resources what has happened, as I say this amendment demonstrates just why it is needed.

3520 We are talking about extreme poverty here, defined by the UN as a condition characterised by severe deprivation of basic needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.

3525 We spend just under £200 million per annum on health and care for a population of 65,000, which has helped us to expect a life expectancy of around 83 to 85, one of the highest in the world. Compare that with the hundreds of millions of people who have a life expectancy of under 60. I would understand it if we did not know what happened to the funding we give, but we have, probably, the most transparent Overseas Aid Commission in the world. Just look at the report. Money goes directly to defined projects, not the administration of mega-charities, or corrupt governments.

3530 At a time when we are witnessing sensationalist journalism, and some of those mega-charities wrongly accusing us, as part of a wider political agenda, of taking money from the developing world, what message will it give out if we do not show our commitment as a Government to supporting the poorest in the world? One that will tarnish our reputation, and play into the hands of those who would love to do us down.

3535 So, no I cannot support the amendment, and urge Members to resoundingly defeat it.

**The Deputy Bailiff:** Deputy Roffey.

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

3540 I am not going to wax lyrical about the importance of overseas aid, or I hope that the rationale for it for the vast majority of us goes without saying.

3545 I am going to focus on the narrow issue raised in this amendment, about whether there is any point in going out to consultation to get the majority view of the Island on this basis. I do not think there is any point, because this is such a fundamental matter of conscience. When you get a matter of conscience even dictatorial party whips understand that individuals must be able to vote in the way they see fit.

3550 Therefore, on this issue it is a bit like if 60% of Guernsey... if we went out for consultation on whether to bring back the death penalty and 60% said, 'Yes, we want to death penalty brought back', my answer would be, well I am going to vote against the majority, and if you do not like it get rid of me at the next election, because it is a matter of conscience, and I could not live with myself if I voted that way.

3555 I feel exactly the same about this. I do not care what the percentage is. I hope, and believe, that the majority of citizens in this Island would actually support a humanitarian programme by their Government. But if they did not, I am afraid I would defy that majority view, and if I got the order of the boot at the next election, because they felt it was so important that they wanted that and I had defied them, then so be it.

3560 This is a matter of conscience. There is absolutely no point in going out to plebiscites, or referendums, or even £10,000 opinion polls on matters of conscience, because we are elected to use our judgement, to use our own ethical compass to actually work out how we vote on those issues, and if this is not one of them, then goodness knows what is!

**The Deputy Bailiff:** Deputy Fallaize.

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

Deputy Queripel tells us that he has been abused, and threatened with abuse, and even physical violence, in preparing this amendment. Now, I think that has to be very roundly condemned (**Several Members:** Hear, hear.) and he has every right to lay this amendment before the States, and I have no objection to him doing so. He is doing what he believes is the right thing to do, and much as I thoroughly disagree with the amendment, I would be at the front of the queue of those defending him against any attacks on his sincerity, or threats of physical violence.

I do, though, think it would be shameful if the States approved this amendment. What I do not understand is why we would single out overseas aid for consultation, on this question of whether it ought to be funded from General Revenue, or from voluntary contributions. Because there will be people in our community who will object to the taxes they pay going to support let's say, arts and sports funding, or funding of the grant maintained colleges, or funding of various services provided by the Committee for Health & Social Care, or various environmental initiatives, or a whole array of services which one could easily find not insignificant numbers of people disagreeing with.

But you end up on a very slippery slope. If you start with overseas aid contributions what else do you allow people to donate to voluntarily? Do you allow people when they pay their taxes to say I am paying this tax, but I am only going to pay it if it goes to fund Health & Social Care? I do not want it to fund Education, I do not want it to fund environmental initiatives. The whole purpose is that the tax is collected and then is spent according to the priorities established by those who have been elected. That is the whole point of a representative democracy.

Now, what Deputy Lester Queripel sometimes is guilty of wanting to turn the States into, is a sort of an exercise in glorious delegation on behalf of the community.

He says that the reason he is bringing this before the States is because he thinks that a lot of people, or some people, hold the views that are expressed in this amendment. But the question is, does he hold the views that are expressed in this amendment? It is not enough just to turn up and say, 'Well, a few people have told me that this is what they want, therefore I am going to put it before the States.' If Deputy Lester Queripel himself believes that overseas aid contributions should be made only on a voluntary basis, then he should make the arguments for that, but he did not, in his opening speech. He really just told us that some people hold that view, and therefore he is bringing this matter to the States.

What he did not do was explain why we ought to go out to consultation on the issue of overseas aid contributions, and not on any other issue.

A further point, I think, to make is, the only purpose of consulting would be if the States have any intention of listening to the answer. It would be a completely pointless exercise to go out to consultation if the vast majority of the States know that they want to continue to fund the budget of the Overseas Aid & Development Commission out of General Revenue. Then we would just create enormous resentment, because let's assume, or let's allow for the possibility that substantial numbers of people respond saying yes, actually, we would like to make overseas aid contributions only on a voluntary basis, and for them not to be taken out of our taxation. What are we going to do with that information? As Deputy Roffey has said, it does not matter if 99% of the respondents come back in favour of voluntary contributions, he is not going to vote that way, because he considers it a matter of conscience. So, it would be pointless, in my view, going out to consultation, unless we are, in effect, going to delegate this decision to the public, and I do not think we are.

Now, Deputy Yerby, when she opened debate, explained that there are not just compassionate reasons, but reasons of self-interest for supporting overseas aid and development. I think that that is the prevailing view in our society. I do not say it is the view of everybody. I think it is the prevailing view. I also think it is the prevailing view in the States.

So, much as I respect Deputy Queripel's right to lay this amendment, I think the thinking behind it is totally, and utterly, flawed, and I do not want to consider any possibility of our not funding overseas aid and development through General Revenue, but in addition, there is no reason for going out to consultation on this issue alone. It implies the States are prepared to

consider not funding overseas aid and development out of General Revenue, and I think that would be shameful. So, I hope this amendment is rejected.

**The Deputy Bailiff:** Well, Members of the States, it is just gone 5.30 p.m. so we will now  
3620 adjourn until 9.30 a.m. tomorrow morning.

*The Assembly adjourned at 5.31 p.m.*