



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 27th June 2018

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Present:

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

Law Officers

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

People's Deputies

St Peter Port South

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

St Peter Port North

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

St Sampson

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

The Vale

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

The Castel

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

The West

Deputies A. H. Brouard, A. C. Dudley-Owen, E. A. Yerby,
D. de G. de Lisle, S. L. Langlois

The South-East

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

Representatives of the Island of Alderney

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

The Clerk to the States of Deliberation

S. M. D. Ross, Esq. (H.M. Greffier)

Absent at the Evocation

R. M. Titterington, Q.C. (H.M. Comptroller); Deputy V. R. Oliver (*indisposé*); Deputy M. P.
Leadbeater (*absent de l'Île*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Senior Deputy Greffier

EVOCATION

Statements

PRESIDENT, COMMITTEE FOR HEALTH & SOCIAL CARE

General Update

The Bailiff: Good morning to all.

Those who wish to do so and have not already done so may remove their jackets. When she is ready, we will start with a statement from the President of the Committee *for* Health & Social Care; a General Update statement from Deputy Soulsby.

5

Deputy Soulsby: Sir, I made my last statement at the same Meeting we debated our Partnership of Purpose policy letter and since then work has happened at pace. I covered much of this during the P&R debate, so I will not focus specifically on those transformational work streams today, other than to say we are making great progress on the priorities set out for this year, including the Health Improvement Commission, Community Hub and re-profiling the PEH, and I expect to finalise many in the next few months.

10

Now, today I have chosen to concentrate on just a few areas that will be of public interest. They demonstrate in various ways positive change and an exciting insight into the future that we are making a reality now. First off, the Committee was delighted to see Mr Keith Robins recently awarded an MBE in the Queen's Birthday Honours for his services to vulnerable children. Keith has worked for us as a social work assistant for 30 years and together with his wife Karen has been a registered foster carer for 33 years. In this time, they have provided a welcoming, stable home, coupled with unconditional love, nurture and care to over 100 foster placements.

15

Now whilst the vast majority of people are seen within contract waiting times, HSC has been very open about the recent problems experienced in parts of radiology and orthopaedics. And I should like to take the opportunity to apologise to those who have been affected. Delays in routine MRI and ultrasound, which currently have 9 to 10-week waiting times, have been the result of unprecedented and unplanned long-term sickness of specialist radiologists, difficulty in obtaining the necessary skilled specialist locum cover and demand increasing 20% in the last two years.

25

I should like to make it clear here and now that delays are not due to cuts. The Committee has invested in a series of locums to manage demand and set up a system for off-Island review of

scans. However, whilst things have stabilised, it has been difficult for the small team of staff to eat into the backlog.

30 We are therefore now investing a further £60,000 in order to address this and bring the wait back on target. In addition we have extended the types of scans that can be sent off-Island for reporting, which will allow extra capacity to speed up results. While this investment will place additional strain on HSC's budget for 2018, with radiology already £250,000 over budget, it will make a real and tangible difference to Islanders and the services that they receive.

35 Delays have primarily arisen in orthopaedics due to a combination of difficulty in recruitment of the necessary specialists, Critical Care Unit capacity and demand increasing by 35% in the last five years. In addition to now having the full and increased complement of four surgeons, we have worked with the MSG to put in place an action plan that should see outpatients back within contract waiting times by September and we will then focus on inpatients. In addition, we have
40 recently received approval for a musculoskeletal extended scope practitioner which will reduce unnecessary referrals to secondary care.

The problems experienced by radiology and orthopaedics are symptomatic of the real and growing demands on our services as well as the problem over the lack of resilience that having a relatively small and isolated service gives us. And we are not alone. Whilst Jersey is a bigger island
45 it too in health and care terms is small and like us has a lack of resilience in terms of being able to call on a neighbouring authority when needed.

It is against this background that at a meeting of the Guernsey-Jersey Political Oversight Board on Monday it was agreed to introduce a shadow Channel Islands Health Authority to promote joint working and to support the improvements to the provision of health and care services in
50 both communities.

Recent months had already seen renewed vigour in joint working with Jersey with consideration of a pan-Channel Islands' Children's Commissioner, pan-Island Safeguarding Partnership Board, incorporating both adult and children safeguarding and pan-Island Health and Care Regulation. However, it became apparent during our discussion that we needed to be more
55 ambitious than that if we were to really be able to leverage the benefits of joint working. Further details on the shadow Channel Islands Health Authority will be provided in the next few weeks. Working together should not only result in better value for money but enhanced services.

Looking at the here and now, this year's Budget included funds set aside from efficiency savings made last year for reinvestment in transformational services. Whilst this has happened in a
60 number of areas, it has not been to the extent we would have liked due to the increasing strain on the acute services budget. In particular, we have budgeted over £500,000 for a comprehensive reablement project in community services. This will support people coming out of hospital to recover faster, reduce delayed discharges and also reduce the pressure on people being admitted in the first place. This is a keystone to the transformation of community care and we cannot put it
65 off, so are now going to make a bid to the Transformation and Transition Fund to enable it to begin.

However, this is only part of the picture. Members will be well aware of the commitment by the UK government to put in an extra £20 billion per annum for the NHS alone, a 3.4% per annum increase over five years. Whilst of course this was a political statement on the back of the NHS's
70 70th anniversary, personally I think this was the wrong approach. You really cannot decide what health care needs without considering social care. It was also pointed out when the announcement was made, it is like filling a bath with the plug pulled out.

We are in a better place than the UK, but we cannot hold back the tide of rising demand over the coming years. I am saying this as President of a Committee which has to date proven it can
75 make efficiencies without making cuts and is turning around the tanker. And we are not the only ones saying this: KPMG did last year and more recently the Royal College of Physicians in their review of general medicine. We reluctantly accepted our current budget to help out Education, Sport & Culture but we cannot do that any longer. We need a budget that enables us to continually transform. To do otherwise is to cut off our nose to spite our face.

80 Now, last week I announced that the Committee would be bringing forward the review of the Drug and Alcohol Strategy, which will include a joint strategic needs assessment, review of medicinal cannabis and more fundamentally a review into the interaction of the Health and Justice systems.

85 Interest in cannabis seems to have reached, shall I say, something of a high recently, with considerable interest from various parties in growing it for commercial purposes. Although no formal licence application has been made, we have been working with the Committee *for* Economic Development in providing a joined-up response to those who have approached us and we will do what we can to support innovation where it benefits the Bailiwick.

90 And it is on innovation that I would like to finish. There is an increasing emphasis across medicine on using genomic information to inform clinical care and, in turn, improve health outcomes. By understanding the genetic makeup of patients and diseases, it is possible to provide personalised medicine, guiding tailored treatment strategies which best meet the needs of patients. This approach has the potential to be a real game changer and in line with the spirit of transformation, shift the model of care from reactive to proactive as well as developing highly effective diagnosis and treatment using the latest science.

95 Familial hypercholesterolaemia, which I will now continue just to call FH, is an inherited condition which leads to exceptionally high cholesterol levels. If left untreated it can lead to early heart disease and reduce life expectancy by 15 to 30 years. FH is the most common genetic disorder of the heart and it is estimated that there might be between 130-250 individuals affected in Guernsey. However, with early diagnosis and effective treatment people with FH can have a normal life expectancy. The key is early identification, ideally in childhood, so that appropriate measures can be put in place to prevent the development of cardiac disease. But currently diagnosis is typically made in adulthood often after a heart attack, say, that prompts the checking of cholesterol levels. And this is too late.

100 Now however, through screening, it will be possible to detect the condition and start treatment far sooner. States-funded genetic testing will be offered to confirm index cases from which subsequent family members can be tested and identified at an early stage. This focus on prevention and early intervention with primary and secondary care colleagues working together to improve outcomes is a practical realisation of the aspirations of the Partnership of Purpose, and may indeed be the case for a future Channel Islands Health Authority.

105 Yes, transformation is a reality. It is not easy and it is a continual process not a Big Bang, but it really is happening. We have seen action and not just words.

The Bailiff: We may now have a period of 20 minutes or so for questions. Deputy Roffey.

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

I wonder if the President noticed last week that, when answering parliamentary questions about the cystic fibrosis drug Orkambi, the UK Health Secretary said that that country's uptake of new drugs, which could help patients with serious conditions, quote:

... this is one of the things that we are not good at at the moment. We have fantastic research, with amazing new drugs developed in this country, but our uptake can be painfully slow ...

120 If Jeremy Hunt feels that way about the UK's deployment and funding of new drugs, what does Deputy Soulsby think that says about the Guernsey policy, where drug access is so much more restricted?

The Bailiff: Deputy Soulsby.

125 **Deputy Soulsby:** Sir, in terms of Orkambi, we are in exactly the same place as the UK. The UK Government, through NICE, has refused to accept Orkambi until the manufacturers reduce their

prices and the Minister for Health and Social Care in the UK has said that they want to see the accounts of the manufacturer to make sure that they will be getting a fair price.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

In light of the Emergency Department contract now being in-house and the considerable savings that has enabled – indeed it has enabled profit – will HSC look at redressing the balance of ED charges? For clarity, I mean the considerable extra cost of accessing ED at a specific time of night or day. Should we be making money, or indeed making profit, out of members of our community who are in crisis?

The Bailiff: Deputy Soulsby.

Deputy Soulsby: I need to make a correction to Deputy Merrett there. We are not making profit on ED, it actually costs us £3.5 million with the specialists that we have there and the income we get is about £2.2 million. What we have done is made it more effective and more efficient, so that we are making less of a loss, or it is costing us less than it used to when we were under contract with the primary care company. What we are doing, we are actively looking at how we can make fairer access for the Emergency Department and we have got a few areas that we are looking at, at the moment, but that is not something I am going to talk about publicly at this stage.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

The President mentions long waiting times and I am pleased that she is actually bringing that to the fore, because it is not only a matter of radiology and orthopaedics but it is in other areas as well. And in fact we talk about long waiting times: I have got one that is phoning me at the moment with a whole year waiting and of course health degenerates with long waiting times and walking and work becomes impossible. I would like even more emphasis being placed on dealing with these long waiting times that really, with a small community like this we should not be finding ourselves with longer waiting times than the UK.

The Bailiff: I think that was a question.

Deputy Soulsby: I think I got the gist of it, sir! *(Laughter)* As I said in my speech, the problems we have are that lack of resilience, and the small teams that a small island has. Jersey has the same problems, they have got waiting times in other areas to us, which is why working together with Jersey is really a no-brainer now. We can definitely help each other.

Yes, and that is one area where I think it will help. I have just explained within my speech all the things that we are doing to bring waiting times down. We do not like it, none of us wants it. It has put a lot of strain on the staff because there are upset about it, but they have resulted from issues which we could not have planned and that reflects the lack of resilience that we have.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

I would like to ask the President: does she feel that the MSG has been held properly to account in regard to the long waiting times for surgery and operations?

Thank you.

180 **Deputy Soulsby:** Sir, I think I am very pleased with the relationship that has developed since we had the new contract in place. It is a partnership. As in everything, waiting times are the responsibility of both MSG and ourselves and in areas where it is difficult to get up to speed it is because, in one instance, we have not had the number of specialists, because we have been down on some orthopaedic surgeons and we have not got radiologists – and radiologists fit within Health & Social Care. So we have to hold ourselves to account from that front.

185 Also, CCU, Critical Care Unit, beds – when that unit was set up, it was too small, it was not future-proofed and that is a real pinch point for us.

So yes, MSG, they are responsible ... make sure that they can be as efficient as they can be. And they have changed procedures, we have worked together, we are changing pathways. In fact, the last few months have been a real indicator to me that we are going in the right direction.

190 **The Bailiff:** Deputy Graham.

Deputy Graham: Thank you, sir.

195 I understand that there are around a dozen or so Guernsey patients who are housed on a permanent basis in the United Kingdom, in secure facilities, such is the severity of their illness. I am aware that there is an initiative to bring some of those families home. Would the President of the Committee agree to update me and the Assembly on how that initiative is going?

200 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Thank you, sir.

205 I think we did an update as part of the Children and Young People's Plan in terms of children and young people, but I am happy to do so. We have reduced the number of people that have come over. In fact, the saving was set out in the P&R Plan that we debated last month. It set out the savings we have made effectively from bringing people off Island back on to Guernsey.

210 The savings are not massive but what we want to do ... we know that is going to be better for families. But there are always going to be people that we really do not have that sophistication, that size, the number of specialists, to be able to look at what are really complex cases. One case costs us £250,000 per year to manage and we just do not have the ability to manage that on Island.

The Bailiff: Deputy Gollop.

215 **Deputy Gollop:** The Deputy mentioned strongly the need for an integrated approach to social care as part of the Health budget and strategy. I recently enjoyed going to a recovery and wellness conference that partly involved senior professionals from HSC. How able is HSC to prioritise recovery issues, which may include additional support workers, care in the community and support for a mental health hub, café, etc.?

220 **The Bailiff:** Deputy Soulsby,

225 **Deputy Soulsby:** Sir, yes, community is a core part of the new Partnership of Purpose development and investment in community and social care, hence why I was talking about reablement and the bid that we want to make to the Transformation and Transition Fund. Historically, a lot of money was put in acute services, we see it now, still the pressure is on to put on more drugs and that focus that people can relate to.

But, really, social care is where it is out. I know people talk about the NHS in the UK, we should have that here, but do remember in the UK, social care is means tested and it is much harder to get the adequate social care where you need it there, than it is here at the moment. But we

230 cannot let that drop. We have got to invest more because we are going to need more and more support in the community in the next few years.

The Bailiff: Deputy de Lisle.

235 **Deputy de Lisle:** Thank you, sir.

There is some concern with respect to getting cardiology patients off Island quickly enough. Is the President looking at sharing facilities perhaps with Jersey, in terms of perhaps bringing in a helicopter service to get people off Island quickly, to Southampton or London, or wherever?

240 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, I am not aware of concerns over speed on cardiology. If Deputy de Lisle can brief me afterwards I would be very grateful to hear from him on the case or cases that he has heard of.

245 Certainly, as I say, we were talking to our Jersey counterparts on Monday. I think it is not just about efficiencies and whether we can procure better, but I think it gives us the opportunity to bring possibly more services that we currently send people to the UK we could actually have them in the Channel Islands, because we would have that bigger critical mass. What I would say is watch this space and we are developing that from how it looks now.

250

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

255 Are Deputy Soulsby and her Committee content with the provision of paediatric cover on the Island at the moment? In the UK, there would be community paediatricians working within the community, working within schools to identify children at an early stage, rather than children presenting [*A mobile phone rings*] – I have started, so I will finish! – (*Laughter*) to a paediatrician at a later stage when the condition may have advanced a stage on?

260 **Deputy Soulsby:** Sir, yes, we have put more investment into paediatrics recently and worked together with MSG and internally to build up that paediatric cover. I think what is crucial here is that joint working with other Committees and very much I know the current President wishes, as he said in his opening speech ... I believe in working closely together with fellow Committees, and I really look forward to have a closer dialogue, particularly on aspects of paediatrics in the coming months.

265

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

270 I am sure the President of Health & Social Care will agree with me that preventative measures focused on keeping people well are increasingly vital, both in terms of overall public health and indeed in terms of the economic sustainability of Health & Social Care in the Island. Can she please advise us what measures her Committee are considering to tackle inactivity and childhood obesity, in particular, and where these measures sit in the Committee's unenviably long list of priorities?

275

The Bailiff: Deputy Soulsby.

280 **Deputy Soulsby:** Indeed. Prevention, early intervention, is a keystone of the Partnership of Purpose, front and centre. We know the only way we are going to have any hope of being more sustainable is to focus on prevention and early intervention. We spoke about the condition

familial hypercholesterolaemia – there you go! – if we can do early genetic testing on that, it will really help from a prevention point of view.

285 In terms of obesity and inactivity, all aspects of making sure you keep yourself healthy and eat the right things, that is where the Health Improvement Commission is coming in. We will hopefully be signing off on that in the next month and that will be the responsibility of the Commission to really go out there, focus every day on making prevention and intervention a reality. We are investing in that because we know that is where, in the long term – and it can be in the short, medium and long term, but seems mostly in the long term – the real benefits will come
290 back to us.

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir.

295 With the President's background in accountancy and knowing the difficulties on Health & Social Care, having already been a previous board Member in other guises, by the end of the year would the President be able to give us some indication of what sort of savings will be made by 'getting a grip'? I think they were her words that she used some time back.

300 What sort of sum will be needed to maintain or to cover the increased demand brought about by the demographics? Balancing the two off against each other, would the President be able, at the end of the year perhaps, to give some idea of what those two sums are, because I think that will be very helpful?

Thank you, sir.

305 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Thank you, Deputy Brouard.

310 We have also indicated in the bottom line what our savings have already been. We gained back £2 million last year and another £1.6 million has reduced our budget. We are making savings as we speak and we are available, and spoke about these during the Scrutiny Management hearing; but we are already hit by those demands, so again this is why in our budget we are struggling in particular areas.

315 Demand for orthopaedics radiology is putting much more pressure on the Committee. People will think it is a saving so it will come off the bottom line. It is a hugely complex area to look at, but as far as we can we will demonstrate that. The clearest indication of that will be in the Budget, when we will be debating what we actually need for the coming years.

The Bailiff: Deputy St Pier.

320 **Deputy St Pier:** Sir, the new contract with the Medical Specialist Group is one of, if not the largest single contract that the States have, and of course the additional flexibility which it provided was critical to enabling part of the Partnership of Purpose. Could the President perhaps update the States on where her Committee is in terms of the contract management for that contract, and in particular give reassurance that it is adequately resourced to ensure the contract
325 is well-managed for the remainder of its term?

The Bailiff: Deputy Soulsby.

330 **Deputy Soulsby:** Thank you, Deputy St Pier, for that, because that is really important to me. I actually said I was not happy signing the contract unless I knew I had commitment for resources for contract monitoring, because it has been historically where Health & Social Care has let itself down – not managing what is, at £80 million per annum, the largest contract for the States of Guernsey.

335 We have built up resource there. Things are improving; we are getting figures. What we are
doing is developing the KPIs which were set out in the contract and that has meant having to
understand what the figures are and knowing how to get them. It sounds like the very base level,
but these KPIs have not existed before so we have been developing them, making sure that we
have got confidence in the KPIs we are producing. We will be publishing those at the end of the
year when there will be the first set of KPIs, and periodically through the time, so the public,
340 Members here, can question us on those actual figures, rather than hearsay and somebody
phoning up to say, 'I have been waiting a long time; isn't it terrible for this, that and the other?'
We can demonstrate where we are.

Most people are seen within contract times. I heard Deputy de Lisle a moment ago, but the
truth is they are; but in certain pockets we have issues which we are tackling.

345 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Thank you, sir.

As part of my one-person obesity strategy, I should do a walking audit. But wearing my Living
350 Streets hat, how far has the Health and Social Care – being the single biggest employer on the
Island – been able to pursue a travel planning strategy especially for the hospital site, bearing in
mind there is regularly a car parking shortage for both staff and visitors?

The Bailiff: Deputy Soulsby.

355 **Deputy Soulsby:** I am so glad Deputy Gollop asked me that question, because it was one of
those things that I wanted to put in my statement but we have only got 10 minutes. I could have
gone on for about 10 hours actually, the stuff that is going on. But this is one area that we have
been working really closely with the Committee for Environment & Infrastructure, particularly
360 Deputy de Sausmarez, who I know is a keen enthusiast for this.

So we have had people over who have done a huge amount of work on looking at travel plans,
what we could do around the hospital. We have some good ideas. Some of those will need to be
incorporated into the PEH re-profiling, possibly quite early on, because we need to take account
of that and when we have works on site and how we manage parking spaces, etc. But yes, that is
365 actively being progressed at the moment and something that I would really like to see as a
priority.

The Bailiff: Deputy Yerby.

370 **Deputy Yerby:** Sir, I know time prevented the President from including this in her speech, but
could she confirm that HSC and ESS recognise there are problems with the existing Birth
Registration, Assisted Reproduction and Adoption laws which affect many families, especially
those with same-sex parents or others who are conceived by IVF, and would she briefly outline
how the Committees intend to address this?

375 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: I thank Deputy Yerby for that.

Yes, the current laws are probably unsurprisingly out of date, given some of them were written
380 over 80 years ago I believe. So they do not really fit today's reality. It is being looked at in depth
by officers of both Committees and there are a number of issues that straddle a lot of laws, so a
lot of work is going to have to be done on this.

I think it is important that we do resolve them. It is fair for both same-sex parents and others
who do not fit that 1930's idea of what family looks like. It will take time but it is something that,
385 as a bit of cross-Committee work, we are going to have to do.

I cannot commit to a timeframe yet until both political Committees have looked at it, but this is something that we want to get resolved this term and I think the States, in terms of those people concerned about the situation they are in now, would very much like to think it could be looked at retrospectively as well. Anybody worrying that this is only for the future, we would very much like to make sure it is changed for those current instances.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

Does the President believe that the Extra Care Housing provision is being used in an entirely appropriate way, by which I mean in reality do some of the tenants require more attention than the Extra Care model should strictly speaking provide? Or does she feel that there may be a need for additional residential nursing home facilities?

Thank you, sir.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, I have been very pleased with Extra Care Housing and what it has done for service users in them. We have seen real examples of people who have been in homes and been moved to extra care who have really blossomed and become far more independent and I have been really pleased with that.

Do we need more nursing homes and residential care homes? Well, I did speak actually at an assisted dying debate to explain my position and why it was so important we needed to focus on the Partnership of Purpose. We have nowhere near enough residential or nursing homes for the increased demand that we are going to be expecting over the 10 or 20 years. We are talking hundreds of residential places that we will need.

So no, Extra Care Housing resolves one issue but we need to box much cleverer than just Extra Care Housing. We need to look at how we improve care in the community, sheltered housing and the traditional nursing and residential homes.

The Bailiff: Deputy Gollop.

Deputy Gollop: One area that interests people, as we speak, is how far the HSC Committee is with looking at how to improve access and prescription of medicinal use of cannabis for pain relief and other genuine medical conditions.

Will we have an update on that in the foreseeable future?

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, yes. We announced just last week we are going to do a comprehensive review of medicinal cannabis. It is only right. It is flavour of the month but really I think the whole subject matter of cannabis, the word puts a lot of people off and they have a very stereotypical expectation of what cannabis is. But it is a really complex plant which has got a lot of different aspects to it and we ought to be looking at it properly.

We are ahead of the UK it should be said, in terms of we recognise the medicinal value of cannabis in specific forms. We have also allowed cannabis oil with 3% THC to CBD.

But can we do more? That is going to be the subject of the review which will come back next year. We have set out some draft terms of reference so far and that is what we are expecting some time next year.

The Bailiff: Deputy Soulsby, thank you for your answers. Your 20 minutes have elapsed, so you can now take a breather.

PRESIDENT, POLICY & RESOURCES COMMITTEE

Update on Probate matters in Guernsey

The Bailiff: We will move on to the next statement, to be delivered by the President of the Policy & Resources Committee in relation to Probate matters. Deputy St Pier.

Deputy St Pier: Sir, I am pleased to provide an update in relation to the Probate Service in Guernsey, a subject which I know is of interest to a number of Members of the States of Deliberation. It is understood that Guernsey is one of the very few jurisdictions in the world where the legal jurisdiction enabling probate of personality to be granted is vested in and administered in a body other than the civil courts. In Guernsey, it is administered by the Ecclesiastical Court, which is separate from but subject to the supervision of the Royal Court

The Ecclesiastical Court is thought to have been established in medieval times when problems with Islanders bringing local cases before the then Bishop's Court at Coutances, led to the delegation of the ecclesiastical jurisdiction to Guernsey. As such, it predates the States of Deliberation and is at least as old as the Royal Court. The Ecclesiastical Court is presided over by the Commissary of the Bishop of Winchester, who is the Dean of Guernsey, who I am delighted to see in the Public Gallery today. The Channel Islands were annexed to the Diocese of Winchester in 1568. Today, the Dean is assisted by the Registrar and the Deputy Registrar, both appointed by the Dean, with two additional staff who act as clerks to the Court. I would like to make it clear at this stage that the current Dean, the Very Rev. Tim Barker, has shown admirable personal commitment to improving transparency in relation to the Ecclesiastical Court – both its finances and its operations.

Historically, in England and Wales the proving of wills and related testamentary matters, subject to certain exceptions, came within the jurisdiction of various courts administered by the Church. The Court of Probate Act 1857 reformed the traditional position and created a state-controlled centralised system for Probate which is now known as the Probate Service. Probate in Jersey was originally granted and administered by its own Ecclesiastical Court; this practice ceased in 1949 when the functions were transferred to the Probate Division of the Royal Court of Jersey.

It is understood then that Guernsey is one of the very few jurisdictions in the world where Probate is granted and administered by a religious body. I think everyone, including the Dean, accepts that the continuation of this system is an anachronism. However, the Policy & Resources Committee is of the view that it is an anachronism which now, in 2018, needs to be resolved, and I am pleased that the Dean is proactively assisting the Policy & Resources Committee in doing that, and in a way that is respectful to the Ecclesiastical Court.

In March 2016, the former Treasury & Resources Department completed a review on the future funding arrangements of the Ecclesiastical Court. The report concluded that while there were no significant concerns regarding funding arrangements for the Court, it was recommended that a further review be carried out by the former Policy Council to ascertain whether it remained appropriate for the Ecclesiastical Court to issue Grants of Representation in relation to Probate. Responsibility for the review was then transferred to the Policy & Resources Committee.

Consultees were positive about the Ecclesiastical Court's service in terms of the speed of granting Probate and the friendly and helpful customer service. The general consensus was that the fees currently charged by the Ecclesiastical Court were reasonable. So while the service and discretion of the current system are not under question, it simply is no longer considered appropriate for that system to be administered through an ecclesiastical court system.

In the consultation, there were some concerns expressed about the lack of transparency due to the Probate function being administered by a non-government body – a situation which in no way reflects on either the Dean or those who are employed to administer the current system. But the time is now right for the States of Deliberation to provide for the transfer of the Probate jurisdiction to the Royal Court.

The Policy & Resources Committee had intended to submit a policy letter on this matter for debate at this Meeting of the States. However, there has been significant correspondence with the Dean, and when we met again earlier this month it was clear that the Dean and the Policy & Resources Committee had come to shared set of principles that, if adhered to, would enable modernisation of the Probate Service while maintaining the levels of service currently provided at reasonable cost. I would like to put on record my appreciation and my Committee's appreciation of the Dean's constructive approach.

The Policy & Resources Committee will bring a policy letter to the States later this year that formally recommends that the Probate jurisdiction be moved from the Ecclesiastical Court to the Royal Court. There are a number of ways in which this might work and we will need to work, sir, with you in your capacity as Bailiff, and the Ecclesiastical Court in order to assess the pros and cons of each of these in order to settle on the best way forward, and to ensure the resources and competences are in place in order to discharge that role.

However, the States will seek to contract with the current Registrar in order to enable the service itself to continue to be delivered in the same way and from the same premises, initially for a period of three years, during which time a detailed plan will be developed for any further modernisation of the Probate services – working *with* the Dean, the Royal Court, the Greffe, the Registrar and the Probate Service itself. Further dialogue is also required with service users, Alderney and Sark, all of whom have an interest in this matter. This approach would not mean that the Registrar would become an employee of the States of Guernsey, and we would of course need to respect and protect the employment rights of the Registrar and the team that supports him.

Our aim, which may be ambitious, is for the jurisdiction to be changed from 1st January 2019. If it is, then the community in Guernsey will notice no difference in services and no difference in cost, but the Probate Service will cease to be the function of an ecclesiastical court and instead will be a service provided on behalf of Government through the Royal Court.

From a legislative point of view, a *Projet de Loi* would be required – and maybe some secondary legislation too – in order to effect the transfer of the jurisdiction and deal with other related matters such as the charging of fees. Apart from a 1994 Law relating to the extent of the Ecclesiastical Court's jurisdiction in disputed Probate cases – for reference, disputed cases are already the responsibility of the Royal Court – the Ecclesiastical Court's operation of Probate is rooted in customary law. The Dean and other parties have advised, rightly, that there is much work to be done on this in order to turn these principles into a plan that can be implemented.

Further to this statement, the Policy & Resources Committee will establish a working party, with representatives of the Ecclesiastical Court and the Royal Court, in order to do precisely that. Significant amounts of surplus income from Probate fees have been utilised over the years by the Deanery Fund LBG – formerly the Deanery Discretionary Fund – for charitable purposes and community initiatives, but largely for the benefit of the Church of England in Guernsey and its community projects in the Bailiwick of Guernsey. That comment is not intended as a judgement, but simply a statement of fact.

Recently, formal arrangements for the use of surplus funds have been put in place, which is a further demonstration of the current Dean's commitment to transparency. Therefore in addition to the recommendation to move the Probate jurisdiction to the Royal Court, it is also recommended that in future all surplus Probate income accrues to General Revenue. A decision about allocating funding to the third sector is a separate one that would need to be considered in due course but, for example, the establishment of a social investment commission to support the third sector's work in the community is one potential area where some of that income could be deployed. Whilst it is proposed that when the transfer is complete there should not be any hypothecation, if it does not prove possible to complete the requisite transfer of jurisdiction by 1st January 2019, it is proposed to consider through the working party how best to manage any surplus income accruing after that date until arrangements are complete.

Sir, the hardest step is the first one: making the policy choice. Having done that, we should be under no illusions that there is much work to implement that decision, but it is important and only

fair that everybody knows which direction they are headed in. Making a decision also means that we can start to plan and resource appropriately to effect the change. To close, the Policy & Resources Committee is grateful for the support of the Dean, the Registrar and the Royal Court in progressing this work, and in particular to the Dean's constructive approach to achieving the goal of modernising Guernsey's Probate Service.

Thank you, sir.

The Bailiff: Any questions? Yes, Deputy Ferbrache.

Deputy Ferbrache: Sir, as somebody with absolutely no religious affinity but having practised with the Ecclesiastical Court for close to four decades rather than three, and seeing the remarkable efficiency of that court, will the President of Policy & Resources personally guarantee that when the new scheme is implemented it will not involve any extra resource beyond the present resources; and that it will be done as efficiently as the current system; and it will be done with no extra cost to the people who apply for Probate? I would be grateful for his personal guarantee in that regard.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I would be foolish to accede to Deputy Ferbrache's request to provide a personal guarantee, but what I can do is provide a personal assurance that that absolutely is the intent. That very much was reflected in my statement. That has very much been reflected in the dialogue with the Dean and with the Registrar as well.

Acknowledging that feedback that came through the consultation process and acknowledging all the comments which Deputy Ferbrache made as a practitioner – as somebody who has used the service – we need to ensure that is replicated in the new service.

The Bailiff: Deputy Inder.

Deputy Inder: Thank you, sir.

Deputy St Pier, I am not a huge fan of a percentage of fees on anything, including capital costs, estate agents – I have never worked like that. I have always worked in the value of the work is how we get paid for our toil. Now, in any forthcoming policy letter, could Policy & Resources look at full modernisation of Probate, allowing possibly accountants, bookkeepers and professional services to administer any future system?

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I think the policy letter that I referred to initially will be the one that needs to deal with the transfer of the jurisdiction from the Ecclesiastical Court to the Royal Court. In terms of any further changes to the modernisation of the service, respecting the point of Deputy Ferbrache's previous question and indeed the input you provided – forgive me, sir – that Deputy Inder has provided, that very much would be the purpose of the next period of time. It was suggested an initial period of three years that would allow that dialogue to take place to make sure any further changes are appropriate.

Again, I cannot give a straight reassurance and response to Deputy Inder, having also identified in my statement that there are many interested parties here, including the users who Deputy Inder is representing, practitioners, Sark, Alderney and of course the Royal Court and the Greffe as well. There are many people involved, but I think Deputy Inder's point is well made.

The Bailiff: Deputy Gollop.

590 **Deputy Gollop:** Sir, as the last Chairman of PERRC – Deputy Chairman, Mary Lowe – I would have volunteered to have done this at PERRC too, but it appears the choice has been taken from us. Would the President of Policy & Resources admit that the Church of England, which is not a wealthy body, will lose a substantial amount of money from any change, and so will the third sector as some of the money is currently distributed to charity?

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

600 **Deputy St Pier:** Sir, clearly with a change in terms of where the surplus income goes, that will have an impact on the Deanery Fund, as it has now been replaced by the LBG. However, that is of course only the surplus funds. As I have indicated, the intention is that it should become part of general revenue.

I think this Assembly may wish to have a further input and debate in due course on whether that surplus income should in any way be directed to the third sector, possibly through the Social Investment Commission in the way that I suggested in my statement. But that, sir, is not a decision for today.

605 **The Bailiff:** I see no one else rising, so that concludes the Statements.

Questions for Oral Answer

ECONOMIC DEVELOPMENT COMMITTEE

PricewaterhouseCoopers Report on the tourism sector

The Bailiff: We move on to question time where there are questions to be asked by Deputy Gollop of the President of the Committee *for* Economic Development.
Deputy Gollop.

610 **Deputy Gollop:** Thank you very much.

I have four questions, because I asked three, but there are really four, because I got it wrong. My first questions are: the President of Economic Development, Deputy Parkinson, through you, sir, on a recent BBC Radio Sunday broadcast made several references to an unpublished
615 commissioned report, I think by the previous Committee leadership requesting PricewaterhouseCoopers to analyse the tourism sector. When will the report be published in full?

The Bailiff: Deputy Parkinson.

620 **Deputy Parkinson:** The full report will be published as an appendix to the updated Guernsey Tourism Strategy, which the Committee *for* Economic Development will bring to the States in the first quarter of 2019. The States directed the Committee to bring to it an updated strategy before the end of 2018, but given the changes in the Committee and the ongoing work on air and sea links, the Committee will bring that report now in the first quarter of 2019.

625 The findings and recommendations of the Strategic Review of Air and Sea Links Infrastructure are critical to the development of drafting a review of the Guernsey Tourism Strategy but are not expected to be available until later in 2018.

The Bailiff: Any supplementaries?

630 **Deputy Gollop:** I thank the President for his candid answer, but would ask at this point: why has it been delayed from the third quarter of 2018, because I think initially the new Committee suggested that the Tourism Strategy would follow on close behind the mainline strategy that we are debating later today?

635 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Well, sir, as I have already said in response to Deputy Gollop's question, we think that the Tourism Strategy will be informed by the Review of Air and Sea Links Infrastructure, which we have not yet seen.

640 **The Bailiff:** Deputy Inder.

Deputy Inder: Sir, just following on slightly from Deputy Gollop's question: what was wrong with the strategy that never saw the light of day from the old Kevin Stewart board, where we were looking at 450,000 passenger figures by 2025? I would also be interested in the costs, if he could. I am sure he does not know now, but the cost of that old strategy and the cost of possibly this new strategy?

The Bailiff: Deputy Parkinson.

650 **Deputy Parkinson:** Well, I do not know what the costs of the old strategy were. All I can say is that our predecessor Committee at Economic Development was not overly impressed with the Tourism Strategy that they inherited. (**A Member:** Hear, hear.) Therefore, they made it clear that they intended to bring an updated strategy to this Assembly. We have continued with that work.

655 **The Bailiff:** Deputy Inder.

Deputy Inder: Through you, sir: Deputy Parkinson, what are the costs of the current work being completed by PwC, I understand it is?

660 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: The PwC report was issued to the Committee at the end of last year and discussed by the old Committee in November of last year, so the costs of that report are already fully absorbed into the Committee's accounts for 2017. I do not anticipate any further costs, certainly not in respect of PwC. I expect the work that we will do on completing a new Tourism Strategy will be covered by our staff.

The Bailiff: You have already had two supplementary questions, you are not allowed more.

670 **Deputy Inder:** It was not answered, sir. He did not answer the question.

The Bailiff: He has given an answer. It may not be the answer you wanted, but he has given an answer. Deputy Gollop, your second question.

675 **Deputy Gollop:** I thank you very much, and maybe Members can come in on the next one. Why has the aforementioned PwC report not already been distributed to the media, public, relevant stakeholders and indeed the politicians?

680 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: The PwC Tourism Product and Customer Experience Strategic Review was completed on 6th November 2017. It was commissioned to provide the necessary objective third party market analysis of Guernsey's tourism product, offering to inform the development and drafting of the updated Guernsey Tourism Strategy.

685 The PwC review provided an assessment of Guernsey's tourism product offering, in its wider sense, and included an evaluation of Guernsey's accommodation, attractions, events and customer experience. The report was presented to the Committee *for* Economic Development on 23rd November and the Committee requested that the report's findings and recommendations be used to inform the drafting of the updated Guernsey Tourism Strategy. The previous Committee
690 also directed that the executive summary be shared within industry stakeholders for feedback.

The executive summary has been presented to and shared with the STSB board, the Committee *for the* Environment and Infrastructure, officers in the Development & Planning Authority, Condor, Aurigny and Blue Islands. Meetings will also be set up in due course with the Committee *for* Education, Sport & Culture and the Policy & Resources Committee. The Committee
695 will be pleased to provide a copy of the executive summary to any States' Member who requests one.

The Bailiff: Is this a supplementary Deputy Gollop?

700 **Deputy Gollop:** A couple of supplementaries, if I can. The first is anecdotal evidence, and indeed evidence from other surveys would suggest that one area Guernsey could do better on is a strengthening of visitor attractions, especially for the family market. Has the Committee been able to develop that policy stream as part of the Tourism Strategy?

705 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: No, sir. We are planning to bring the updated Tourism Strategy to the Assembly in the first quarter of 2019 and that will include reference to the issues that Deputy Gollop is concerned about.

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

My other question is: clearly, many stakeholders in the industry are concerned about the affordability and sustainability of our air and sea transport links. How quickly will those concerns be address by the Department in the tourism context?

715 **Deputy Parkinson:** Well, they will be addressed remarkably quickly because in the middle of July we will be bringing a policy letter to the States to revisit the air transport licensing system. That will be followed in the autumn by work on the public service obligation contracts for the Alderney routes. We are working on that and we continuously work on trying to encourage
720 airlines to open new air links to Guernsey.

The Bailiff: Deputy Inder.

Deputy Inder: Thank you, sir.

725 Thank you for the second set of questions and answers, Deputy Parkinson. The second question does remind me: I am wondering, sir, the PwC report in pounds, shillings and pence, which will feed the Tourism Strategy ... I am wondering if he could give it to me in pounds, shillings and pence, the cost of the production of that report?

730 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: No, sir, I do not have that information to hand, but I can get it for him.

The Bailiff: Your third question, Deputy Gollop. (*Interjections*)

735 **Deputy Gollop:** Yes, the second part of that question was: does the PwC report contain some uncomfortable issues about tourism generally we need to confront as a society or as a decision-making body, the Assembly, and our economy?

The Bailiff: Deputy Parkinson.

740 **Deputy Parkinson:** The report sets out challenges and opportunities for the tourism industry and the Committee is currently working with the industry to set out responses to the recommendations. This in turn will inform the updated tourism strategy.

745 **The Bailiff:** Deputy Gollop.

Deputy Gollop: My follow-up would be: would it be fair to say that, apart from being a great champion of the industry, Economic Development needs to be a mentor and a coach as well, to encourage and enhance great standards?

750 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: Sir, I would prefer to see our role as that of a catalyst in helping the industry develop products that meet the demands of the market and we will support the industry in any way we can. We spend 40% of our budget on tourism and we are keen to see it prosper.

The Bailiff: Deputy Merrett.

760 **Deputy Merrett:** Is it the Committee's intention to print in full and to make available in full the PwC report, not just to this Assembly, but to our Committee?

The Bailiff: Deputy Parkinson.

765 **Deputy Parkinson:** I refer Deputy Merrett to my first answer. The full report will be published as an appendix to the updated Guernsey Tourism Strategy.

Social media updates for public transport

The Bailiff: Your fourth question, Deputy Gollop.

770 **Deputy Gollop:** My fourth question, notwithstanding of course I am a Member of the Transport Licensing Authority, but it is: does the Economic Development Committee believe as part of the Digital Economy and Connectivity Strategy that ideally state-owned businesses – especially, for example, a state-owned passenger transport company – would and should have a daily and instantly updated social media Twitter and Facebook-style link informing tourists and other key visitors and travellers updates on transport delays, to avoid occasional disappointment and reputational damage?

775 **The Bailiff:** Deputy Parkinson.

Deputy Parkinson: In short, yes, not least as the Committee has championed the Digital Strategy for Guernsey. However whether a state-owned business does that is a matter for the

780 executive and boards of those businesses, not the States as a shareholder. All businesses, private
and public, need to meet the expectations of their customers for 24-hour information, just as we
in the States do.

The Bailiff: Deputy Gollop.

785

Deputy Gollop: My follow-up would be that clearly Economic Development would encourage
all organisations that provide transport to communicate well with their travellers and customers.
Would you do so? Would Economic Development agree with that, that they will encourage good
communication from all transport servers on the Island?

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The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes. *(Laughter)*

795

The Bailiff: I think that concludes Question Time.

Billet d'État XVIII

ELECTIONS & APPOINTMENTS

I. Election of a President of the States' Trading Supervisory Board – Deputy Ferbrache elected

The States are asked:

*To elect a sitting Member of the States as President of the States' Trading Supervisory Board to
complete the unexpired term of office, that is to the 30th June 2020, of Deputy C. N. K. Parkinson
who has resigned from that office, and whose letter of resignation is appended hereto, in
accordance with Rule 16 of The Rules of Procedure of the States of Deliberation and their
Committees, as set out in Section 1 thereof.*

The Bailiff: We move on, Greffier, to elections and appointments.

The Senior Deputy Greffier: Article I. Election of a President of the States' Trading Supervisory
Board.

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The Bailiff: Now Deputy St Pier, we know that an amendment has been circulated. Is it the
case that the Policy & Resources Committee wishes to nominate somebody for this position?

Deputy St Pier: It is, sir.

805

The Bailiff: And Deputy Ferbrache, do you wish to propose the amendment that has been
circulated?

Deputy Ferbrache: Yes, I do sir.

810 **The Bailiff:** In that case, I think it is appropriate that we do not at this stage, know formally who Policy & Resources wish to nominate, although I believe that information has been circulated. *(Interjections)*

Amendment

To amend the Proposition by inserting, immediately after the word 'To' and before the word 'elect' in the first line:

' ... suspend the operation of that part of the Constitution of the States' Trading Supervisory Board which requires the President of the Board to be elected on the recommendation of the Policy & Resources Committee and ...'

815 **Deputy Ferbrache:** I am not sure why, sir, because they intend to nominate me. That is what I have been told, anyway. *(Interjections)* I would rather that was public. The amendment will be seconded by Deputy Dudley Owen and, sir, would it be convenient if I read the amendment?

The Bailiff: Yes please.

Deputy Ferbrache read the amendment

820 **Deputy Ferbrache:** Sir, in connection with that, I laid that some time ago and of course I brought a Requête, which is currently to be debated in September, but I see in the schedule for States' business the intention is to advance that to the July sitting, if that schedule is approved. I would have preferred in an ideal world that that was all dealt with together. But we do not live in an ideal world.

825 I appreciate your comments, sir, which I took with complete respect and then did not follow about nominations, but I feel the only way I have ever been able to operate is by bowling a straight ball. Sometimes people bowl a ball with a spin and that gets more people out, because if you persistently bowl with a straight ball it is predictable and people can hit it for six. If that happens in due course, that happens in due course. But the importance is the principle rather than any individual.

830 The States' Trading Supervisory Board is a very important body of the States. After all, we heard in a statement yesterday on the budget by Deputy Parkinson, its current President, the assets that it has to administer. It has three-fold functions really. In no particular order, it is the shareholder, on behalf of the States, of various entities, including Guernsey Electricity and probably in the modern era the most prominent, Aurigny. It has to administer efficiently, etc. various States' assets, which include the airports of Alderney and Guernsey. It has to look after the 835 Airport. It has to in particular manage various properties owned by the States or leased by the States and it also is the waste disposal authority.

840 It has three very important functions. For that body not to have the same rules and rigours as other important States' Committees seems to me to be illogical, unreasonable and as dim and distant in the 21st century as the President of P&R's concerns about the Ecclesiastical Court, going back to the year 823, or whatever it may be. Even Deputy de Lisle and I were not around at that time. In connection with all of that, there is absolutely no logic in the States being able to say we prefer A over B and the States having that right to make that decision.

845 **The Bailiff:** Deputy Dudley Owen, do you formally second the amendment?

Deputy Dudley Owen: I do, sir.

The Bailiff: Deputy St Pier, do you wish to speak on it at this stage?

Deputy St Pier: Sir, yes, I guess it is a matter for you whether this is indeed a valid amendment that can be debated and voted on. I cannot find nor am aware of any precedent where we have suspended a Resolution of the States which creates a mandate of the States. We suspend the Rules and we rescind Resolutions, we do not suspend Resolutions and mandates.

It seems a very odd way to deal with this matter. On that principle, alone, Policy & Resources Committee opposes the amendment as being unnecessary. The way to deal with it is through an amendment to the Rules of the States, which is essentially what is proposed through the Requête. We feel that is the appropriate place to deal with this matter.

The Bailiff: The view I have taken on this, and H.M. Procureur will comment if she does not agree with the view, is the States' Trading Supervisory Board is a little bit different under its mandate from the other Committees, in any event. The mandate says that the constitution of the Board shall be determined by the States on a recommendation made by the Policy & Resources Committee, provided the President of the Board should be a Member of the States.

It was on 13th September 2016 that this States resolved that the membership of the States' Trading Supervisory Board shall be a President and one member, who should be Members of the States, and two members who shall not be Members of the States, provided that neither the President nor any member of the States' Trading Supervisory Board shall be the President or a member of the Transport Licensing Authority.

So the position is that the constitution was set by a Resolution of the States on 13th September 2016. I take the view that the States can by Resolution amend, vary and if appropriate suspend the operation of one of its Resolutions. That is what the States is being asked to do in this amendment. I have taken the view that that is within the power of the States. I do not know if H.M. Procureur wishes to add or supplement or make clearer any advice that the Law Officers might have given?

The Procureur: No sir, I agree with that. In fact that is consistent with the wording under the Reform Law, which allows the States to vary revoke or suspend Rules of Procedure relating to Resolutions of the States.

The Bailiff: Thank you.

On that basis, I allowed the amendment to be laid. It may go further than the Proposition, indeed, but that does not often stop this States. (*Laughter*) But if Members wish to rigorously enforce ... Deputy Fallaize wishes to encourage States not to lay amendments that do not go further than the Propositions, then that is something that perhaps would be welcome. I do not know. It is a matter for the States.

Deputy Roffey, do you wish to speak?

Deputy Roffey: Yes, I think I do. I am torn every which way over this one, sir, and it is made more difficult in a way – I respect your ruling that we should not know who is likely to be first of all nominated by Policy and Resources, and secondly whether anybody else wishes to be nominated should this amendment be successful.

I think Deputy Ferbrache was right, in an ideal world this aspect of the constitution of the States' Trading Supervisory Board should be looked at in the round with the other issues, first of all that are contained in his Requête but also actually are due. I think as a new beast, should be reviewed now or two years on, to see what the constitution should be.

I would prefer to look at this aspect at the same time as everything else about the States' Trading Supervisory Board. The difficulty of course is if we leave it until then, we might be preventing what might be seen as a more democratic and open election today. But we might not be. I have absolutely no idea whether, in taking this in advance ... I suppose it is only a suspension and therefore it would still be able to be considered later on, whether it should become a permanent change or not, if nobody should actually stand.

My personal view – and this is not the view of SACC, I am not saying that SACC disagree, I am just saying we have not actually discussed this yet – is that I have some sympathy with the argument. I understand why nomination rights were given to P&R. I understand that maybe what the States' Trading Supervisory Board is doing is perhaps in way outsource functions that would otherwise have fallen to Policy and Resources, and therefore there is a certain logic to it. But I feel very uncomfortable about prescriptive nomination rights.

Of course this is not the only body with that. Actually, we could go to school boards or library boards, or wherever else. There are a number of positions where nomination rights are limited. I feel slightly uncomfortable about all of those. So on that basis, I am quite tempted to vote for this, but I would not want it to be seen as necessarily saying that I agree with everything that actually falls inside that yet-to-be-debated Requête, because I do not agree that the States' Supervisory Board is just another States' Committee whose membership to be reflective, exactly the same as the six Principal Committees and other Committees.

I do think they have a very specific, more commercial role to be carried out and having a heavier percentage of people with commercial experience that may not always be widely available inside this Assembly makes a great deal of sense. So if there is any debate I am going to listen to it. What I am saying here is entirely personal, but I am uncomfortable with the prescription on who can stand for election, I have to say that. It is the one part that I was more clear than anything else of in the draft Requête that was laid.

I am not so convinced about other parts, particularly if there are people who want to put themselves forward today, even though I actually agree, I find it slightly odd about suspending parts of the constitution. I have put it on record in the past the fact that we suspend parts of our Rules at the drop of a hat so many times makes me feel uncomfortable. (**A Member:** However ...) However, yes, in the words of the song, 'these days, anything goes', or whatever. But as Members seem to be happy with that, I am I think leaning towards voting for this if there is a need to do so. I would prefer though to actually consider the whole constitution of the States' Trading Supervisory Board at one go in the near future.

So I really would ask – and perhaps I am being disobedient here – for any indication about whether there is anybody else. We do know – and perhaps we should not – who P&R have put forward. I want to know whether there is a need for this amendment or not. If there is, I think I will probably have to vote for it.

The Bailiff: Deputy Langlois.

Deputy Langlois: So far in this debate there appears to be some sort of conflation of the constitution of the Committees, which are controlled by the Rules, and the election of Presidents of those Committees, which is controlled by the Rules. They are not the same thing. In the Rules, the constitution of Committees is set out. All it says about the President is that they should be a sitting States' Member. Then it gives the composition of the Committee. For instance, the constitution of the Committee for Employment & Social Security is a President and four Members, who shall be Members of the States, and up to two non-voting members appointed by the Committee, who shall not be Members of the States.

It does not say anything about how the President should be elected. That is true of all the Committees. The only one, the Overseas Aid and Development Committee, there is something in the constitution about the election of a President, but in none of the others does the constitution mention the election of the President.

The constitution of the STSB can be recommended by Policy & Resources which, as you have said, they did in September 2016. But again they do not mention the election of the President of that committee, just the composition of the committee. As far as I can see, the election of the President is controlled by Rule 16 for all the Committees. STSB is not necessarily, in my humble view, any different.

I think that is reflected in the amendment. It was very non-specific. They could not find a part of the Rules to amend and had to say:

... suspend the operation of that part of the Constitution of the States' Trading Supervisory Board which requires the President of the Board to be elected on the recommendation of the Policy & Resources Committee

955 In other words, they could not find it, so they just had to say whatever that part of the constitution that is considered to give the President of Policy & Resources that right, should be suspended.

960 It just seems to me ... I do not want to over-complicate it (*laughter*) but I am not entirely sure that this amendment is even necessary because we are not talking about the constitution at the moment. In some ways, Deputy Ferbrache was addressing the Requête that has been lodged, rather than this issue of the election of the President. I cannot see anything in the Rules which would prevent somebody from being nominated from the floor for the presidency of STSB.

I will not elaborate any further. I think I have made my point that there seems to be a fairly fundamental conflation going on between constitution and elections of Presidents.

Thank you.

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The Bailiff: Deputy Parkinson.

Deputy Parkinson: Thank you sir.

970 Hopefully, Members might be interested in the views of the STSB Committee itself on this. We have discussed both the Requête and this amendment. The Committee as a whole welcomes the idea of a review of the composition of the STSB and indeed the Rules governing the election of Members, if any such Rules exist, but think that review should be conducted by the States' Assembly and Constitution Committee and observe that there are other anomalous committees, such as the composition of Scrutiny Committee, which do not fit the standard five and two
975 structure. We think a review of the membership and composition of all of the States' Committees would be the helpful thing and this may well be an appropriate time in the life cycle of the parliament as it were, half-way through the term, to step back and have a look and see if everything is working in the way it was intended to.

980 Of course, the question then is how was it intended to work, and STSB was deliberately set up differently, as Deputy Roffey has noted – it is supposed to have a more commercial focus, it is supposed to have more private sector experience; and that is why the Board has two voting non-States' members, which is again very unusual. Basically, I think what we come down to is, by all means let us have a review, that would be a move that we would welcome. Probably this is not the time to have the debate though, and the review needs to take place to inform that debate. I
985 suspect that the amendment is largely academic as again, Deputy Roffey has alluded to, because if it turns out there is only one candidate then there is no need for us to amend the Rules to allow candidates to be nominated from the floor.

990 I do not know if that is the case. Who knows? There may be other candidates coming forward, but I suspect the amendment may be academic, and if that is the case what I would suggest to Members is why not commission a wide-ranging review of not only the STSB but other committees, particularly those with anomalous compositions, and just simply allow the process to run its course on this occasion.

995 Speaking purely personally, I would welcome an addition of another States' Member to the board of the STSB to bring us up to at least three States' Members. I can tell you from experience it sometimes feels quite lonely for Deputy Smithies and myself to be in this Assembly representing the wider STSB who do not have a voice in here. So I think expanding the number of States' Members would be a welcome development.

1000 Again, I think this all needs to take place in the context of an over-arching review by SACC which will inform us as to what the best answers should be, and on that basis I am inclined to oppose the amendment today.

The Bailiff: Deputy Smithies.

1005 **Deputy Smithies:** To assist the debate on the amendment, I will declare that if the amendment passes, I do intend to put myself forward for election. I do not intend to speak on the amendment, just to make it clear to the Assembly.

The Bailiff: Deputy Yerby.

1010 **Deputy Yerby:** Thank you, sir.

I share Deputy Roffey's concerns. I do not think there is any value in restricting nomination rights. I would just like to add, because I missed the opportunity to put this into SACC's review of the Rules of Procedure, that I think it is very unfortunate that when we have a single candidate for the election we lose the opportunity for them to set out their stall and we lose any opportunity to take any measure of the Assembly's support for them, because it is not a recorded vote. For that reason alone I would support a contested election on this and every other opportunity.

A Member: Hear, hear.

1020 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Just following on from what Deputy Langlois said, with which I agree, could we possibly have a ruling as to whether this amendment is necessary at all and whether anybody could stand from the floor under what we have currently under our Rules and constitution? To me, I agree with Deputy Langlois and I think we need to know that, because if anybody could stand from the floor without this amendment I am sure it would be withdrawn. But that was not always what was considered to be the case. It is not clear.

Thank you, sir.

1030 **The Bailiff:** I thought I had already explained the position. If I did not do it clearly, perhaps H.M. Procureur might be able to explain it more clearly than I did?

The Procureur: I am not sure if that will be the case, sir, but Members will judge. In my view the constitution of the STSB, as set out, makes it very clear the constitution cannot have effect unless elections are made to the STSB board. In my view, it is implicit that P&R are nominating effectively to determine the constitution. I am not sure whether that clarifies matters or not.

The Bailiff: Deputy Merrett.

1040 **Deputy Merrett:** Thank you, sir, just a couple of things.

Policy & Resources actually advised all States' Members as to who they were going to recommend, so that is certainly not a state secret. Of my several concerns, sir, one is that if the States say no to Policy & Resources' recommendation, would Policy & Resources then recommend somebody else in the same sitting? Again, that majority vote, the Assembly could reject.

1045 If Members wanted to debate the election for President at the same time as the Requête, they could have brought a *sursis* to the Presidency nominations day and put it to be debated in July. I agree with Deputy Yerby on this. The key thing for me is that questions and answers the President of the Policy & Resources Committee asked the people that were nominated were done behind closed doors. I do not know what his questions were. I do not know what answers were given. Therefore, I think from a democratic point of view we should be able to, if it is a contested election, have those questions and answers in the public domain and all Members have the

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opportunity to make such questions and have such answers, sir. So I will be supporting this amendment.

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The Bailiff: Deputy Le Tocq.

1060 **Deputy Le Tocq:** I hesitate to rise, because I dislike the sort of the debate we are currently having now, which I think brings this Assembly into disrepute. We are discussing angels on a pinhead and things that really do not matter to people out there. But I will say this: I also dislike changing the Rules except in very rare circumstances. This Assembly, perhaps taking the lead from the last Assembly, has had a tendency to do that. What is the point of having Rules if you keep on changing them?

1065 If we are going to discuss the issues considering the constitution of the STSB, then there is a proper place to do that and there is a Requête that has been lodged for that purpose, and I really do feel that we should discuss it at that time and move forward. I will be opposing this motion.

The Bailiff: Deputy Tindall.

1070 **Deputy Tindall:** Thank you sir.

I do believe on the whole, reviews of mandates should be completed by SACC. However, today we have the opportunity to make a democratic decision on the choice of the President of STSB and I agree with Deputy Yerby of the benefit of a contested election – a decision that is one I believe should take place today.

1075 I do consider this is extremely important to everyone, considering it relates to the appointment of a third President in this term, in a role on STSB where it is playing such an important aspect of our economy in relation to everything that is going on, albeit it is not a policy-making committee. So I will support this amendment, whether necessary or not.

1080 **The Bailiff:** Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

1085 I was a Member of the States' Review Committee. We spent a considerable amount of time considering the States' Trading Supervisory Board, what would be the appropriate constitution of it and what responsibilities it would have. I quote from one of the reports from the States' Review Committee. It specifically said:

Ultimately, the board would have political leadership and oversight, specific training concerns, which would include the operation of polices ...

That is the key thing. It is to do with operational policies and not to do with strategy, which would be the responsibility of the Principal Committees. The report goes on to say:

It is proposed that the constitution of the board should allow the recruitment of appropriate skills and experience and a proper democratic oversight of publicly owned companies and trading bodies.

1090 That is the key thing. It is finding a constitution which will allow the recruitment of the appropriate skills and experience. Again the States' Review Committee very carefully considered that ultimate aim of the States' Trading Supervisory Board. In the end it went on to say:

It is proposed that the constitution of the board and its members shall be determined by the States on a Proposition from the Policy & Resources Committee.

I emphasise: '... the constitution of the board and its members shall be determined by the States on a Proposition from the Policy & Resources Committee.' What the Policy & Resources Committee have proposed is completely consistent with the conclusions of the States' Review Committee, which were carefully considered by that Committee, listening to a number of different people before we reached our conclusion.

It is not unusual. We have directors of the Post Office to members of the Police Complaints Commission who are committed to bring proposals to the States with a particularly named person and the States at that point can accept or reject, but they cannot propose a name. This is not unusual for many different bodies.

I will not be supporting this amendment. I think what the P&R have proposed with the current constitution is consistent with what the States' Review Committee considered after very detailed consideration; and if we do want a review, as Deputy Parkinson said, have a proper review of the situation, but not to change it on the day of an election.

Thank you.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

I totally agree with Deputy Dorey and indeed Deputy Le Tocq. I find a little bit of hypocrisy in this States, really. In fact I find a lot. Where was this debate in May 2016 that we had to have democratic elections for the President of STSB? This States decided not to go down that route.

A member: I was not here.

Deputy Lowe: As has been explained by Deputy Dorey, I brought a report to the States at the last States' Meeting, for the Police Complaints Commission. There was nobody standing up and saying, 'We can't go down that route; we have to have a proper democratic election; let's suspend the Rules, we want to put somebody else on there.'

There has not been any report from SACC to say, 'We are not happy with this'. The same Members are on it, or most of them are on it, that are now saying they are not comfortable with it. I fully understand that, but if there was a wish from SACC, where is their report? We have had over two years and they have had plenty of time to do that. There has not been a Requête from any Member in this Assembly to say, 'Actually, we didn't think about it in May 2016 but on reflection we need to change the Rules'. No Requête, nothing from SACC.

To me, this is something here today probably more a little bit about personalities, in my opinion, as to why at the eleventh hour we have suddenly got ourselves into this situation. The Rules are there. I believe in full, democratic elections, but I do not believe in this nonsense of our Rule Book, because SACC will know I have written to them, both in Deputy Fallaize's time and in Deputy Roffey's time. The Rules are suspended more in this term than I think I have ever seen before. It is becoming an embarrassment, it is becoming a farce, it is reflecting badly on this Government and the sooner that we get rid of many of these Rules, or we abide by them and stop these nonsense debates, the better for me. For that reason, I will be rejecting the amendment.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I am not reluctant to spend long periods of time debating Rules, but even I think this is a slightly, well perhaps, a pointless debate. I do think quite a lot is being made of what does not really matter, to be perfectly honest, in my view because ultimately, the States will retain the legitimate right to elect who they want to elect.

What does occur to me is that Deputy Ferbrache who submitted this amendment at the time when he did not know that the Policy & Resources Committee was going to propose him, I now

1145 feel rather sorry for him, because he clearly believes that if he is to be elected to this role then he should face a contested election. I do think it would be slightly churlish of the States to deny him the right of having been elected or having faced a contest.

I think that is one consideration. The other point is I am not quite sure, I listened to the analysis of H.M. Procureur, but I am not quite sure where the assertion that no amendment can be laid to this Proposition that is brought by the Policy & Resources Committee actually comes from, because the terms of the constitution, which Deputy Langlois referred to, state that the constitution and membership of the board should be determined on a Proposition laid by the Policy & Resources Committee.

1155 As I understood it in 2016, sir, you gave advice that the Proposition laid by P&R in relation to the constitution – so how many States' Members should sit on the board and how many non-States' Members should sit on the board – was capable of amendment. I remember having that conversation and I think that is the general advice that is given and that is now accepted to be the case, that the Proposition in relation to the constitution can be amended.

1160 To me the constitution in relation to the Proposition and the Rules relating to the Proposition out of which a President is elected come from the same place. They are encapsulated in the same sentences. So I do not really understand why it is possible to have amendments laid when P&R say, 'We think that this board should have two plus two, or three plus three, or three plus two', or whatever it is, yet amendments cannot be laid to the Proposition which relates to the election of a President.

1165 That is the way I have always looked at it. I also suspect, because Deputy Roffey has said that his view is that nominations from the floor probably should be permitted generally, and I am sure the States' Assembly and Constitution Committee will be extremely loyal to its President, so I suspect that if there was a review that is what they would propose.

1170 Since Deputy Ferbrache wants to have a contested election and given that I am not quite sure why contested elections for this role have been ruled out anyway, I think we should have one.

The Bailiff: H.M. Procureur, do you wish to assist?

1175 **The Procureur:** Apologies for any confusion. I did not mean to imply that I do not think this amendment is valid. You have already ruled, sir, that the amendment is valid. I think in terms of the wording of the constitution there may well be an argument that it could have been worded in a slightly different way and it has given rise to confusion, as Deputy Langlois has alluded to, but I think ultimately the reference back to the States' Review Committee and what the States' original intentions were is actually what the States should be guided by.

1180 In the Billet of 2015, the Resolution of the States made it very clear that the constitution of the board and members, as Deputy Fallaize has alluded to, should be determined by the States on that Proposition from the Policy & Resources Committee. So the intention of the States, sir, is in my view very clear.

1185 **The Bailiff:** Deputy Lester Queripel.

Deputy Lester Queripel: Sir, I rise to invoke Rule 26.1, please.

1190 **The Bailiff:** So anyone who has not spoken and wishes to do so, please stand in their places? That is two. Do you still wish to invoke the Rule? In that case, I put to you that Proposition that debate on the amendment be terminated. Those in favour; those against?

Members voted Pour.

The Bailiff: That is clearly carried, so Deputy Ferbrache will reply to the debate.

Deputy Ferbrache: Sir, I am very grateful for Deputy Fallaize's comments. Not that I understood them, but those that I did understand, I am grateful for. I am a fallible human being so I have got all the foibles that we all have, albeit they are different. But nobody who has known me for any period of time will say I am anything other than straight. I do not know how to politick; I do not know how to go behind closed doors; I do not know how to whisper in people's ears. I just do not know how to do that.

Indeed, a colleague of mine in the States said he did not know me when I became a States' Member. So he went to speak to somebody who did know me and that person said, 'Well, you're alright with Peter Ferbrache. He will never knife you in the back; he might knife you in the front.' And I think that is the way that it is. I speak to people directly, I do not know any other way of doing it.

I was consistent. I would prefer in an ideal world, as I said, for the Requête to have been debated first. The States decided, because it was 19-19, therefore there was not a majority, that that would fail. Therefore the Requête was to be dealt with in September. It now looks as though it might be dealt with in July. But that is not my fault.

I think everybody should be consistent. I think those that voted to defer the Requête should probably vote the same way if they are not there for any machinations; if they are not there to try and circumvent the process. I think they should be consistent. By bringing this, I am being consistent.

Now, I do not mind competition and if you have competition and you lose, that is the way the world is. I do not get into these technical debates about Rules and things because somebody who has spent from shortly after his 21st birthday arguing about rules in many contexts and many concerns, and will do so hopefully if spared by the *anno domini* that will come upon us, will do that for a few more years yet.

I realise there is no beauty in rules. You have got to get to what is just and what is fair and what is proper. Therefore, I think the Bailiff has already ruled so it is probably otiose what I am going to say, but the fact is this is a matter that should be considered by this body now as to whether the amendment should succeed or not.

There was a fictional character called Rumpole who John Mortimer created, and Rumpole always used to tell about his *Penge Bungalow Murders* case, because Rumpole did it without a leader. My equivalent of that was a civil case that I dealt with when I first came to the Guernsey Bar, *Cherub Investments Ltd v The Channel Islands Aero Club (Guernsey) Ltd* and I can see the Bailiff smile because he has heard me quote it in front of him when he used to lose cases before me as an advocate on many occasions! (*Laughter*) There, Mr Hoffmann as he then was, Lord Hoffmann as he now is, said, 'A short cut is often the longest way round.' The point is here we have a direct way of dealing with this particular matter and that is the way we should deal with it and therefore I urge people to vote consistently in accordance with the amendment.

The Bailiff: We vote, then, on the amendment. (*Interjections*) I think this is a request for a recorded vote coming from Deputy Lester Queripel.

Deputy Lester Queripel: Sir, yes please, a recorded vote.

The Bailiff: Can I read your mind? I can read your mind! (*Laughter and interjection*) So we have a recorded vote on the amendment proposed by Deputy Ferbrache, seconded by Deputy Dudley Owen.

There was a recorded vote.

Carried – Pour 28, Contre 10, Ne vote pas 0, Absent 2

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Brouard	Deputy Parkinson	None	Deputy Leadbeater
Deputy Dudley Owen	Deputy Trott		Deputy Oliver
Deputy Yerby	Deputy St Pier		
Deputy de Lisle	Deputy Stephens		
Deputy Langlois	Deputy Inder		
Deputy Soulsby	Deputy Lowe		
Deputy de Sausmarez	Deputy Graham		
Deputy Roffey	Deputy Paint		
Deputy Prow	Deputy Dorey		
Alderney Rep. Jean	Deputy Le Tocq		
Alderney Rep. McKinley			
Deputy Ferbrache			
Deputy Kuttelwascher			
Deputy Tindall			
Deputy Brehaut			
Deputy Tooley			
Deputy Gollop			
Deputy Lester Queripel			
Deputy Le Clerc			
Deputy Mooney			
Deputy Le Pelley			
Deputy Merrett			
Deputy Meerveld			
Deputy Fallaize			
Deputy Laurie Queripel			
Deputy Smithies			
Deputy Hansmann Rouxel			
Deputy Green			

1240 **The Bailiff:** Members, the voting on the amendment proposed by Deputy Ferbrache, seconded by Deputy Dudley Owen, was 28 in favour and 10 against. I declare the amendment carried, which means that the election process will now be conducted in accordance with Rule 16 of the Rules of Procedure.

I must first invite Members to propose eligible candidates. Candidates must be proposed and seconded and nobody shall speak about a candidate at this stage. I first invite Members to proposed eligible candidates. Deputy St Pier?

1245

Deputy St Pier: Sir, I wish to propose Deputy Peter Ferbrache.

1250 **The Bailiff:** Is there a seconder for Deputy Ferbrache?

Deputy Trott: It is a pleasure, sir, to undertake that particular function. Thank you. *(Laughter)*

The Bailiff: Thank you, Deputy Trott. Are there any other candidates?

1255 **Deputy Fallaize:** Sir, it is a genuine pleasure *(laughter)* to proposed Deputy Jeremy Smithies.

The Bailiff: Thank you, is there a seconder?

1260 **Deputy Brehaut:** Happy to second that, sir, thank you.

The Bailiff: Thank you, Deputy Brehaut. Are there any other candidates?

No, well in that case we have two candidates: Deputy Ferbrache, proposed by Deputy St Pier, seconded by Deputy Trott; and Deputy Smithies, proposed by Deputy Fallaize and seconded by Deputy Brehaut. So, next, I must invite in respect of each candidate in turn: first, the proposer to

1265 speak for not more than five minutes and then the candidate to speak for not more than 10 minutes, and thereafter we will have a procedure of questions.

Shall we have the proposal speeches first and then we will rearrange the sitting for the questions? Deputy St Pier will speak first in favour of Deputy Ferbrache.

1270 **Deputy St Pier:** Sir, I shall be extremely brief. I had not expected to have to give a speech to propose Deputy Ferbrache. He is more than capable of explaining his merits for this particular role, sir.

The Bailiff: Deputy Ferbrache, you may speak for not more than 10 minutes in support of your nomination.

1280 **Deputy Ferbrache:** Sir, both Deputy Roffey and Deputy Parkinson said that the role of the President of the States' Trading Supervisory Board is a more commercial role. With considerable respect to anybody else in this Assembly at the moment, I have got more commercial experience than anybody. That is not coming as a lawyer, albeit I was a lawyer, I was a partner in a major law firm for over 30 years, 34 years. I was head of its education for over 30 years, and senior partner for a number of years. But I have also had commercial interests, because being a boy from Charroterie, with an outside toilet, I decided I did not want an outside toilet, I wanted an inside toilet and I wanted as many inside toilets as I could have. I have got several now in different places.

1285 I realised that you have got to be commercial. I am still commercial because I am a consultant in a law firm; I am a shareholder and an active participant in a trust/fiduciary entity that employs people in the trust/fiduciary business. I have property interests that I take an active part in with my various partners in that regard and my family and I have interests in the hospitality trade where, at this time of the year, we employ over 100 people.

1290 I have regularly, since I bought my first property at the age of 22 in Nottinghamshire, and since I bought my first property in Guernsey at the age of 28 years, put my property on the line. As I stand here today my property is still on the line, because I have commercial ventures – by which mean I have to borrow money, I have to deal with things. Equally, it is not just that, I speak to people with considerable commercial experience almost every day, from both within and without the Island, from a wide sphere, whether it is the finance sector, the hospitality sector, the industrial sector. I listen to those people. I listen to their wise words and I divine what they say, distil what they say, and it influences me.

1295 I have access to that, probably well beyond the average States' Member. Well beyond, I would respectfully suggest, any States' Member. This particular body is not a committee, it is a most-important States' body, because it needs to work closely with Policy & Resources, with the Environment Department and with Economic Development. It has to work closely with all of those various Committees, because look what it has to look after.

1300 The airports, as I have already said, in Alderney and in Guernsey; and our friends in Alderney – and I genuinely mean our friends in Alderney – need the support that we can give them. The States' Trading Supervisory Board has to look after the States' assets as they are defined. It is a shareholder of Aurigny, that in itself needs careful consideration in this fast-changing world, because bear in mind – and this is maybe an aside, I do not think it is – Flybe posted record losses just a week or two ago of £19 million. Where will we be if Flybe either cuts back in Guernsey, or the Bailiwick, or goes bust? We have got to address that and that may mean that Aurigny has an even more prominent role to play than it currently does.

1310 We also have to manage States' assets, i.e. the estates where they are owned or leased. We passed – I voted against it, but the decision has been made – to spend up to £1 million over the next two years on rationalising the property. Fine, that is something you have got to work with. My views on waste management are also pretty clear; I have said that many times. But you have got to work with the system the States has implemented, otherwise it is *Groundhog Day* and you

cannot have *Groundhog Day* when it comes to commercial matters. You have got to make the decision, that decision will be made and you have then got to move on and implement that decision as best you can.

1320 So decisions that I may have voted against, I will seek my best to make sure are implemented actively, positively and purposefully, because otherwise there is absolutely no point. I see this as an extremely important role in the last two years of this States. And it is a States – whether it is right or whether it is wrong it does not matter – the Bailiwick public regard us as a no-action States by and large. They regard us anti-commercial, they regard us as left of centre, they regard us as all that.

1325 They may be wrong, but if you are going to change that you need to have at the helm of an extremely important States' body somebody who believes in commercialism, because he believes that the only way that you can actively provide all the health care and the social care, the welfare care, etc. is by encouraging people to act commercially. That means working very closely, as I say, with the States' bodies that I have already mentioned.

1330 So, I do not think I have taken my 10 minutes, because I do not think I have to. I think my record says what it says and I ask people to support my nomination.

The Bailiff: Next, Deputy Fallaize will speak in favour of Deputy Smithies.

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Deputy Fallaize: Thank you sir.

I am not proposing Deputy Smithies just to have a contested election, though I think Deputy Yerby does make a fair point about the value of Members being elected when they have been challenged. And I am not proposing Deputy Smithies because I think Deputy Ferbrache is anything other than a good candidate who, if he is elected, would do a very good job. I want to put that on the record.

1340 The most obvious reason for Deputy Smithies' candidature is to ensure continuity. There has already been quite a lot of disruption on the States' Trading Supervisory Board this term. We are here, electing the third President of this Board in the space of two years and obviously Deputy Smithies is the candidate who is best placed to know the current and imminent work programme of the Board.

1345 But the main reason I am proposing him is because, unusually, this election is as much about what the candidates perceive the role of the Board to be as it is about the skills of the candidates. I will explain what I mean by that. Deputy Ferbrache, who is the other candidate, clearly believes the role of the STSB needs to change. We know this because of his Requête, which he has submitted for debate next month, in which he proposes changing the character of the board by saturating it – and I use that word advisedly – with politicians. (**A Member:** Talent.)

1350 Now, I respect Deputy Ferbrache's view to hold the rights he holds and I respect that he, in a sense, could say he is standing for this role to pursue some of his views in this area. But I think it is right that the States have an election for this position, so they can determine whether they wish to elect a candidate who wants the States' Trading Supervisory Board role to be changed, or whether they wish the role to be maintained in its present form. Deputy Smithies is a candidate who wants to maintain the States' Trading Supervisory Board more or less in its present form.

1355 The substance of Deputy Ferbrache's vision in his Requête is that the Board would be turned into just another States' committee filled with politicians. As I think Deputy Parkinson has said in the past, the States' Trading Supervisory Board in its present form is a policy taker and not a policy maker. This is made clear in the proposals which brought the States' Trading Supervisory Board into being. It reads:

The Island's long-term policies in respect of, say, economic development, agriculture, water reserves and infrastructure, would remain the responsibility of the relevant Principal Committee, while the Board, would have political leadership and oversight of the trading concerns which would include their operation.

So it is clear that this is not a policy-making committee and yet we know that Deputy Ferbrache's vision is to fill it with politicians. That inevitably would change the character of the States' Trading Supervisory Board. I agree with Deputy Ferbrache that it has an important role, but it has a relatively narrow role which Deputy Smithies wishes to retain and which I think Deputy Ferbrache does not.

The opportunity for conflict if the States' Trading Supervisory Board tries to move into the policy-making area, the opportunity for conflict with the Committees which are meant to be making policy is huge. So we already have Committees full of politicians making policy in air links and water and ports and all the other areas. The last thing we need is another conventional States' Committee also filled with politicians trying to get more and more involved in making policy in that area. But that is what will happen if the States' Trading Supervisory Board is filled with politicians.

Deputy Smithies has told me that he is open to looking at change in the membership of the Board, possibly adding a third States' Member – Deputy Parkinson spoke about that earlier – and a third non-States' member; but nevertheless maintaining the character and the basic form of the States' Trading Supervisory Board as a policy taker and not as a policy maker.

So I have said he understands the current and future work programme. I think those of us who have worked with Deputy Smithies over the last two years will know that he is considered, and quite balanced and articulate and will be able to represent the views of the States' Trading Supervisory Board more than satisfactorily in the States. Given his skills, given his understanding of the current work programme and given his commitment to maintain the States' Trading Supervisory Board more or less in its present role, I think he is best placed to lead the Board over the next two years.

The Bailiff: Deputy Smithies.

Deputy Smithies: Thank you, sir.

I would like to thank Deputy Fallaize for nominating me to the position of President of the States' Trading Supervisory Board and Deputy Brehaut for seconding that proposal. I can add little to what Deputy Fallaize has said in providing the background reasons for setting up the STSB and Deputy Dorey referred to it earlier as well. Perhaps I should just mention that the mandate of the STSB is in my mind fully transparent and has been fully debated and approved by this Chamber. Further, it is not fair or accurate to say that the STSB is protected by P&R, as was stated quite recently in another forum.

The most difficult part of what I have to say today is in speaking about myself. I was brought up at a time when it was considered impolite and even bad form to blow one's own trumpet, but it seems that about 20 years ago it became more acceptable to make one's big. *(Laughter)* But it still seems uncomfortable to me.

Having lived in Guernsey between 1964-1978 I relocated to England in order to train and work as a mechanical engineer. I attended what was then the Polytechnic, or the Regent Street Polytechnic, which was regrettably, subsequently renamed a university. I graduated with a First Class Honours BSc in mechanical engineering scoring the highest exam marks in my year, and went on to do my professional training at GKN South Wales. After four years I worked for a period in project management and IT and then, after further study, was awarded a BA and an MBA from Bristol Business School.

I moved from South Wales to Bristol and, now a chartered aeronautical engineer, was employed in the design department at Rolls-Royce military aero engines, subsequently moving into the commercial department where I was in charge of engine accessory contract negotiations for several different jet engine projects, as well as negotiating with our German, Italian and Spanish collaborators in life cycle costing design work.

In 1994, I transferred to Rolls-Royce France where I was in sole charge of their office in Pau, southwest France, based in the head office of one of our French design and manufacturing

partners. Following the closure of that office during a period of company restructuring, I returned for a brief period to Bristol, before eventually returning to Guernsey in 1999 to take up a research position at Dynex Technologies, located at what is now Admiral Park. Together with six colleagues at Dynex we formed the company of which I was the finance director, to complete the design and testing of a significant piece of medical diagnostic equipment. I then started to look for new challenges and decided to try to give back to the Island some part of that from which I had most benefited: education. I retrained as a teacher and taught maths, physics and business studies to A-level, initially at Elizabeth College and then at Blanchelande Girls' College.

I apologise for reciting my intellectual, professional and career experience qualifications and I have only done so because comment has been addressed to me regarding them from others and indeed the challenge has been laid by Deputy Ferbrache regarding commercial expertise. The States need to know that my commercial career prior to teaching was conducted at an international business level and that I have extensive experience of inter-company relationships and negotiations at board level.

I would now like to move into more comfortable territory and describe some of the achievements of the STSB since its inception. I have been involved from the outset, having been elected as the second States' Member of the Board and, by default, its vice-president. Members will be only too well aware of the sad death of Dave Jones, the first STSB President and following that I was for a while the only Member of the Board. Subsequently, interviews were held and the two non-States members were appointed and then Deputy Parkinson was elected President; the Board eventually coming together in September 2016.

The trading assets had been continuing to operate as before and the new Board started to implement the changes which had been explained by Deputy Parkinson in his statement of 18th April this year, some of the highlights being to agree a clear vision for the variety of incorporated companies and Boards for which we were responsible and to oversee their existing governance and management structures, and at the same time to see to the management needs of the unincorporated trading assets for which we are responsible.

One of the first decisions was to set up separate company boards and this was referred to in yesterday's Budget debate. As an aside, the initial plan formulated in January 2017 was to have boards made up of the general manager of the trading asset, an external non-executive director to be the chairperson and an internal non-executive director from one of the other boards. Subsequently, as an interim measure, it was agreed that the role of chairperson would be taken by one of the non-States' members of the STSB and that either the President or Vice-President should also join the board. I have been sitting on the boards of States' Works, Guernsey Dairy and Guernsey Water, as well as playing a part in the Waste Development Authority and Waste Strategy Implementation Board, what we intend to become Guernsey Waste.

We have reached the point where those initial plans have been realised and the company boards are now established, working to long-term business plans and reporting to the STSB on a regular basis. Their contributions to the States were discussed yesterday, and now is not the time to start thinking about making changes to the structure which has been put in place and which is beginning to bear fruit. Let the work which has been started be carried forward at least until the completion of this term, to allow the plans to be improved. Please, do not start the process of turning the STSB from being a potentially successful commercial board into any other political committee. The electors are rightly fed up of flip-flop governments, so do not start the process of turning the STSB into something it was never intended to be. The STSB is not a policy-making committee, it is a board taking practical, operational, strategic decisions designed to implement policies that get set elsewhere, and then to oversee management boards in the correct management of their businesses on behalf of the inhabitants of the Bailiwick.

There are challenges ahead but the Board is well aware of most of them and is well-placed, with action plans in development or concluded. At this point, I must mention Alderney. We have not forgotten the needs of Alderney and the Aurigny review is at the forefront of our minds and that would be one of my priorities, certainly, to try to get something sorted out fairly quickly.

1470 In closing, let me briefly mention what else I would expect to bring to the role of the President of the STSB. Apart from being spokesman for politically sensitive topics the President is also chairman of the board meetings, and I have over my career developed the necessary skills to perform that task. And I must once again, I am afraid, blow my trumpet: I am impartial, I am objective, I am approachable, tactful, sensitive and I am able to speak, I hope, clearly and succinctly. All these are necessary attributes of a good chairman – and another important skill, I can delegate.

1475 In conclusion I would like to share with you the Board's vision that the trading assets will be a group of well-managed, efficient businesses that deliver a return, not necessarily financial, in the long-term best interests of Islanders. And a mission statement:

By 2020 the States and public will consider the existence of the STSB to be essential and would not consider changing how the trading assets operate. It will be clearly demonstrable that the trading assets are stronger because of the States' Trading Supervisory Board, with performance being benchmarked where possible.

Please let me continue the good work that we have started and see it through to that conclusion.

1480 **The Bailiff:** Well, Members, we now have a period of questions. I am going to have to be slightly liberal in the way that I interpret the Rules, because what the Rules say is that questions shall relate to areas of policy included in the mandate of the Committee. *(Laughter)* As we have heard, the States' Trading Supervisory Board does not deal with matters of policy, but I can sense it is the will of the States that there should be the opportunity to question these candidates, and therefore I will interpret that as being questions that relate to the operational functions of the States' Trading Supervisory Board – otherwise there certainly would be no questions that would be within the policy of the Committee.

1490 **Deputy Kuttelwascher:** Sir, do we have to suspend the Rules?

1495 **The Bailiff:** I think it is within my discretion to interpret the Rules in a pragmatic way. I know there may be some people who do not like pragmatism but there are times when pragmatism is appropriate. We will now need to relocate the two candidates in the traditional way, who will come up on the bench, and those who are on the bench will have to relocate down below.

Sorry, Deputy Fallaize?

1500 **Deputy Fallaize:** I am just wondering: I don't know where Deputy St Pier is, but I am sure would not mind sitting behind for that period. It is just that there are two seats, so why do we have to adjourn? *(Interjections)*

A Member: Can we just do it properly?

1505 **The Bailiff:** No, I think if the candidates are sitting next to other people on the bench, there may be a suggestion that notes are being passed or that they are being in some way prompted.

A Member: Rules are Rules! *(Interjections)*

The Bailiff: This is the way we have done it.

There was a brief adjournment.

1510 **The Bailiff:** Members, can I call you to order?

We now move into a period of Question Time. I remind you that you may ask only one question unless there are no other Members who have not yet asked a question and then you

may ask a second question. The questions are limited to 30 seconds and the replies are limited to one minute each, and the candidates will answer the questions alternately. The question session will last 30 minutes – 15 minutes times the number of candidates.

So who wishes to ask the first question of Deputy Ferbrache, it will be? Deputy Gollop.

Deputy Gollop: Could the candidates outline how they might seek to develop a programme about improving beach kiosks so there are perhaps some more flexible leases – so they are ‘funky’, in the words of one other Member?

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, I will steer away from the word ‘policy’ for obvious reasons, but in a practical world we are restricting our beach kiosks it seems to me unnecessarily. We are imposing too many conditions upon them and the fact some of them cannot sell chips etc. seems to be illogical. I would have thought that could be addressed in a matter of minutes rather than months, and we liberalise what those people can do so that in a commercial and difficult world they can do the best they can.

The Bailiff: Deputy Smithies.

Deputy Smithies: Strictly speaking this is not actually part of the STSB mandate, but I will answer in general. I fully concur with what Deputy Ferbrache has said. We need to have beach kiosks and we need to make their operation as liberal as possible. If there was any way in which the STSB could assist from its property arm then I think we would certainly be open to following through.

The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

Do the candidates consider that the current powers STSB have as shareholders of various companies require change in order to fulfil its STSB mandate, or is it the mandate that the candidates take issue over?

The Bailiff: Deputy Smithies?

Deputy Smithies: Yes, fulfilling the shareholder responsibility: I suppose the ultimate sanction a shareholder would have is to dismiss the board and put in another one. Thankfully, we have never come anywhere near that situation and that would be a response which I would deprecate, if we actually got to the position where we simply could not agree. But we are operating with shareholder companies through understandings which we have built up and we will progress on that basis.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: An excellent question from Deputy Tindall, as I would expect from a qualified lawyer. As she would know and the States in general know, as a shareholder or leading shareholder you have got considerable powers. I do not think ... and I doubt that they would need amendment. You work with people the best you can. The ultimate nuclear option is if you have got a board, whichever board it may, that you cannot work with, you will have to press the nuclear button.

The Bailiff: I think Alderney Representative Jean wishes to ask a question, but he needs to be in his seat first.

A Member: He has not got one.

The Bailiff: He has not got one. Alderney Representative Jean.

Alderney Representative Jean: I would like to ask the candidates what their commitment would be to the refurbishment of the Alderney runway, which as we know has gone on a long time now and is a very serious issue for Alderney and of great concern?

Thank you.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I cannot ignore my knowledge through Economic Development. Mr Jean is absolutely correct, it has got to be a priority. It is not I think beyond the bounds of possibility that in a shorter rather than longer term Alderney could face real problems with the landing and taking off of aircraft. So to me it is a significant priority.

The Bailiff: Deputy Smithies.

Deputy Smithies: Yes, the order in which we do this is important. We have had the review on Aurigny and we have also got this review on open skies, this policy letter on open skies. We have also got the public service obligation discussions to have. It depends what is needed to be done at Alderney. Yes, there are holes in the runway which clearly have to be fixed. What we do long term in terms of widening, refurbishing, lengthening the runway, that is something for another day and probably a discussion which we will have to have in some depth. But in principle, obviously, Alderney does need that lifeline properly maintained and fit for use.

The Bailiff: Deputy Yerby.

Deputy Yerby: Sir, I would like to know how much headroom the candidates think there is to increase income through fees and charges, and how they would approach this without posing an undue burden on lower-income Islanders?

The Bailiff: Deputy Smithies.

Deputy Smithies: Well, I am very happy to say this has been a topic of discussion at some length at the STSB and very early on we established the principle – apart from the fact that legally we are not allowed to allocate money received for fees and services to any other purpose except to provide those services. The principle that that money is ring fenced, and certainly would not be seen as a stealth tax, is firmly embedded in the remaining three members – but we will include Deputy Parkinson because he is still President ... The four members of STSB are firmly committed to that.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I think it depends on different assets. There are certain assets where the lower income have to be absolutely protected, such as electricity and water charges, because those are the basic fundamentals of life and everybody has to have those – in relation to that. There may be other assets, more commercial assets if I can call them that, where you can gently massage the level so that you get more money from it; and that should be looked at carefully, because there is the requirement under the Medium-Term Financial Plan to give a return, and that

should be continued. The States has to earn money from its assets to be able to spend money, and I have made that point consistently.

The Bailiff: Deputy St Pier.

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Deputy St Pier: Sir, just building on that previous question, the States of Deliberation has set some stretching targets for the States' Trading Supervisory Board through the Medium-Term Financial Plan. How comfortable are the candidates with those targets? How comfortable are they that they believe they are achievable and what ideas do they have in terms of ensuring that they are able to deliver against the targets?

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The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I am comfortable with them. I absolutely support them, for reasons I have enunciated previously. The States last time approved a review of the property assets, if I can call it that, and I think that will yield – perhaps it will fall different to that I voted for – great results for the States going forward.

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The Bailiff: Deputy Smithies.

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Deputy Smithies: I apologise to Deputy Ferbrache, because I am now going to refer to something which he is not aware of perhaps. A letter has been sent to P&R from the STSB outlining the mechanisms by which we are going to meet the targets. So, yes, I am comfortable with them and they are achievable. They are not easy and they are not likely to be ongoing, but they are in the short term, the medium term, achievable and we aim to deliver.

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The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

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I would like to ask the candidates: I am a bit concerned about the openness and transparency of disposing of States' assets, States' properties, especially competitively, for the highest value possible. I was wondering how the nominated candidates would wish to make it more obvious, more open, more transparent and indeed potentially more competitive, in disposal of such assets?

Thank you, sir.

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The Bailiff: Deputy Smithies.

Deputy Smithies: I know exactly what you are referring to and whilst the Properties Sub-Committee has acted completely above board and properly, I think there are possibly lessons to be learned. I would make sure, I think, that going forward any property sales were advertised. I am thinking particularly of the Lighthouse store. The reasons have been well explained by Deputy Parkinson and the reason that particular sale went through in that way, perfectly legitimate, perfectly acceptable to me and to the STSB; but I can see why certain questions are being asked by certain Deputies.

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The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, when I was a little boy there was a bogeyman that frightened me until I was about 42 and I then grew beyond that. There are too many bogeymen because we try and hide too many things, so therefore we should be as transparent as possible and there is nothing in conflict with what Deputy Smithies said. That could have been followed if it had been transparent, if people knew, because sometimes the best way to do a deal is to deal with X because they are

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going to give you more money than if you go through the process. So there must be flexibility, but there has to be transparency.

The Bailiff: Alderney Representative McKinley.

Alderney Representative McKinley: Thank you sir.

Could I ask both the candidates whether they would be interested in contacting Aurigny to get the full details of the Cabernet accounts?

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: When I made my six-minute speech, or whatever it was, I stressed the importance of Aurigny and the continuing role of Aurigny, particularly if other airlines withdraw. We talk about attracting other airlines here, but we may have key airlines withdrawing. I am not saying I have any knowledge of that; that may not happen. But in connection with that, again, Aurigny's accounts should be subject to a degree of commercial sensitivity, they should be as open and transparent as they possibly can be.

The Bailiff: Deputy Smithies.

Deputy Smithies: Yes, the STSB is fully in support of the line taken by Aurigny. They cannot, at the moment, whilst there is potential for a competitor to come in bidding for the Alderney routes, reveal total details about the operation into and out of Alderney. The published accounts are clear and a sum of money has been identified, but the actual in-depth details of the commercial operations into and out of Alderney must, for commercial reasons, be kept confidential at the moment. Doubtless in the fullness of time, when that competition has been won or lost, then the accounts will be made public.

The Bailiff: Deputy Inder.

Deputy Inder: Thank you, sir.

Candidates, tourism is a sector I have a passion for and in my view there is a disconnect between the ownership of Aurigny within STSB, Visit Guernsey in EcoDev, and now with Policy & Resources with their infrastructure review. Actually, I believe possibly there is an argument for a ministry of transport and travel. But anyway, in terms of Aurigny and Visit Guernsey being keystones to tourism, travel and our transport, what will the candidates do to ensure the gap between the two entities, which are in completely different places –

The Bailiff: Your 30 seconds are up.

Deputy Inder: – could be filled to ensure they work together?

The Bailiff: Deputy Smithies.

Deputy Smithies: I think you got there.

What is the disconnect? I am not entirely sure. You say there is a disconnect, they are both doing their job and I agree that, as with everything in life, there would be opportunities to improve. But, to my knowledge, Aurigny and Visit Guernsey are in communication with each other. They are not working against each other; they are actually working to achieve the best outcome for Guernsey. Maybe there are tweaks that can be done here and there, and all I can say is that the STSB will continue to monitor it.

1720 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: If there is disconnect, it has got to be ... to bring harmony ... and they have got to work closely together and I am not saying that they are not. But we are going to have opportunities, we are told by the Chief Executive, at Heathrow Airport in due course for having
1725 access to Heathrow. If that is ever built – it is 10 years off – we have got to get from there to here and from here to there in the next eight, 10, 12 years, whatever it may be. But all bodies have got to work together and in harmony to get the best results.

The Bailiff: Deputy Laurie Queripel.

1730 **Deputy Laurie Queripel:** Thank you, sir.

Are the candidates absolutely convinced that the STSB is in no way a policy-making or at least a policy-influencing body, bearing in mind it recently brought two policy letters to the States, or was involved in those two policy letters? Or is it in fact, or in reality, a quasi-policy-making entity?
1735 Thank you.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I have got to stay away from the word policy, I have been told that. It
1740 should be an influencing body and you influence the policy makers. So therefore you speak to them, you try and persuade them of your case on whatever the particular issue is, and you influence policy that way. Whether that is quasi-policy or not, I do not know. Deputy Laurie Queripel may be right in that description of it, but that is the way I see it working.

1745 **The Bailiff:** Deputy Smithies.

Deputy Smithies: Deputy Ferbrache, not for the first time, has shot my fox! I wrote down 'influencing'. We do influence, obviously. We are in with E&I on the Waste Strategy, we are the waste disposal authority, therefore any policies that are handed down to us from E&I, if we find
1750 that they are questionable, difficult, impossible, we will obviously go back and say this is not going to be practically possible. So yes, we do influence but we certainly do not write a policy letter disputing what policies have been handed down to us.

The Bailiff: Deputy Roffey.

Deputy Roffey: Do the candidates have any views on the idea of lengthening Alderney's runway, allowing larger aircraft to operate to Alderney, with far fewer circulations a day, in order to save a huge amount of money on the operating time of the airport needing to be open as it is, throughout the day, with two shifts? I just worry that we are going to spend a fortune
1760 reconstructing the runway without looking at that at the same time.

The Bailiff: Deputy Smithies.

Deputy Smithies: Yes, I think the same argument could probably apply to Guernsey Airport. It is money; it is where you put your priority; it is whether you trust the experts that you employ. As
1765 far as Alderney is concerned, the traffic is pretty consistent and unless there is an increase in traffic there probably is no justification for spending large sums of money. Of course the counter-argument is that unless you spend the money, you are never going to increase traffic.

So it is one of those chicken-and-egg situations and we are on the case.

1770 **The Bailiff:** Deputy Ferbrache.

1775 **Deputy Ferbrache:** When I hear 'chicken-and-egg' I want to throw up. You cannot have any eggs without chickens and sometimes you have got to take a bit of a risk in relation to it. The figures show that it would be very expensive to lengthen Alderney's runway. What I would like to see at the moment, frankly, is Alderney's runway put in good order so that the potholes are repaired, it is widened, etc. Then you address the other issue and you have to address it with P&R because the money would have to come from the Guernsey public purse, the Bailiwick purse. At the moment that money, we are told, and I think properly so, is not available.

1780 **The Bailiff:** Deputy Dorey.

1785 **Deputy Dorey:** Which of the trading concerns do the candidates think should be incorporated and why?

The Bailiff: Deputy Ferbrache.

1790 **Deputy Ferbrache:** Some are incorporated already and for good reason. I am not sure I would necessarily add to that without due thought and discussion, and if there was due thought and discussion and it was a good idea then that is what I would hope the States' Trading Supervisory Board would be able to do. But I am not just going to pluck from the air and say I would like to incorporate that one or the other. That needs discussion and thought.

1795 **The Bailiff:** Deputy Smithies.

1800 **Deputy Smithies:** I can say that there are no plans advanced at the moment, but speaking for myself there have been discussions in the past about the possibility of Guernsey Electricity and Guernsey States' Works working more closely together or, in fact, even amalgamating. Nothing has been decided on that but it is on the table. Similarly, the Dairy is an entity which could be a stand-alone asset and we could sell off the States' Works. We could sell-off Water. There are all sorts of combinations, but we would have to come back to the States with developed policies and ultimately the governance is *you* are the governors. You tell us what we can and cannot do.

1805 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, observing one of the candidates sitting so comfortably in my seat reminds me that, for some, being number two can be a challenge. Would both candidates continue their interest in the STSB if their role was not that of President?

1810 **The Bailiff:** Deputy Smithies.

1815 **Deputy Smithies:** Yes. I make no bones about that. I could work quite happily with – and under? No! (*Laughter*) – Deputy Ferbrache. I have answered this question in the past. I have said I am not going to throw my toys out of the cot, but I will line them up on the edge and we will see what happens!

The Bailiff: Deputy Ferbrache.

1820 **Deputy Ferbrache:** I have got no role to continue at the moment, because I am not a member of the States' Trading Supervisory Board, but then I will choose my path. Yes, I would be willing to put my name forward as a member of the States' Trading Supervisory Board because I think I could make a contribution. That said, I think I would be making a contribution as a left-back and I

would much prefer the Harry Kane role. I mention that particularly for Deputy Fallaize because they do not have a striker of that quality at Arsenal!

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The Bailiff: You have already asked a question. Deputy Lester Queripel was standing. Deputy Lester Queripel.

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Deputy Lester Queripel: Sir, STSB are responsible for the administration and promotion of the Channel Islands' Lottery. If elected, do the candidates have any intention of seeking to increase the amount of lotteries that are currently held?

The Bailiff: Deputy Ferbrache.

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Deputy Ferbrache: I think that is a good question. We remember when the lottery used to provide lots and lots of money throughout the year and that was before the National Lottery. Frankly, Deputy Queripel mentioned it to me in passing earlier this morning, just when we were walking up the steps together. I think it is something worth looking at. I would not like to give a commitment now because I simply do not know enough about it. It is certainly something that is worth addressing.

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The Bailiff: Deputy Smithies.

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Deputy Smithies: We have appointed, just recently, a Lottery officer, a manager for the Lottery. He is bedding himself in; he is going to come back. Part of his job description is to look at the Lottery arrangements we have at the moment. Personally, I would find it difficult to justify any expansion of the scratch card scheme (**A Member:** Hear, hear.) but the Lottery itself, why not have a summer lottery? A lot of charities do and are very successful. The Christmas lottery, a summer lottery, let's not go over the top.

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The Bailiff: Yes, Deputy Yerby.

Deputy Yerby: Thank you, sir.

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The candidates know that accessible infrastructure benefits the Island by maximising social and economic participation. What leadership will they show to ensure that STSB-led initiatives are always successful by design?

The Bailiff: Deputy Smithies.

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Deputy Smithies: Sorry, I missed the last part of the question.

Deputy Yerby: What leadership will the candidates show to ensure that STSB-led initiatives are always accessible by design? I apologise for my words not being accessible enough! (*Laughter*)

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The Bailiff: Deputy Smithies.

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Deputy Smithies: This puts me in mind of the cremator debate. Definitely. Perhaps enough attention was not paid to the design in that case but, as was clearly stated in that debate, or in general, as a general policy, design will be taken into account. I think the point is at which stage do you do that? I think Deputy Yerby is hinting at maybe we should do it earlier and I would not disagree with that.

The Bailiff: Deputy Ferbrache.

1875 **Deputy Ferbrache:** I agree. In an Island like ours that has got to be a significant consideration in all that we do. I think I can answer the question as briefly as that.

The Bailiff: Deputy Gollop.

1880 **Deputy Gollop:** Thank you, sir.

Transport operations are a key part of STSB, what would the candidates' plans be to improve and enhance the commercial income stream and future of Guernsey and Alderney Airports?

The Bailiff: Deputy Ferbrache.

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Deputy Ferbrache: Well, sir, that would take more than a minute to answer, it would take probably an hour to give that question – a very good question – its full value. Again, you would look at it. It may be sometimes you have got to take income away to get extra income in – for example, landing charges. I am not advocating that today, but I am just saying that may be a consideration that you look at because sometimes, to use the old phrase, you have got to speculate to accumulate, or you have got to do less to get more.

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I think we could increase the income of the two Airports. The main thing I would want to do is to attract more people to come to the Bailiwick of Guernsey.

1895 **A Member:** Hear, hear.

The Bailiff: Deputy Smithies.

Deputy Smithies: That is exactly the strategy which I think we are aiming to develop. Increasing passenger movements is one of the most obvious ways of increasing income. Maybe – and we are looking at this again – better franchising arrangements, improving the layout of the airport. There is an awful lot of dead space which can be, I will not say exploited, but it can be used for commercial returns. So, yes, commercial income is of vital importance.

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1905 **The Bailiff:** Deputy Merrett.

Oh, Deputy de Sausmarez was rising. She has not asked a question. Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I am not sure I got it quite straight in my head, so I sat down! Where commercial decisions involve a balance between economic interest and community interest, can the candidates please outline how they would go about weighing up those two interests?

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The Bailiff: Deputy Smithies.

Deputy Smithies: As I said in my speech, it is of vital importance. It is primary importance that STSB is there for the benefit of the Island community. It is important we make a return, but we are very clear about it does not necessarily have to be a financial return. There has to be a return to the people of Guernsey. They own the assets and therefore they should be benefiting from any improvements we can make. Any efficiencies we can make will result in, not necessarily lowering charges, but certainly not increasing them. So the balance as far as we are concerned, clearly is for the community and obviously satisfying P&R's medium-term demands.

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The Bailiff: Deputy Ferbrache.

1925 **Deputy Ferbrache:** There has always got to be a balance. Commerciality cannot trump everything and indeed because of the removal of regulation from CICRA in certain fields, the

1930 States' Trading Supervisory Board is effectively acting as a quasi-regulator anyway and I envisage that will continue. So therefore it has to balance. You suddenly could not put up electricity prices by 20%, for example, or water charges by 20%, because that would be advantageous to some but disadvantageous to most. We would get more income from the States, but we create more suffering for the ordinary members of the public.

The Bailiff: Deputy Merrett.

1935 **Deputy Merrett:** Thank you, sir.

I consider Guernsey milk to be a premium product. Do the candidates think it is fair that our local community has no choice of a different product, if on a lower budget or lower income? Should we not indeed try and sell those premium products outside of the Islands of the Bailiwick, and actually sell it to the 64 million people just across the water there, and actually allow some competition into our marketplace so that everyone can access this premium product?

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The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Within reason. What I do not want to do is decimate local industries and business. I do not want to do that because they can do that from the UK, the 64 million people – they do not have to pay the taxes; they do not contribute to our society; they do not create the fabric of our society. Again, you cannot give an absolute answer. If you do it, you do it with caution.

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1950 **The Bailiff:** Deputy Smithies.

Deputy Smithies: Yes, absolutely right. Let's take the Dairy, for example. Butter sales: we are exporting an enormous amount of butter, a premium product, which we are successfully selling elsewhere. In fact so successfully I think Waitrose ran out the other day. Because people are drinking more low-fat milk the butterfat is skimmed off, turned into a product which we can sell for a large amount of money.

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So yes, that is an example of a premium product leaving. Quite rightly, Deputy Ferbrache says we cannot damage local industry. I think the repercussions of starting to open up some of the markets in milk import have been discussed in the States and doubtless will be again, but it is for this Assembly to make that decision, not the STSB.

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The Bailiff: Deputy Tindall.

Deputy Tindall: Thank you, sir.

1965 The candidates are clearly aware of the need for working closely with committees, but how do they see the STSB's role in the planning for both of the harbour action areas?

The Bailiff: Deputy Smithies.

1970 **Deputy Smithies:** Clearly we are going to have to work within the existing planning laws and I think once those plans, very much in their infancy, once we start to enter into discussions with interested parties, I think the DPA will have to be, or certainly the Planning Department, will be consulted fully.

1975 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Absolutely. We have got to work within the Planning Law. You have got to work, particularly, I think with the Environment Committee, DPA, to get that forward. But of course

1980 you will try and influence them. You will say, 'We think they should do this. We think you should do that'. That is the point that Deputy Laurie Queripel was implicit with his question a few minutes ago. But ultimately, it will be for the policy-making bodies, e.g. Environment, e.g. Policy & Resources, etc. to make those decisions. But you work closely with them and you say, 'We think this is wrong'. You are not there as a patsy, but equally you are not there as a revolutionary.

1985 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, in the expectation that we are drawing to a close, one of the candidates has recently advised of the wisdom that a short cut is often the slowest route. With that and our travel links in mind, would either of the candidates propose that any future sea links originating from St Peter Port Harbour, servicing St Anne's, should go via Sark to get to Alderney?

The Bailiff: Deputy Ferbrache.

1995 **Deputy Ferbrache:** I always think the quickest bus should go from Town to Torteval, but I know that is not always possible. Sometimes you have got to go via St Andrew's because people keep telling me that. I appreciate both the humour and the sense of Deputy Trott's question. It is something you would look at, wouldn't you? You would see how practical that is, what the likely returns are, what benefits it would give to those communities.

2000 **The Bailiff:** Deputy Smithies.

Deputy Smithies: If Economic Development come forward with such a policy and asked us to implement it, then I am sure we would be very interested in doing so.

2005 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Sir, are the candidates open to the possibility of the commercialisation of Guernsey Water, the Dairy and even possibly States' Works?

2010 **The Bailiff:** Deputy Smithies.

Deputy Smithies: I think I alluded to that earlier in answer to another question. Yes, these are unincorporated assets which could be incorporated. If we decided to recommend, in order to satisfy some of the demands of money going into general revenue, that would be a partial commercialisation of one of the trading assets, then so be it. We would bring that forward. I will not say there is any appetite for that at the moment, but it is always a back stop.

The Bailiff: Deputy Ferbrache.

2020 **Deputy Ferbrache:** I think that gives me the opportunity to answer more fully Deputy Dorey's question earlier, because I think those are probably the matters he was alluding to. It depends. You do not commercialise just for the sake of commercialisation. You have got to decide whether there are going to be more benefits for a commercialisation before you do so. You do not just do, just because it is the relevant blue flag of the day.

2025 So that would be something you would look at. I certainly would not be saying today, 'Yes, If I am elected President then tomorrow I am going to be sitting down with the Civil Service and my colleagues on the Board and saying, let's commercialise the dairy'. I am not going to be saying that at all.

2030 **The Bailiff:** Thirty minutes are now up. So it is decision time. It is voting time. I remind you
there are two candidates: Deputy Ferbrache, proposed by Deputy St Pier and seconded by Deputy
Trott; and Deputy Smithies, proposed by Deputy Fallaize and seconded by Deputy Brehaut. Please
write the name you wish to support, if there is one, on the voting slip. I just remind you that the
2035 voting slips are the smaller pads. I suggest the Members of the top bench resume their normal
seats as soon as they have voted.

There was a ballot.

The Bailiff: Are there any more voting slips? Everybody voted?

Yes. I can declare that the voting was Deputy Ferbrache, 18 votes; Deputy Smithies, 18 votes.
(*Laughter*) There were two spoiled papers. So I suggest we have a second round of voting.

There was a further ballot.

2040 **The Bailiff:** Deputy Trott was absent; the envelope has been sealed so he will not vote. I think I
can now announce the result of the voting for the election of the President of the States' Trading
Supervisory Board. The result is Deputy Ferbrache, 19 votes; Deputy Smithies, 17 votes. There was
one blank paper on this occasion. So I declare Deputy Ferbrache to have been elected. (*Applause*)

ORDINANCE LAID BEFORE THE STATES

The Libya (Restrictive Measures) (Guernsey) Ordinance, 2016

2045 **The Bailiff:** Members, we are ready to resume as soon as you are back in your seats. I suggest,
while the votes are counted, we just move on and deal with some pieces of legislation.
Greffier.

The Senior Deputy Greffier: The following Ordinance is laid before the States: the Libya
(Restrictive Measures) (Guernsey) Ordinance 2016.

2050 **The Bailiff:** I have not received notice of any motion to debate the Ordinance.

LEGISLATION FOR APPROVAL

DEVELOPMENT & PLANNING AUTHORITY

**II. The Land Planning and Development (Exemptions)
(Amendment) Ordinance 2018 – Carried**

The States are asked:

Whether they are of the opinion to approve the draft Ordinance entitled 'The Land Planning and Development (Exemptions) (Amendment) Ordinance, 2018', and to direct that the same shall have effect as an Ordinance of the States.

The Senior Deputy Greffier: Article II the Development & Planning Authority, the Land Planning and Development (Exemptions) (Amendment) Ordinance 2018,

2055 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Sir, I know in the SACC debate later we are debating special interests; well, I have a little one here of course, because I am part of the Option C Referendum Campaign Group, which is for the old-style Conseiller/Senator-type issue. But before we get into that, I am also
2060 President of the Development & Planning Authority and this came from our Committee and also through legislation. Deputy Tindall was very much part of the process for both.

We were both grilled at the Douzaine on Monday about the question and she gave a better answer than me, the gist of it, because I wanted to talk about the policy and she was focused on the actual Ordinance. But in a nutshell what this does is it develops an existing Ordinance which
2065 allows posters, for a brief period, on temporary display on protected buildings or protected monuments which might be an eyesore in another context, but is given a temporary exemption.

That does apply for our various faces when we are candidates for elections to this Chamber – perhaps it has benefited some of us, we do not know. But it may benefit the winners of the campaign in relation to a question to be asked as a referendum – and Guernsey's inaugural
2070 referendum – to be held in October. Therefore this Law is very timely because it allows under new 1(2)(b) that these posters, etc. are allowed:

... pursuant to an enactment, ... in connection with such a referendum, and which is displayed during the period immediately preceding the referendum.

The reality is the Ordinance comes into force, subject to today, on 27th June 2018 and I am given to believe that if any posters for A, B, C, D or E, or whatever, are still around in late October, due punishment and penalisation may result in the campaign group responsible. The reality is
2075 they will not be allowed to stay after the result of the referendum. I hope the States will approve this pragmatic PR solution today.

The Bailiff: Is there any further debate? No? We go to the vote then on the Land Planning and Development (Exemptions) (Amendment) Ordinance 2018. Those in favour; those against?

Members voted Pour.

2080 **The Bailiff:** I declare it carried.

COMMITTEE FOR ECONOMIC DEVELOPMENT

**III. States of Guernsey Economic Development Strategy –
Debate commenced**

The States are asked:

Whether, after consideration of the policy letter entitled 'States of Guernsey Economic Development Strategy' dated 18th May 2018, they are of the opinion:-

1. To note that the States of Guernsey Economic Development Strategy set out in the Committee's policy letter builds on the Committee for Economic Development's policy plan, as approved by the States on 30th June 2017, and the policies of the Policy & Resource Plan, as approved by the States on 8th November 2017.

2. To approve the States of Guernsey Economic Development Strategy set out in the Committee's policy letter.

The Senior Deputy Greffier: Article III. Committee for Economic Development, States of Guernsey Economic Development Strategy.

2085 **The Bailiff:** Debate will be opened by Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

2090 On behalf of the Committee for Economic Development, I am very pleased to have the opportunity to introduce the States of Guernsey Economic Development Strategy. I use that phrase because as the policy letter affirms, it was the States' Assembly that tasked the Committee with the following:

To secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment opportunities possible by promoting and developing business, commerce and industry in all sectors of the economy.

2095 I note that the objective goes beyond simply growing GDP. We could grow our GDP simply by expanding our working age population, but this might not lead to an increase in GDP *per capita*. The key to raising living standards lies in productivity, in making the best use of the resources available to us. This will probably require selective immigration, to allow the recruitment of those with special skills and the ability to act as catalysts to enterprise and innovation. But the key to greater prosperity, I repeat, lies in enhancing the productivity of the Island population. Our strategy therefore focuses on high value-added businesses and the economic enablers that will allow us to compete in those areas.

2100 It is not a simple task to exploit the opportunities and there are many factors that need to be addressed to make this possible. Our strategy therefore contains 20 priority areas. Some have criticised this as too many 'priorities', of lacking focus, but there are no magic bullets. If fixing five issues would deliver the more productive economy that we want, we would concentrate on those projects. But if it was that simple, every government in the world would have cracked the problem of raising productivity. Manifestly, that is not the case.

2105 In order to achieve increased productivity, the strategy we have set out proposes: firstly, to maintain and grow our existing economy, including the finance sector; secondly, to grow our economy through diversification; thirdly, to demonstrate unequivocally that Guernsey is open for business; and fourthly, to leverage our resources by working in partnership with other Committees and external partners.

2110 The strategy has been welcomed by the business sector. The Guernsey International Business Association said:

We are encouraged by this ambitious strategic document and the recognition that targeted investment in the economy is appropriate. Many of us have a "glass half empty" attitude and to the extent that this spills out of the local

community, from the letters page of the Guernsey Press to social media and the wider international community, this certainly doesn't help in attracting business here - indeed, it has the opposite effect. Whilst there are undoubtedly many challenges, there is still plenty to be positive about. We therefore welcome the recognition of the need to promote the many reasons to be positive.

That was a quote from Guernsey International Business Association.

2115 I am pleased to inform the States that partnerships are already in place in many areas. The Chamber of Commerce has agreed to work with the Committee on its review of red tape and an independent chair has been confirmed and will be announced shortly. The Confederation of Guernsey Industry has agreed to work with the Committee to establish the Guernsey marque, a badge of quality to help promote Guernsey products.

2120 Guernsey Finance and the constituent bodies of GIBA are closely involved in the working party set-up to establish a finance sector framework. The Institute of Directors have been invited to submit expert papers and ideas following a meeting with the Committee, where they set out their priorities for economic development. We look forward to and will value their input.

2125 So we have set out 20 Actions, but we are not at ground zero with all of them. In fact we are already making progress with many of them. Next month, the States' Assembly will debate the Air Transport Licensing Framework policy letter. Over the past six months we have consulted with commercial operators and businesses on the framework and we are proposing taking a big step towards open skies. We believe this approach can play a part in attracting operators and developing new routes. A tender document on the PSO routes is being finalised and will be published within weeks.

2130 On sea links, we are planning for every eventuality, depending on the situation following the proposed sale of Condor by Macquarie. Officers are in regular dialogue with their counterparts in Jersey and I have already spoken to their recently re-elected Economic Development Minister.

2135 Last week we published the Telecommunications Sector Strategy, the result of close consultation with the telcos and CICRA. We have stepped up the work on the Digital Strategy, investing in a digital greenhouse from the Future Guernsey Economic Fund. This work has been undertaken in close collaboration with the Committee for Home Affairs and the Policy & Resources Committee.

2140 We are re-evaluating the scope and objectives of Locate Guernsey. The types of businesses that we most want to attract are scale-ups in high value-added industries. In this context, the term 'scale-ups' means existing businesses that are seeking to expand. The types of people we want to attract are ambitious entrepreneurs who want to take advantage of the work/life balance that Guernsey offers - a high quality of life in a safe, conveniently connected location, with a low tax and professional environment.

2145 We are already discussing with the Open Market Forum how we can make the open market more attractive to high-net-worth individuals. Locate Guernsey will be repurposed to focus on the people and businesses that we want. We are now developing a revised Tourism Strategy, which will build on the PwC review that was commissioned by the previous Committee. It will also be informed by the P&R-sponsored Strategic Review of Air and Sea Link Infrastructure. We are in the process of re-evaluating the Retail Strategy, working with the Chamber of Commerce and 2150 retailers. We are finalising a Skills Strategy, through the work of Skills Guernsey and in consultation with industry. We will be meeting with representatives of the Committee for Education, Sport & Culture to discuss this in July.

2155 Not only are we close to finalising the terms of reference of the Red Tape Review Panel, we are also putting in place the foundations to begin a long-overdue piece of work with Policy & Resources on establishing a jurisdictional risk appetite. In short there is progress on many fronts and it is progress built on partnership. We will be taking steps not just in the next two years of this term but in the next six months of this year.

Sir, there is much that Guernsey can feel positive about. Our critical strengths will continue to include constitutional stability, the rule of Law, substantial human capital through a well-educated,

2160 highly skilled population, nimble decision-making, the English language, a safe and secure environment, a time zone convenient for global business and world-class digital connectivity.

2165 But we must also be mindful of external challenges. We face the fallout from Brexit; the European Commission's Code Group; changing international standards; and geo-political turbulence to which our economy will not remain immune. These challenges mean we need to think long term. We need to maintain and grow what we have but we also need to diversify. That is why we are recommending further and more focused work on a number of new, or emerging opportunities: on an international university presence, for which a cross-Committee working party is already in place and external expertise has been engaged; on the seafront enhancement area, and again a cross-Committee steering group is co-ordinating this; on the blue economy, bringing together the different strands of work we do in relation to the marine environment, hydrography and maritime matters, working in particular with the Committee *for the Environment & Infrastructure*; on renewable energy, again working with the Committee *for the Environment & Infrastructure* to help them develop the Energy Policy prioritised by the States' Assembly; and on medical sciences and health tourism, we are already engaged with the Committee *for Health & Social Care* and with external promoters.

2175 These are not unconnected areas or disparate ideas. Many of them are synergistic and would therefore support each other. Much further work is needed before we can form a view on where our resources would best be focussed, but we plan to exhaust every avenue in our investigations.

2180 This policy letter is intended to be high level. Much of the detail will come back to the States as further policy letters or update statements, and that is set out in the schedule which was circulated to States' Members by email at the beginning of this week and hard copies were available in the Members' Room. A full and detailed delivery plan is also being finalised by officers, which will set out how the actions and strategy will be delivered. But these are operational plans, which do not form part of our policy letter and we do not propose to debate them.

2185 Two final points I want to emphasise on behalf of the Committee. The first is that, whilst the Committee is part of the States of Guernsey, it recognises that our economy is linked closely to that of Alderney, with which we are effectively in fiscal union, and of Sark. The Committee will remain cognisant of the mutual benefit of Guernsey, Alderney and Sark working together in areas of mutual interest.

2190 The second follows on from a meeting that Members of the Committee, Deputy Tindall and Deputy de Lisle, with officers, had with representatives of the Equality Working Group last week. The Equality Working Group set out how greater diversity and inclusion can also be a contributor to economic growth and increased productivity and we will work with the group to support their aims, so as to create an inclusive as well as a successful economy.

2195 To conclude, we have a clear set of objectives. We have a plan of actions that will help us to achieve those objectives. We have a commitment to partnership and collaboration that is already being established. We are already making progress. The States' Assembly has the opportunity today to send out a signal to stakeholders in our economy and to our important markets that Guernsey is open for business and I invite Members to join with us in taking that opportunity.

2200 Thank you, sir.

The Bailiff: I propose that we rise now. There is an amendment to be laid, I suggest that we do that when we resume at 2.30 p.m.

2205 *The Assembly adjourned at 12.26 p.m.
and resumed at 2.30 p.m.*

COMMITTEE FOR ECONOMIC DEVELOPMENT

**III. States of Guernsey Economic Development Strategy –
Debate continued**

Amendment

To insert a new Proposition 3 as follows:

'3. To direct the Committee for Economic Development to come back to the States by October 2018 with a report containing:

'a) an implementation plan (which will reflect the '20 actions to promote stronger growth' contained in Appendix 1 of the policy letter) and which clearly sets out an order of priority and time frames for reporting back to the States on all key work streams set out in that policy letter and

'b) confirmation as to which policies and strategies the Committee for Economic Development will submit to the States for debate, together with respective timelines.'

The Bailiff: We proceed with an amendment to be laid by Deputy Merrett. Do you wish to have it read, or will you read it?

Deputy Merrett: Read, please sir.

The Bailiff: Greffier.

The Greffier read out the amendment.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

Does Deputy Soulsby need to formally second it?

The Bailiff: After you have spoken.

Deputy Merrett: Thank you, sir.

As the name of the policy paper we will debate later clearly states, this is meant to be the States of Guernsey Economic Development Strategy, and as such all Deputies will need to show political will and collaboration if they choose to support it, especially those from the Committees and boards that will need to work alongside the Committee *for* Economic Development proactively and collaboratively to deliver some of the 20 action points that Economic Development have listed in Appendix 1 – 20 actions to promote stronger growth.

Stronger than existing, but what they are aiming for we do not know – even so, stronger growth. This is my concern, because the Committee *for* Economic Development have on their 20 actions to promote stronger growth, for example, number 16, which is 'Develop a clinical and medical services 'medtech' plan'. Whereas the Committee may have a digital and telecommunications strategy, they will need the political will, commitment and collaboration from the Health & Social Care Committee to enable this action point to be delivered.

But, sir, the digital or telecommunications strategy has not been debated in this Assembly. Did they work collaboratively with HSC in developing their strategies? Is HSC's timeline for delivery the same as Economic Development's? What is the timeline? We were told on Monday afternoon, just two days before this debate, care of an email from an Economic Development officer who referred to an appendix, which apparently Economic Development had forgot to submit with their policy paper.

We were told there would be an update in 2019. Is HSC aligned to this timeline? An update containing what? A policy paper? A publication? Or will it be another report? I should add that actually the email we all received on Monday, but by Tuesday – being the following day and being just yesterday, less than one day before this debate – we were advised it was sent in error, or rather the attachment was never meant to be appended to the policy paper. As such it appears the Committee for Economic Development does not want any more timelines attached to this policy paper as this amendment is considered necessary quite apart from the information that was received, warmly or not, on Monday. At the very least this amendment will give Economic Development enough time to clarify their position and the position of all the other committees and boards they will need to work with to deliver this policy paper.

So let us go back to point 16. Let us assume that Economic Development's next step is to explore the opportunities with HSC. If so, how can this Assembly agree a States of Guernsey Economic Development Strategy if we, the States of Guernsey, do not know whether the collaborative working that will be needed to deliver substantial parts of the strategy, is agreeable, acceptable and achievable to the other committees concerned?

We are told in 8.9.3:

The Committee will establish and publish the terms of reference, membership, goals and milestones of each of these groups by the end of 2018.

But we do not know which strategies will come before the States or even when. We are advised of the skills action plan, a skills strategy will be released, jointly with Education, Sport & Culture; but we are not told if it will be debated in the States or if it will just be a media release. Will extra resources be required? Will the States get to endorse it? Will the Population Management Law need to be amended or adjusted? Will Home Affairs have any extra resource to do this? Surely that will be part of a skills strategy.

We are told they intend to deliver something regarding sea links by the first quarter of 2019. But one assumes that Policy & Resources will have to return to the Assembly with their outstanding States' Resolution regarding the Review of Air and Sea Links Strategic Infrastructure first. But in that review, will that work out for what the Committee for Economic Development are proposing regarding improving sea links?

We are then told, in what is referred to as the appendix but was never actually an appendix, from Economic Development, the one received on Monday, Action 5, it refers to the extant States' Resolution regarding finally bringing a tourism strategy to the States of Guernsey. But now we are told it is not likely to be in time, because they thought they need to take into account the ongoing Air and Sea Links Review and they have stated as action point 1 that the review will conclude in autumn this year.

Clarity as to what format the review will be presented in is rather unclear. Will it be the policy paper with recommendations? Will it be a report that will be published for all to see? Will it be a strategy that we debate? Or will it pass to Economic Development to update the States six months later, in quarter one 2019? Are these proposed timelines aligned, or will one Committee simply be able to blame the other for not being able to deliver their own action points, or blame another Committee for not being able to deliver an outstanding States' Resolution?

It is imperative that these respective timelines coincide, that Policy & Resources confirm that they will conclude the review in autumn of this year and what form it will present it to the States in. If it holds up debate on the tourism strategy then we should all be made aware of that and apologies made. We find out, we have an email on Monday which the Committee does not wish to append to their policy paper. We have some respective timelines, but have all the Committees concerned agreed to work within these timelines? Will something be in place by Easter next year to help our tourism industry, to help our community travel more easily and more affordably over the Easter holidays? Or will that be when Economic Development updates the States? When will we actually see implementation of the findings of the Air and Sea Links Review?

Economic Development states that we will have a finance policy framework by the second half of this year. Under a States' Resolution they were instructed to bring a tourism strategy to the States for debate. Well, this timeline has now, since Monday, started to drift. At least we will eventually get to debate the tourism strategy and that is good. I will tell you why I believe this is good: it is because the current Tourism Strategy has rather optimistic and maybe unrealistic growth aspirations, which in turn feed into how much bed stock we need, which in turn means that we are protecting bed stock that may be, and arguably is not, needed in its current location or format as it is not commercially viable.

We count bed stock from hotels not even open, whose owners are not prepared to invest because they do not make commercial sense to do so, but we insist we need the bed stock. We insist that we know what is commercially viable over and beyond what business owners do. It is difficult to get a change of class use, so we have buildings falling derelict, but that is okay because it is part of our existing Tourism Strategy that was never endorsed nor agreed by this Assembly – only by members of the old Commerce & Employment Committee. It sets a policy direction. It fed into the Island Development Plan.

As a Member of Economic Development, I was told by officers there is a legacy document which is basically gospel until it is replaced. We should not speak against it; we should try to amend the Island Development Plan if it conflicts with our Tourism Strategy. We cannot have conflicting policy directions. Whereas I agree that conflicting policy directions are unhelpful, I do not agree that we have to accept the legacy document, one that we have not, or rather the Assembly at the time did not have, the opportunity to deliberate and debate – as, hopefully, they would have amended it to make it more realistic, more targeted and the final agreement would have shown a political will to actually support it.

That is at the very heart of this amendment. I believe the States as a whole should be given the opportunity of deliberating, debating and determining the policy and strategic direction, especially one of such economic significance. I believe that officers should be implementing it, not the officers drafting strategies and policies, a very small number of past Deputies giving it the nod and then it becomes the States of Guernsey's strategic direction. Luckily, sir, the majority of the Assembly agreed with me and the Soulsby amendment passed.

Another key reason for this amendment is there is no prioritisation of the action points or a work plan. As alluded to earlier, I fear that Economic Development have not yet had the required conversations, the required and critical collaborative conversations, to enable them to propose a delivery plan in conjunction with the other relevant Committees.

Or is it just meant to be a wish list? A list that, if others worked with them, they could try to achieve it. We are told it is high level, but how high level can one get? As alluded to earlier they will publish the terms of reference, membership goals, etc. but what if this Assembly wishes to work at a faster pace? What if this Assembly is prepared to give them additional resource to enable them to bring some of their goals, some of their strategies, to this Assembly and to quicker effect?

It would give benefit to our economy and therefore the communities that make up the Bailiwick. The very communities that we serve. We are told in 1.1 that the Committee is putting this vision both in the longer term, for 2030, and the present day. But which of these 20 action points will they be prioritising? Which will this Government be accountable for and which will we be expecting future Governments to be accountable for? Which of the Committees or boards they will need to work with will be able to align Economic Development's vision with their own, and when?

Currently there are no key performance indicators to help monitor the success or failure of the Economic Development Strategy. There is no accountability on delivering it within the time frame. So, please note the States of Guernsey Economic Development Strategy and then please approve it – but I do not know how the Economic Development Committee, or this Assembly, will then deliver it or indeed be accountable for it.

In 2.17 of the policy paper, the Committee has stated, and I quote:

The work set out below will form the basis of an operational plan with key performance indicators.

I put it to you, sir, if this plan is to be determined, this Assembly needs to know what the key performance indicators are to enable us to decide if indeed it is achievable, realistic and pragmatic, or if it is a wish list. Or does the Committee simply wish to set out the goals for future Committees of the States? And we all know this Assembly cannot bind a future Assembly.

Shouldn't they be looking at what they can achieve, what we can achieve, in this political term? Shouldn't they and all of us be accountable for this policy direction, the strategies, of the States of Guernsey Economic Development Strategy, without us fully understanding or having opportunity to debate, deliberate and amend the myriad of strategies that sit within it? Or are we simply being asked to approve this generic umbrella strategy and by doing so we will be agreeing to the myriad of strategies, policy frameworks, the KPIs, the terms of reference and the milestones that they will publish? Agree to something that we have not actually seen or had the opportunity to comment or amend? Surely the Committee for Economic Development and the committees and boards concerned need to discuss, agree and determine what can be delivered and when? Is that not a strategy?

My biggest concern, though, is that the Committee for Economic Development is creating and intends to create even more strategies, but in silo. How can the States of Guernsey agree an Economic Development Strategy if the States of Guernsey, the people in this Chamber, do not have and have not had opportunity to debate, the opportunity to amend and agree the various strategies that are already in play, never mind the ones that have not even been drafted yet?

Why is it a concern, sir? Well, another example is when we debated the IDP – the Island Development Plan. We were told by officers that it was aligned to the Retail and Tourism Strategies. In fact the new strategy was referred to in the policy paper and the IDP: a strategy that was *never* debated in this Assembly; a strategy that was yet another legacy document from the Commerce & Employment Committee that may have only been agreed by a majority on that Committee – a majority on that Committee may have been just three Deputies, which I fear may be the case with regard to the Economic Development policy paper regarding the review of air transport licensing.

But crucially, sir, that strategy, that review *will* be debated in this Assembly. Amendments can be submitted, debated, deliberated in an open and transparent way.

My concern is that without bringing a strategy to this Assembly it could mean that assent is given to a strategy with less than 1% of this Assembly agreeing or supporting it – in the example of the Retail Strategy, a strategy that is centred around and created by a retailer, a strategy which I believe does not have the consumer or the community at its core. We should not underestimate, sir, how often it is taken off the shelf by officers – maybe with a little bit of dust blown off of it – but these strategies are used and referred to, for example, in the case of a planning application, or if you check the States' strategic direction regarding retail, with officers advising Members why a Committee cannot, or rather should not, lay an amendment against the IDP because it would be against *their* Retail Strategy, *their* Tourism Strategy.

Due to an amendment, this Assembly will now finally get to debate a tourism strategy. But when will this Assembly ever get to debate the Retail Strategy? Furthermore, the Retail Strategy, which is defined in GDP as the wholesale, retail and repair sector, accounted for 10% of GVA in 2016: £290 million. GVA represents GDP before the inclusion of taxes on products and removal of subsidies of products. There is no sub-sector breakdown available, it is currently only broken down by type, wholesale and retail.

This is not an insignificant part of our GDP – or, more importantly, part of our community's daily lives. Compare that with the 2% of GDP that tourism and hospitality provide to our economy. We can increase that to 4% if we take into account the multiplier effect, but Visit Guernsey have almost 40% of Economic Development's budget. What does retail have? It has nothing.

The Committee states that our tourism sector has changed significantly over the last 15 years and that low-cost airlines have excellent growth. I am sure the Committee will recognise that the

internet has also exploded over the last 15 years. We know from Guernsey Post that parcel volumes of internet sales potentially threaten local retailers. In 2011 the parcel volume was £1.23 million, but in 2015 it had jumped to over £1.97 million. That is almost a 50% increase in just four years.

So what are the Committee proposing for retail? They will update the 2013 Retail Strategy. We do not know when. We do not know if it will come to the Assembly for debate. But in the interim they will, and I quote:

Keep the current strategy under review to ensure the approach reflects the needs of today's retailers and customers.

Arguably, sir, they cannot ensure that if there is no industry body that supports or represents retailers, or if there is no consumer group in the Bailiwick – one that can effectively engage and work with retailers and consumers. They are not ensuring it if they do not update the Retail Strategy pretty quickly and they do not bring it to the Assembly for debate.

For clarity, sir, I am talking about the shops in which we buy our food, our clothes; I think that to be the backbone of St Peter Port. I believe that retail is the backbone, service is the heart and hospitality is the very soul of St Peter Port. Does the Committee for Economic Development believe that retail and hospitality are a significant part of the Harbour Action Area Plan? Do they intend supporting its growth, or at least maintaining it, so that Guernsey has a suitable offering as part of a tourism strategy?

I hope, sir, this is a clear example and a very good reason to support this amendment. If not, this Assembly will be agreeing to an overarching, umbrella States of Guernsey Economic Development Strategy without knowing how they can hold the Committee for Economic Development to account, without knowing what other myriad strategies we endorse in doing so and without knowing which the other committees and boards can and will be able to work collaboratively with Economic Development, whilst at the same time achieving their priorities. Without knowing when, if or how the States of Guernsey Economic Development Strategy will actually be delivered.

We might not even know when it has been delivered, unless of course we are all happy for it to be simply that it promotes stronger growth. Stronger than existing, what we are aiming for and how we will know we have actually got there is a mirage on the horizon. I do not even know if it is a dense horizon or maybe a horizon on a sunny morning in 2030.

Thank you, sir.

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

Deputy Soulsby: I do, sir.

The Bailiff: Deputy Parkinson, do you wish to speak on it at this stage?

Deputy Parkinson: Not at this stage.

The Bailiff: Is there any debate? Deputy Gollop.

Deputy Gollop: I am very supportive of this amendment because, although I think Economic Development have clearly moved towards understanding some of the issues raised in the amendment, with their action plan that has been distributed to us, it is sketchy. Of course it has not allowed us consideration, time to fully appreciate it, scrutinise it or discuss it with constituents or other parties.

As my questions on just one of the 20 aspects of the enterprise today relating to the tourism economy, connectivity, there are delays in execution. There is perhaps an over-emphasis on analysis. I think the report that we will discuss later is an excellent document, perhaps, in

describing the economic and commercial issues facing the Island but it is relatively short on specific action points and implementation.

2440 I was one of two Members who were privileged – a sort of paying Member, really – to go to the Chamber lunch last week when well-known entrepreneur, venture capitalist Mr Jon Moulton gave a public lecture which was later partially transmitted in the media. I remember Deputy Trott particularly had proposed Mr Moulton for a role, I think at that time running Aurigny a few years ago. He is clearly a person of distinction and substance and I know this is the *Guernsey Press*'s adaptation of what he said, which has its own sort of spin, but it did imply perhaps that he tore
2445 into the priority list with a degree of scathing discernment, because he called for more focus on achievable steps to deliver growth:

Nobody can deliver 20 actions. Nobody can remember them.

I could not, really. So it is definitely too many, in the view of Mr Moulton. He said the priorities were 'all over the place' and 'in some cases quite happily contradicting one another'. That was
2450 maybe a bit harsh, but one thing that he did say that stuck in my mind was some of the priorities, such as managing risk are more a principle of behaviour rather than an action in themselves.

He did an instant feedback exercise with the various diners in the room, of whom there were about 99. People came up with their top five and the top five were actually quite predictable. They were very much to do with the financial sector, the kind of issues Deputy Dudley Owen has
2455 already highlighted with telecommunications and digital connectivity and obviously our transport links. But other ones had only one or two or maybe zero votes.

The point I am getting at is that one can easily waste one's effort with a broad-brush States' strategic plan type of approach and one actually needs more action and more engagement and a greater sense of mission and speed. In some cases the economic situation is not as high as it
2460 could be. There certainly has been a degree of drop-off in some elements of tourism, in retail. We know today connectivity is an ongoing feast. We have uncertainty right now, let alone for the future.

So I really would support a beefier version of this and I think for the board to go away and effectively prioritise in order of which they think is the most important, not only for themselves
2465 but for the community as a whole and for us as an Assembly to consider – in conjunction I think with the private sector – would be a better way than just signing off the report today, and maybe not much happening for a year or so. We have seen that approach before in past Commerce & Employment boards and we ended up with an election before anything happened. We do not want that mistake to re-occur, so I welcome the initiative of this approach from a Member who
2470 not only has commercial experience but has broad credibility as well, having worked on the original version of this for 18 months.

The Bailiff: Deputy Kuttelwascher.

2475 **Deputy Kuttelwascher:** Thank you, sir.

When I first read this report I thought it was 80% our old report with a few words changed, a few new paragraphs and whatever. Then there was a headline in the *Press* which depressed me immensely – I presume it is correct – where Deputy Parkinson was quoted as saying it was unlikely
any of the 20 plans for growth will happen by 2020. That is the end of this term.

2480 I was at the Chamber of Commerce meeting referred to by Deputy Gollop. He got most of that right, his dissertation on what took place. But the speaker actually described the plan as 'all over the place' and it was because of having these 20 so-called priorities. They did ask the members there to prioritise their top five and they were all collated and he did not quite get the top five right.

2485 Top of the list came air and sea links; second came enable finance sector growth and diversification; the third one, which was a little bit surprising, was to ensure the open market was

attractive to high-net-worth individuals; number four was ensure the population management policy was flexible and supported skills needs; number five, which I personally would have put further up than this, was identify and remove red tape and boost competitiveness and reduce the cost of doing business in Guernsey.

With this amendment I could be minded to support the policy letter as a whole. Without it, to me, it is just so high-level and it is so dependent on so much I am not sure anything is actually achievable in the short- to medium-term. That is where I stand on it, sir.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I do not want to be seen as the third former Member of the Economic Development Committee to be critical, because I am not; but we have got to look forward, this is not the blame game. I was very fortunate to be able to work with both of the previous speakers for 18-19 months, and in relation to Deputy Merrett's amendment she was a human whirlwind. We asked her to champion both tourism and retail and she did so with a gusto that was a credit to the States of Guernsey.

All she is asking, and her seconder, is that in four months, which is a pretty generous period of time, there is meat put on the bone, there is detail put on the list of priorities and how you are going to achieve it. People outside have looked into this States generally, and they looked into the previous States, and they say there are lots of reviews, there is lots of going off and talking about things and having policies and sub-policies, but they do not see that things have actually altered very much at all – except that we have taken apart a perfectly good education system. But, anyway, that is by the by. We are not going to debate that any more. That debate has been, sadly, lost.

What we want to do is therefore have credible policies that are going to be implemented within a period of time. Some will take well beyond two years and some will not be achievable, but some can be done within the next few years and it gives people hope. So this is a typical, if I may say so respectfully, Merrett thought process – direct, to the point and appropriate.

The Bailiff: Deputy Inder.

Deputy Inder: Thank you very much.

I am probably going to support the amendment anyway, but there are just generally a couple of problems with this. I have got the 20 actions to promote stronger growth which was, I suppose, the PowerPoint presentation that we all received. What it says on number one is 'strengthen air and sea links'. It does not mention anything about infrastructure there. I think most people out there probably thought strengthen actually means sort them out, do something, promote them, make them better, make them leaner, keener and actually get more people on the Island, to the Island.

But when I read the appendices that Deputy Merrett referred to, which was passed to us by one of the officers, Action 1: Transport, connectivity, strengthened air and sea links. When I read through this, there is nothing that looks particularly immediate here at all. What does 'strengthen' mean? It looks like we will have an Air and Sea Links Strategic Infrastructure Review. Well, 'infrastructure review' means the stuff people fly into or berth up to or berth next to. 'The air transport licensing policy submitted to ...' – what does that mean?

'Development of public service obligation' ... and there is actually no mention of sea connections in here at all. It actually reads: 'Transport, connectivity, strengthen air and sea links.' But on how it will be delivered, it does not mention sea links in this recent appendix that we have received.

'Update: invitation to tender PSO. Funding: support for funding.' I will support it, but we have been told and Economic Development have told us, the Chamber of Commerce have told us, we all know what the problems are with this Island. Base one is our air and transport links. I will

support it, because I am hoping we are going to get something real, very shortly, even before quarter one. But I do not have an awful lot of confidence in us sorting anything out by the end of this term.

Well, okay, I will just support it for the sake of supporting it. *(Laughter)*

The Bailiff: I see no one else rising. Deputy Parkinson. *(Interjections)*

Deputy Parkinson: Thank you, sir.

Yes, we have heard much from former Members of the Committee *for* Economic Development and I would remind the Assembly that they produced their Economic Vision document for debate in this Assembly back in December. A document which did contain, in one paragraph, about 12 lines, a sort of timetable for its work streams. But some of those deadlines set out in that document were unachievable because the filing date for the States' reports that they were proposing to bring had already passed and there was none of the information that Deputy Merrett is criticising this document for lacking.

There was absolutely nothing on the work streams that the Committee was going to undertake together with other committees. There was nothing in there about reporting deadlines and commitments to further work. It was a very scanty schedule of future work streams which bears literally no comparison to the schedule that has been presented to Members this week of the work that the present Committee is proposing to undertake.

Moreover, the former Committee *for* Economic Development was moving its economic vision document under the Rules of Procedure, which meant that it could not be amended. So had that document come to this Assembly, no-one would have been able to move an amendment like the one that Deputy Merrett is now moving. She would strongly have opposed – because she and her fellow members of the Committee brought their Vision document under an unamendable rule – anybody bringing the kind of amendment that she is now bringing.

Of course when I, as the incoming President, asked the Assembly to allow us to withdraw that Vision document, to rewrite it and bring it back with more flesh on the bone, more vision and in an amendable form, she opposed it. She now says the States should not support this new strategy until we have committed to delivery plans. There were no delivery plans in the document she put to the Assembly.

We have set out in our schedule of work streams, which has been made available to all States' Members, what we propose to do and when we propose to do it and who we propose to do it with and what resources we propose to use. This is massively more detailed than anything the previous Committee *for* Economic Development produced.

It is a working document. It is part of our operational processes at the Committee *for* Economic Development and, of course, there are a range of other documents that support the Economic Development Strategy which again are operational. There are staff allocation documents to identify what resources we need from within the Committee and from outside the Committee to deliver on these work streams.

We have put this information before the Assembly because we believe that Members are entitled to know when they can expect to see reports back to the Assembly. The schedule that the Members now have sets out very clearly when we aim to bring reports back to the Assembly, but we did not include this as an appendix to this report – and I apologise on behalf of the Committee for the member of staff who misguidedly told States' Members that it was originally intended that this should be a schedule to the report in front of you. Other Members of the Committee will confirm that was never the intention. This is an operational document which simply provides us with a tool for measuring our progress.

I think States' Members need to consider carefully what the role of this Assembly is. This is a policy-making legislature and generally speaking we do not interfere in the operational workings of individual committees. For example, I do not think Deputy Soulsby would welcome it if she was

2590 asked to provide schedules of the orthopaedic surgeries that are to be undertaken at the PEH for the next three months –

Deputy Soulsby: Sir, point of correction. I think Deputy Parkinson is a bit misleading here. I do not believe that what is being asked for is anything operational, but in terms of policy priorities and when will a strategy come to the States. That is not operational.

2595 When it comes to HSC, by the way, when we put our policy letter to the States in December, we set out timelines and priorities in our appendix. Interestingly, your Vice-President at the time said it was not enough. So I am just surprised why we have not got anything in this policy letter.

2600 **Deputy Parkinson:** Sir, most of the matters in the appendix – and I am not going to go through the appendix now – are purely operational, in the sense that they set out what we are going to do, who we are going to do it with, how we are going to fund it and the timelines for doing that work. It does not purport to be a prioritisation; it is a schedule of work.

I said in my opening remarks that we have been criticised for having 20 priorities because that, for some people, lacks focus. I explained why we need 20 priorities because the objective is to increase and improve productivity. That is a massively difficult task. It is a task with which successive governments of the United Kingdom have grappled and failed over decades.

2605 The UK's central economic problem is a lack of productivity growth and an enduring lack of competitiveness in productivity as compared with Germany, France and other major trading partners. If the UK Government, with all the resources available to it, has not been able to crack this problem in decades and has still not cracked the problem, it is very naïve of anyone to imagine that Guernsey can solve that problem with five magic bullets. It just is not going to happen.

To improve productivity, we have to make a lot of different things come together to build, if you like, an arch which contains the key elements of increasing skills, better promotion, better support for investment and a myriad of other ingredients, all of which are contained in the Economic Development Strategy. Only if we manage to build that arch, with all of the key elements in place, will we actually achieve the goal of sustainable increases in productivity.

2610 So I completely reject the argument that we just pick the top five, go and do them and everything will be alright. It will not. It will not achieve the objective. It is astonishingly naïve of some people in business, who frankly have no experience of Government, to imagine that the problem can be simplified down to just pick a handful of priorities and get on with them. That is not going to succeed. The problem is far, far more complicated.

2625 The position of the Committee in relation to this amendment is that we have provided Members with information on what we are going to be doing. We have provided Members with information on when they can expect to see reports, when they can expect to see products back in this Assembly and we think that is a legitimate interest of the Members of the Assembly. That has been provided for information.

2630 We do not think it should be up for debate or amendment. If this amendment succeeds, of course the report that we bring back to the Assembly will be amendable and it would be open to the Assembly to say, 'No, we do not want you to do this, we want you to do that.' We need to be free, within our mandate, to get on with our job. We are keeping you informed and we are showing you how we want to deliver this strategy and we are asking you to approve the strategy, because this is a policy-making body. I want Members to focus on the fact that they are being asked to approve a strategy.

2635 Frankly, this is an unwelcome amendment, an unhelpful amendment, a hypocritical amendment, because it comes from people who are not prepared to live by their own words, and I hope the membership will have the good sense to throw it out and to place their confidence in the Committee for Economic Development, to allow us to get on with the work and to bring reports of further progress back to the Assembly as soon as we are able to do it.

On the question of when we can deliver, Deputy Kuttelwascher quoted an article in the *Press*, which misquoted me. What I actually told the *Press* was that it was unlikely that any of these 20 work streams will be completed in two years, but we intend to make very significant progress on all of them. The reality is this new Committee has only got two years to function and we are going to do our best, with the support of the Assembly, to make the progress that we can.

It beggars belief for people at the same time to be saying, 'You are not going to achieve anything in two years'; and saying, 'Go away and think about it for another six months and come back with another report'. At the end of the day, does the Assembly want us to get on with the task of trying to make Guernsey a better, more productive place, or does the Assembly want to fiddle around with details of our mandate, requiring us to enter into some sort of bureaucratic exercise that will simply delay action by another six or nine months? I really, really hope the Members have the good sense to throw this out.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

I believe that policy prioritisation is not operational; it is in fact for the Assembly to decide. I agree with Deputy Gollop that it is short on specific points of delivery and my concern is that it is unlikely that anything will actually happen before 2020. We do not even know which of these action points or which of these elements will actually be delivered in this political term or which are up to 2030, and that does concern me, sir.

Deputy Inder got to the very heart of this amendment, which is *how* will it be delivered, especially regarding sea links – the how and, crucially, the when. I think Deputy Parkinson might be a bit confused because he is talking about a past Vision paper and surely the very point of this amendment is looking to the future, not the past?

A schedule was not appended to this policy paper. There was every opportunity to do so. They chose not to. If the Committee is further down the road than their policy paper is actually alluding to and they could have attached the schedule, that would have been most helpful and potentially would have been able to hold them more to account.

We are asking them to return to the Assembly by October 2018. That is clearly not six months but that is when we see timeframes starting to merge and slip. Surely the Committee already knows what they intend to bring as a strategy to the Assembly and the timelines that they intend to try to work within? Otherwise, it would clearly be a pie in the sky.

Just for Deputy Parkinson's benefit I will read section b), which I do not think he really addressed. Section b) in this amendment is:

Confirmation as to which policies and strategies the Committee for Economic Development will submit to the States for debate, together with respective timelines.

That has not been addressed in Deputy Parkinson's speech or indeed in the appendix that is not actually an appendix. In fact that was not in the note that was sent on Monday. I agree with Deputy Parkinson and I have checked with other Members, I do believe that it lacks focus and quite clearly that is the whole point of this amendment.

Policy prioritisation, what is debated in the States, what is debated in strategies, is not operational. This amendment is not asking, or I certainly cannot see it, to pick the top five – and we are talking about amendment 1. It is asking us to approve a strategy, but there are an absolute myriad of strategies. I have counted 12, potentially, some historical – or I should say legacy, sorry, sir. Some four have got dates where they might come back to the Assembly, but we do not actually know *when*, and if they will be debated as a strategy.

I will end by saying, please, States of Assembly, if you wish to support the States of Guernsey Economic Development Strategy I believe that you need more information. You need to know which strategies will come before this Assembly, which you will be able to amend, deliberate and

show political will and support for. Therefore, I urge all Members to please support this amendment.

Thank you, sir.

The Bailiff: We vote, then, on the amendment, proposed by Deputy Merrett, seconded by Deputy Soulsby (**A Member:** A recorded vote.) with a recorded vote.

There was a recorded vote.

Carried – Pour 23, Contre 14, Ne vote pas 0, Absent 3

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Yerby	Deputy Brouard	None	Deputy Leadbeater
Deputy Soulsby	Deputy Dudley Owen		Deputy Oliver
Deputy de Sausmarez	Deputy de Lisle		Deputy Le Tocq
Deputy Prow	Deputy Langlois		
Alderney Rep. Jean	Deputy Roffey		
Alderney Rep. McKinley	Deputy Tindall		
Deputy Ferbrache	Deputy Brehaut		
Deputy Kuttelwascher	Deputy Parkinson		
Deputy Tooley	Deputy Trott		
Deputy Gollop	Deputy St Pier		
Deputy Lester Queripel	Deputy Stephens		
Deputy Le Clerc	Deputy Fallaize		
Deputy Mooney	Deputy Smithies		
Deputy Le Pelley	Deputy Graham		
Deputy Merrett			
Deputy Meerveld			
Deputy Inder			
Deputy Lowe			
Deputy Laurie Queripel			
Deputy Hansmann Rouxel			
Deputy Green			
Deputy Paint			
Deputy Dorey			

The Bailiff: Members voting on the amendment, proposed by Deputy Merrett, seconded by Deputy Soulsby, was 23 in favour, with 14 against. I declare it carried. We come to general debate. Does anyone wish to speak in general debate?

Deputy Lester Queripel.

Deputy Lester Queripel: Thank you.

Sir, we often hear said that we need to think outside the box when it comes to diversifying our economy. With that in mind I will start my speech by saying that, as we all know, in paragraph 2.10 on page four of the document, we are told that in order to:

... achieve growth in the economy, the Committee intends to focus on Guernsey's core competitive values of stability, quality and innovation ...

Bullet point two in the same paragraphs tells us that the intention is to diversify

...into new areas of economic activity to secure long-term prosperity;

In relation to those new areas of economic activity, one of the things I think we should do – and I have been thinking this for a long time – is grow more of our own vegetables. Not only just to supply the Island but to export. One way in which Jersey has diversified their economy in recent years is by establishing what has become a thriving exportation business for the vegetables they grow, and that brings hundreds of thousands of pounds into the Island every year. Not only that

of course but it also provides jobs, and those employees and employers pay their taxes and social security and of course will also spend some of their money on the Island. So everybody wins. The total opposite of what happens in Jersey happens here in Guernsey, because the irony is we import a lot of our vegetables from Jersey; so the reality is we put money into the Jersey economy instead of into our own which, like a lot of things in life, sir, especially politics, makes no sense to me whatsoever.

So the question I have for Deputy Parkinson in relation to that issue is this: does his Committee have any intention of pursuing the idea of Guernsey establishing its own vegetable exportation business in an attempt to diversify the economy? I have actually asked that question of Deputy Parkinson before, because I asked it during Question Time at the election of the Presidency of Economic Development when Deputy Parkinson and Deputy Kuttelwascher stood as candidates for the position. Deputy Kuttelwascher was very enthusiastic about the idea and gave me an extremely positive response. Sadly, Deputy Parkinson was nowhere near as positive as Deputy Kuttelwascher when he responded. I am very much hoping he has changed his mind, because the reality is we rely far too much on other jurisdictions to provide us with our food, so it seems to me to be a perfect opportunity for us to diversity our economy.

I will be very interested to hear what Deputy Parkinson has to say this time around, especially when one bears in mind what we are told at the end of paragraph 8.11.2, where it reads as follows:

The Committee's view is that it needs to strongly support Island businesses in increasing their ability to export to or trade with other jurisdictions ...

Surely, sir, the question that needs to be answered is: Jersey has done it so why can't we? Moving on to something completely different we are told in paragraph 4.4, on page 9, that:

... the Committee will work closely with the Committee for Education, Sport & Culture on the development of training agencies which will deliver lifelong learning opportunities and workforce training strategies;

Well, sir, that sounds really impressive but the reality is the current policy discriminates against over-55-year-olds and I really think that needs to be amended. I only hope the Committee will be seeking to do just that when they embark on this work with the Committee *for* Education, Sport & Culture.

Just to elaborate on that for a moment, I am sure Deputy Parkinson is only too aware that the Committee *for* Education, Sport & Culture provides adult career guidance through Careers Guernsey and that funding is available through their student financing team for training courses and degrees. However the funding is limited to people under 55 years of age.

When I asked that question of Deputy Fallaize in an earlier States' debate this year, if his Committee had any intention of addressing that age restriction, he said it was not a high priority item for his Committee. That really concerns me because I think eliminating discrimination and supporting Islanders of all ages should be priority. Seeing as ESC do not see this issue as a priority then someone needs to take a lead on it, and of course Economic Development is perfectly placed now to do just that, especially since we are told at the top of page 4 in this document that the intention is to:

Look to remove barriers that are discouraging or preventing some people from pursuing or remaining in paid employment and provide additional support to those who need it to find and sustain employment;

So I am very much looking for an assurance from Deputy Parkinson when he responds, that his Committee will be doing their utmost to address and amend discrimination against over-55-year-olds.

Having said that, I take great comfort from much of what we are told in this document. It is full of good intentions and aspirations and I am absolutely delighted to see that we are told in paragraph 7.6.3 that the Committee will be working with ESC and the Arts Commission to:

... better understand the potential for enhanced economic impact from arts and cultural events and sports events held within the Bailiwick.

I am delighted to see that because it has taken Government far too long to recognise the value that sport and the arts adds to our community, so I applaud the Committee's intention to pursue such a vital piece of work.

I also applaud the Committee telling us in paragraph 8.4.5 that they want to work with the Development & Planning Authority to ensure that changes that are made to the IDP seek to benefit our economy whilst retaining the principal aims of the Strategic Land Use Plan. I say that because during the debate on the IDP in 2016, I said in my speech that even though I am a member of the authority I am not totally wedded to the IDP. Because of that I would be pursuing and supporting amendments to it in due course if I felt the need to do so, to change certain policies. So I would be very interested to hear from Deputy Parkinson when he responds the ideas for changes that his Committee might have in mind.

I am sure I do not need to remind him and his Committee, sir, that toward the end of this year, the first annual monitoring review of the IDP will be published. So if they are seeking to make changes then I am sure the review will give them plenty to think about.

Just two more things I want to focus on in this document. The first being the Retail Strategy, which is covered on pages 17 and 18. I take great comfort once again from our being told at the end of paragraph 6.4.1 on page 18:

The Committee will keep the current retail strategy under review to ensure that the approach reflects the needs of today's retailers and customers.

Of course, as we all know, the top of the list of any retail strategy has to be customer service, so we really do need to ensure that customer service in our shops is of as high a standard as possible at all times. That is why I also take great comfort from what we are told at the end of paragraph 6.4.2 on page 18, because we are told at the end of that paragraph that:

... Skills Guernsey has identified the potential for the introduction of a retail apprenticeship and the Committee will work with Skills Guernsey to consider the best format for such a modern apprenticeship ...

I really think the Committee, along with Skills Guernsey, have to have customer service at the very top of their list at all times whilst they are considering that format. Also, they need to impress upon employers as well as employees that customer service and courtesy and respect for customers is absolutely vital. You want to ensure that customers enjoy the experience of being in your shop, because if they do not enjoy that experience then they will not come back, and you will lose out on sales.

Having said that, in the view of many people I speak to out in our community, nothing should be too much trouble for members of staff who work in shops, when it comes to keeping the customer satisfied. On that note of course, Paul Simon once wrote a song entitled *Keep the Customer Satisfied*, which I am sure my colleagues will recall. He certainly got the message that you do your utmost to keep the customer satisfied because then they will return to your shop time and time again.

Once again I ask the Committee and employers, through you, sir, to please take the issue of customer service extremely seriously indeed because if you do not, then we will all, if you will pardon the pun, eventually pay the price. More and more people will shop online and the money will go off Island, when what we desperately need to do is keep the money on Island as much as we possibly can. I apologise to my colleagues for saying so much about the Retail Strategy but having worked in retail I know how important customer service is.

In closing, on the issue of supporting local businesses and products, which as we all know sits at number 3 on the list of 20 actions to promote growth in this document, I am wondering if the Committee have given any thought to the States setting up a Guernsey Bank for businesses? It is nothing new of course, we have heard talk about it before, but there was a letter in the *Guernsey*

Press on Monday which reminded me of the issue. Unfortunately the name and address were withheld but it was obviously written by someone who is now totally exasperated by the whole system and current process. In their letter the author explained their frustration at trying to open a business account with banks here in Guernsey. They said that anyone wanting to open a business account is subject to a 'hideous application process' – their words, not mine I hasten to add – which includes making a US tax declaration, using an unbelievably confusing FATCA form, even though the applicant may never have even been to the US and has no intention whatsoever of carrying out business there.

The author went on to say in the letter that they then had to go through a process the banks called KYC, which is known as 'Know your Customer'. Towards the end of the letter I got the impression that the author was losing their will to live. So they ended their letter with a heartfelt plea to the States of Guernsey, by saying this: 'If the States of Guernsey wants to really appear to be open for business, then they should crack on with creating a Guernsey Bank for Guernsey businesses.' So I would like to hear Deputy Parkinson's views on that, sir, when he responds.

Thank you.

The Bailiff: Deputy Langlois.

Deputy Langlois: I see the Committee *for* Economic Development as part think tank, part promotion agency and part regulator. When we talk about developing countries we are referring to low GDP per capita jurisdictions undergoing economic development. That development is not simply a question of growing their GDP it almost always involves structural, social, institutional and cultural changes. It is a complex process fraught with difficulties and pitfalls on many levels, not least the equitable distribution of wealth.

We are at the other end of the economic development spectrum. Guernsey's GDP per capita at 57% more than the UK's is one of the highest on the planet. In western nations with a high GDP per capita it has become usual to refer to growth, rather than to the more general term, development. That might be indicative of a certain complacency in the past because increasingly today growth is seen not as an absolute good but something with consequences, some unwelcome, that have to be taken into account.

Economic development can involve structural, social change, even in First World countries – not that anybody who knew Guernsey prior to the financial services boom needs telling. Governments in larger jurisdictions influence growth mainly, though not exclusively through changes in interest rates, a tool we do not have. The Committee's objectives, such as its declared intention to identify drivers of growth, are in some ways our alternative tool set.

So what do we mean by economic development in Guernsey? Derek Coates recently described our airline market as 'sub-scale' and that term could be applied to many of our markets. In a recent licensing judgement, CICRA said something to the effect that 'competition is good for the consumer' – but here, that does not hold in every instance.

Economics is an inexact science at the best of times and in a small market economy the distortions and exceptions to classic theory are quite extreme. That raises questions, for instance, are resilience, strength and growth synonymous in such an economy or in some circumstances could they be contradictory?

I am concerned that we have not adequately addressed in policy terms or otherwise, the peculiarities of our economic system in a small but wealthy, quasi-independent Island. This policy letter is an improvement on the previous Green Paper in that respect. However, there is still a conceptual void under economic development that leaves the Committee building a vision without firm foundations.

An old adage is that an economy has to grow to stand still. There may well be some truth in it. Every economy has waste and some growth might be necessary to compensate. However, that is not enough in itself to justify an unquantified go-for-growth strategy. Once, such a strategy might have been accused of ignoring the social and environmental consequences. Today, it is more

likely to be criticised for failing to acknowledge that internalising social and environmental elements is part and parcel of a sustainable growth strategy.

2850 Ten years ago, two completely unrelated events occurred: the States removed the tax on most companies' profits, and the global economy went into recession. The events became linked because the States' strategy for making good the £70 million shortfall in receipts depended heavily upon our economic growth, to avoid having to introduce new taxes.

2855 Of course the relationship between economic growth and the States' revenues, was nothing new, but the events of 2008 bound the two together in a tight embrace. Can the States be entirely objective when it describes the benefits of economic growth, or has it got one eye on its own operating surplus? One can argue that what is good for the States' coffers is good for Guernsey, but there would have to be many caveats.

2860 Our GDP, in real terms, was fairly static between 2009 and 2016, fluctuating around £2.8 million, with marginal increases since 2012. Some see that as a cause for alarm but blame and finger-pointing just engender an air of panic that is singularly unhelpful. There are signs in the policy letter that a more considered approach to economic development is underway – references to the blue economy, renewable energy and improving the public realm in the harbour area could indicate a broadening of the economic viewpoint to encompass the environment.

2865 However, there is still a way to go and the question that sums up the social aspects – who is this all for? – is not really addressed. We agreed in the 2016 Policy & Resource Plan we want our economy to continue to be strong, to be sustainable and to continue growing. However, putting growth as a top priority will doom us to disappointment and is, anyway, no route to achieving the happier and healthier Island we are aiming for. If, on the other hand, we put resilience and sustainability at the top of our priorities, growth will follow naturally.

2870 I will be supporting these Propositions in the hope that something will develop from them over the next six months or so, more akin to the resilience and sustainability strategy I would like to see in an economic development programme.

Thank you.

2875

The Bailiff: Deputy Tindall.

2880 **Deputy Tindall:** The Committee *for* Economic Development inherited the ground work done by the previous Committee, and have built on that which can be built on and produced a strategy: a strategy with 20 plans, interconnected, running parallel and, as Deputy Merrett said, relying on working with other committees. Many have already been progressed to a greater or lesser degree, and some are already bearing fruit, even if they have not been prioritised. For example, there have been positive steps taken to increase visitors to the Island, albeit there is work to do.

2885 It is a shame, perhaps, that the amendment to the IDP in respect of returning to this Assembly in respect of the tourism strategy, disagreed with my request that it should be October 2017 when it was debated, and not 2018. I agree that this is with the benefit of hindsight, as we now know that the Air and Sea Links Infrastructure Report was commissioned, which has inevitably delayed the presentation of the tourism strategy.

2890 If action is what is required, I believe that we should be actually sitting down with other committees and actually working out what can and cannot be done. This does not require prioritisation, this is concurrent work. So, for example, the DPA was involved in the Telecoms Strategy; HSC and Economic Development are discussing with the so-called MedTech businesses; Guernsey Finance and Economic Development are progressing with the working groups to get quick wins for the finance industry; the seafront enhancement area involves many committees, and quick wins are likely by October 2019; the Retail Survey has been distributed to retailers and they are acting on the views of nearly 1,000 respondents.

2895 What skills we need are being actively reviewed and work is being done to ensure such is available. The Population Management regime has worked well for many businesses but has failed others. It is important to ensure we can provide all types of services by having the workforce in

2900 place. Change is not in the remit of Economic Development alone, but we can collaborate with the Committee *for* Home Affairs and P&R on this.

I can go on, but during the last six months it has become obvious that there are many threads which make up the weft and warp of helping to improve the economy, and I feel that what we have put in this document, when working with other committees, we can achieve many things and they can be done reasonably quickly. Some may take more time, depending on the nature of the actual objective. I hope that the States will approve this strategy with all of its many action points, but it is one strategy and for the benefit of the Bailiwick.

Thank you.

2910 **The Bailiff:** Deputy Dudley Owen.

Deputy Dudley Owen: Sir, thank you.

I think it will be useful, as an original Member of the Committee, to just set the scene for this policy letter. It has after all been alluded to a couple of times today already. In May 2016, there was a new mandate for the newly formed Committee *for* Economic Development, which as my colleagues would know was borne of the old Commerce & Employment Department. Some of the changes we have seen: no more Minister, now a President; agriculture moved; and a huge emphasis on economic activity – air, sea and digital.

So with the new responsibilities and the new membership from 2016, the original Committee Members decided to take a paper to the States to declare the work in progress and the direction of travel of the new Economic Development Committee since the beginning of term. My colleagues will, I am sure, understand my relief at now getting this paper finally presented in the Assembly, given the changes to the membership in the intervening period and the pressures to ensure that the paper was re-presented in good time, having garnered different views and new ideas.

Unlike other policy papers we see in the States, there is not much that is controversial here. That is because we are essentially an Ideas Committee. We work in collaboration with other committees, as well as industry stakeholders to deliver the agreed policy directions. We identify the outcomes we want to achieve, frame the plans and then identify the actions needed to get there. We do not generally deliver the policy, we work together with those stakeholders and often it is one of those who will do the work that ensures the outcome is achieved.

The outcomes we seek are long term. The paper states this. This is a 12-year-long view of what we would like to achieve. Ideas need time to work up, test and execute. None of this happens overnight. At this stage I think it is beneficial for those who have not read the policy letter or may have taken the proposals that we have put forward out of context from our mandate, to read through what we as a Committee are set to do:

Ensure conditions that encourage and foster enterprise and remove barriers to business, keeping regulation appropriate and proportionate, whilst respecting environmental and social safeguards

Ensure the provision of reliable, sustainable and affordable sea and air links

Focus on maintaining an appropriately-sized working population

Look to remove barriers that are discouraging or preventing some people from pursuing or remaining in paid employment and provide additional support to those who need it to find and sustain employment

Promote Guernsey as an attractive place to work and live in order to encourage the retention of our current workforce, the return of those who have chosen to gain life experience in other jurisdictions, and to attract those who may bring valuable skills to the Island

Maintain, enhance and promote Guernsey's rich marine and terrestrial environment as a high value resource which underpins our economy.

This paper is not just about all the things we want to do singularly as a Committee, it is about taking on board and tackling issues of the day, such as transport links, connectivity and increasing visitor numbers. It is about thinking of the future and injecting excitement into the business community, bringing a fresh, enlivened feel and momentum to Guernsey. It is about relaying the

foundations for our young people as our forefathers did for us, to ensure that we hand over a safe, stable and attractive economic environment to the next generation.

We have listened to the ideas and added further ideas. We have built on the work of the previous Committee. We have continued to work with stakeholders and we have made new connections in the business community. As originally intended when the paper was suggested a year ago, it reflects the work in hand of the Committee, what we are doing now and also on our direction of travel, setting out what is important to us, finding solutions to problems we have with our transport links, enhancing and making opportunities around the great digital connections we have and finding new opportunities going forward.

Adding to Deputy Langlois' list of functions that the Committee *for* Economic Development has, I would say a business development arm of the States. Anyone in business development knows that you rely on a range of tools to promote your business and that is what we have done. Ideas which must be explored.

Any criticism of the number of items within the policy letter misses the point that many of these are more than mere ideas. As Deputy Parkinson mentioned in his opening speech, many of these ideas have been developed and tested. They have been challenged and found to have legs and are indeed existing work streams progressed to various stages of maturity.

If I talk about the areas that I work on primarily in digital skills and innovations, it will help to demonstrate the point. These are not specifically funded in themselves but are supported by officers and myself on the Committee. It requires rolling up the sleeves, pulling together all the various stakeholders and ensuring that they are engaged and have at least an ideological or actual ownership interest in the plan and the subsequent work that they are involved in.

It has not always been easy. Once the momentum has been found, we have proved and continue to prove that delivery of the specified aims can happen. Our Committee has updated the States very recently on the progress of the Digital Strategy and this continues apace. A further update I can provide today in the area of digital is about the Future Digital services project, which continues to progress well.

Three potential strategic partners are preparing to submit formal bids on how they can support the States of Guernsey in enhancing day-to-day IT services, accelerate public performance, especially the delivery of digital services to Islanders and, also importantly, in respect of the paper we are discussing today, to support the Island's economic development and diversification plans.

Political oversight has been provided by myself and Deputy Le Tocq, but this is a critical project for the entirety of the States and as such the senior responsible officer will be attending Committee meetings of all Principal Committees and the STSB to advise upon the scope of the project and the broader opportunities over the next couple of months. There will also be a wider briefing to all States' Members.

Another exciting piece of work that we talk about in the policy letter and that Deputy Queripel has mentioned this afternoon is one of the original items from the previous paper. Members may have heard, and I am pleased it received specific media coverage, is the Guernsey Marque or the Golden Guernsey Marque. I am delighted to announce that this initiative is now being worked up in partnership with the Confederation of Guernsey Industry, and we have begun talks to confirm how we will work together with them to take it forward in the long term. It is a great initiative and I really hope that we succeed in restoring the pride and the deserved status in our local produce, ideas and services, seeded and grown in Guernsey.

Sir, conversations about the future and our economic success are always liberally peppered with talk about skills and great emphasis is placed on business having the best skills amongst their workforce. Many meetings that I have chaired on digital and finance have gone off track because of the interest of the attendees from industry in skills and the importance that they place in having the best skills. In fact over lunch today I had a very interesting and productive meeting about skills and a more creative approach to the problems that we are facing with our skills shortages locally. If I may share with you now, sir, my own quiet goal for Guernsey is for us to be

one of the most highly skilled jurisdictions globally. Given our small size, in my view it gives us the edge in being able to give acute focus to learning, skills, work readiness and career changes for all ages of our community.

Without skills, we risk losing our competitive edge. In fact we risk losing business, indeed sectors. Lost skills are very difficult to regain. Enhancing skills takes time and we need to make sure that we are doing this in a strategic and holistic way, planning for the future in more uncertain times. We know that we suffer from a lack of data, locally, regarding productivity. We are suffering from an increase in net migration and the loss of skills is a sure way to lose more of our native population in search of work and prosperity elsewhere, as well as not being able to attract specialists in certain skills areas to Guernsey.

Clearly the population management regime is key here and Skills Guernsey is very important in helping to shape the immigration policies of the future, knowing what skills we need that are difficult to grow here in Guernsey and what we will need to import. We need to ensure that we give our community the best opportunities to develop the best skills and knowledge in all sectors, so creating a highly skilled workforce and being able to accurately measure this through appropriate liaison with industry and educational organisations is key to supporting our productivity; and ultimately, in my view, is what produces a sustainable and successful economy. And, yes, I am sure that one of the by-products will be a happy community to boot, better educated and therefore healthier as well.

If we want to create a culture of longer working lives, with the various economic and social benefits we know this will bring, we must acknowledge that currently there is a lack of assistance to facilitate those coming towards retirement to explore their choices, and also ensure that increasing numbers of those still participating in the workforce get the best value out of their jobs; and, commensurately, for employers to get the best value out of these employees who have a lifetime of hugely valuable experience, and in skills which are still relevant.

It is disappointing that the Skills Guernsey momentum has been interrupted somewhat with the changes to the Education, Sport & Culture Committee. There is, however, a great desire to ensure that this plan which really provides the substance behind much of the work and ideas in the policy letter, is pushed through and that we intend to publish the plan in September.

Another area I have recently started work on, standing on the shoulders of Deputy Merrett – it is a long way down from here, not only because of her obvious height advantage, but also the amount of work that she did in trying to build a firm base for retail in Guernsey during her time on the Committee. According to our States' statistics from 2017 after finance and public services, retail – which includes wholesale and repairs – is the third largest sector in terms of the number of employees, being nearly 4,000 people in our community.

The Committee recognises the importance of the retail sector to the economy, both as a significant employer providing choice for Islanders, the attraction that it plays to our Island as a whole for visitors and the vibrancy it adds as an amenity to Guernsey. In March the retail sub-group of the Chamber of Commerce presented to its members the Jersey model of a retail association. It was a very interesting project. We remain supportive of the work that the sub-group are doing in progressing to bring together retailers in Guernsey in one representative group, however that looks.

I am due to meet soon with that group to catch up on their progress. I hope, though, that any Retail Strategy, which must I think include a focus on skills in that sector, would be worked up in conjunction with major input from any representative body that is borne from the work that the sub-group is doing.

In closing, sir, it is a fact that real growth in 2015-16 was weak, echoing economic performance, where growth has slowed as inflation has risen. To rectify this and to ensure that locally hard-working individuals and families can see an increase in real terms of their income is the challenge. This is not unique, many jurisdictions have arrived at the same economic outlook and in order to meet this challenge, to make a discernible and positive difference to our economic outlook, we have worked collaboratively with business representative groups, businesses, States'

3045 Committees and other stakeholders. These discussions will continue in order to prioritise ideas and develop models of partnership.

I have not gone through all the 20 areas identified in the policy letter which we have stated will receive our focus, but I echo the words of our President Deputy Parkinson: there is much to feel good about. And I ask fellow Deputies please to agree the Propositions and vote in favour of our policy letter.

Thank you.

The Bailiff: Deputy Inder.

3055 **Deputy Inder:** Sir, thank you.

I am only really going to focus on one portion of this, and it will come as no surprise to anyone here it is going to be on travel and transport. When Deputy Parkinson ties up at the end of this, there are a number of questions I would actually like him to answer. The Committee claims that priority number one is air and sea links – but I do not know if where these proposals lie within the document are an indication, but actually air and sea links are buried under Connectivity. We have Digital connectivity first, and the actual real issue that I believe resides with this Island is our ability to get on and off the Island – encouraging people in, allowing our Islanders to get out – which is buried under 8.5. But I will accept that they are focussed on air and sea links.

3060 But it is interesting, under 8.5.5 the title is Transport connectivity – air. Now I did, when Deputy Ferbrache and Deputy Smithies were up on the top table there, ask about travel and transport. And this is where I have got a real issue with the fact that Aurigny seems to live in isolation within the middle of STSB, and round here on Economic Development we have got a number of statements that Economic Development say that they are going to concentrate on. And here, they say:

Maintaining and expanding air links so that Guernsey is well connected with the UK, other Channel Islands, and Europe;

3070 Well, how are Economic Development going to do that? They have no control whatsoever over Aurigny. However, I accept the open skies policy may change that in some way.

But:

Ensuring that these air links are reliable, sustainable and affordable to all parts of the Island's population;

– how are you actually going to do that, as Economic Development?

Ensuring that air links enable existing businesses to function and support the expansion –

3075 It just goes on; half of these sentences can be cut down to three or four, but effectively assist business through our air links.

Well, if I remember correctly I think Aurigny closed the London City link because it had a fairly low capacity and yields, and all that kind of thing; but there is a lot of thinking out there that that might have been a mistake in terms of how it helped Guernsey business, talking to some of the people that I am aware of, about that.

3080 So, what I would like to know is: how are Economic Development physically going to do it? Because if they cannot do it, I do not want to see it in the document.

Ensuring that Bailiwick residents have access to specialist healthcare ...

Fine. I take it that is between you guys and Health and Social Care, and everyone will be banging the drum on that. No problem at all.

Of course, we move onto 8.5.8: Transport connectivity – sea.

The Committee's objectives for Guernsey's ro-ro ferry and freight services are:

A frequency of service and schedule that meets the needs of freight users, Islanders and visitors to the Island, the tourism trade and industry. Recent years have seen a reduction in the scheduled sailings ...

3085 I just cannot see how you can actually do this without effectively putting Condor out to tender or looking for another operator. So if you cannot do it, why is this in the document? If your intention is to go out to tender or do another deal with Condor, with a second ship, I want to know about this, but please do not put in front of me and expect me to agree something when I know right now you do not have the mandate or the power to do it.

3090 I will move on again:

A resilient and capable fleet with the capacity to provide a service that has the required resilience and reliability;

Well, that sounds like we own Condor. We do not. Now, Deputy Trott is not here and I do not want to get too excited because I know he has got ideas in that direction, but he will have to get through me first!

Fares which are reflective of the cost of the service ...

3095 How are you going to do this? You do not own Condor so I cannot see how you can have a policy objective in here to head towards something you have absolutely no control over. What worries me, kind of profusely, is that this is sitting at 8.5 and seems to be playing second fiddle to Connectivity.

3100 I mentioned previously that in the PowerPoint presentation there was this mention of air and sea links, but the Air and Sea Link Infrastructure Strategic Review, unless something has changed I understood that that was about extending the runway and probably folding that into actual harbours and berths – and that is not actually about the physical links themselves, so I do not see the connection itself.

3105 Finally, sir, under Tourism itself, there is a section under 'Tourism and hospitality'. Now, I accept that Visit Guernsey are working very hard on the Island and they are doing very well working on heritage festivals, they are regulating the self-catering and hotel industry, and they are doing all that physical work. But, without the people coming into the Island, I don't know, they are almost ... there does not seem to be a connection between the requirement to get more ... Visit Guernsey itself with the exception of being able to use its budgetary power to market, it does not appear to be able to fill any of the empty seats that are clearly on Aurigny in certain times of the year.

3110 So I worry that within tourism and hospitality they are talking about the ... What are they talking about? I do not know what they are talking about, really! (*Laughter*) They are talking about:

- Strengthen the Island's product offering;
- Develop an exceptional visitor experience;
- Develop a positive environment for growth ...

3115 I mean, it just seems a little bit 'flimflammy' without connecting the two problems that we have. We have a tourism industry which is flatlining if not depleting. I think in this document it says the value to Guernsey is 2% of GPD and 4% with the multiplier effect. In the UK it is actually 10%. I do not know what Jersey is. But while we are flatlining, if not going backwards, Jersey has actually had one of its best years in the last 10 years.

3120 So Jersey is doing something very, very right and we have to make that comparison in some way; and we appear to be doing something very, very wrong. I do not know what it is but please, can someone join the dots between Visit Guernsey, the actual sea links and the air links and put it into one understandable document, for everyone living in this glorious silo isolation, because it is not working – it is not working at all?

Thank you, sir.

The Bailiff: Deputy Brehaut.

3125 **Deputy Brehaut:** Thank you very much, sir.

There are times when air and sea links do certainly feel like the most important thing in the world and I understand why that is. But it is worth reminding people that the common rated consumption fish stocks around the planet will be depleted by 2050 and there will be more plastic in the oceans than there will be the food source.

3130 I raise that point because although our colleagues in Economic Development have referenced sea fisheries in this document a number of times, it is not front and centre as maybe it should have been. But I sort of understand why that is. When we had the change of Government and we have a movement of mandates, sea fisheries, oddly, stayed with Economic Development rather than moving across to the Environment Department, where you would expect sustainability of sea fisheries to be an appropriate place.

3135 Other places around the world do that. When you meet with other Environment Ministers, or people with a role just like mine, they have responsibility for sea fisheries and for sustainable sea fisheries. Interestingly, not long into this term, we met with the then Economic Development Committee, and in fact they approached us with a view to moving the mandate of sea fisheries across to E&I where it was considered it would be a best fit. We agreed that and actually that got nowhere. We could only assume that the Committee had resolved not to move it across.

I will give way to Deputy Kuttelwascher.

3145 **Deputy Kuttelwascher:** Yes, I was the lead on fishing at the time and the reason it did not proceed is when it was put to the representatives of the fishermen they no way wanted to be moved to Environment & Infrastructure, and I dare not actually say why. They were quite happy to stay where they were. We did not want to wind up the fishing industry and that is why it was left.

Thank you.

3150 **Deputy Brehaut:** You may not want to wind up a fishing industry, but you may want a fishing industry to be there to be wound up at some point in the future. That is the point. If we are saying that we did not want to have a difficult conversation with fishermen, then that is extremely disappointing if this is how this Government works. If we want to avoid those difficult conversations, then how can we really implement change?

3155 So I would make the case, and I would make this appeal directly to Deputy Parkinson, for the Committee to rethink where sea fisheries is placed; and consider it, because the blue economy is important, I accept that. We all I think appreciate and understand what the blue economy is, but I think the sea fishery element is something that stands alone, and it is crucial that we look at it in an environmentally sustainable matter, issues such as biodiversity and marine ecology. I fully understand why local fishermen would not want environmental considerations to interfere with what they see as good business but there is a clear conflict and that is resolved sometimes by committees having the appropriate mandate in the first place.

Thank you.

3165 **The Bailiff:** Deputy Paint.

Deputy Paint: Sir –

The Bailiff: Can you put your microphone on?

3170 **Deputy Paint:** I have a lot to do with this myself because one of the biggest fears for me and a lot of other fishermen is that if environmentalists got hold of this, they would absolutely devastate our fishing industry, whereas we are surrounded by countries that are actually taking more fish than what is necessary out of the seas.

3175 If all the countries around us were doing the same thing, I would understand it, but the record shows very well over here that the environment people in this Island actually put everything

environment-first and that would kill the fishing industry. Absolutely kill it. What people do not realise is wet fish swim in and outside of our limits, so there is very little we can do. If they are getting heavily fished from other nations around us, what can we do? We have got to do the best we can. And by environmental aspects of it, it would just ruin what is left of our industry.

Just recently fishermen have approached me, as President of the Fishermen's Association, to have bins put on the quay for the debris they find floating. Nothing has happened about that, yet. Nothing. So they are not picking that up. There is a big initiative worldwide to pick up plastics and debris floating on the sea. The fishermen cannot get bins put on the quay to pick other people's rubbish. *(Interjection)*

Well, I am sorry, that is what has happened. I am sorry to tell you, but Environment is not really trusted.

Thank you, sir.

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

I really welcome the comments in Deputy Parkinson's opening speech that the emphasis was going to be on productivity and local GDP per capita, rather than necessarily obsessing over overall GDP growth. I do think there is a big body of opinion amongst our business community that thinks the Jersey experience over the last five years is something that should be replicated, and I am very strongly of the opinion that it should not.

I am not saying they do not do some things right. I agree with Deputy Inder that their tourism industry looks very healthy compared with ours, but generally speaking I am not sure that they have actually gone down the right path. It would be easy to speak for hours on a document like this, but I am not going to do that. I am just going to concentrate on two or three paragraphs.

In his opening speech, Deputy Parkinson quoted somebody, I think it was the IOD, saying that there was too much of a glass half-empty approach in Guernsey, people being negative. I have to say I have never understood that term, glass half-empty – glass half-full is exactly the same thing. I think I am a realist rather than an optimist or a pessimist, although I do agree that a glass half-full that then becomes empty tends to make me feel more optimistic! *(Laughter)*

I actually think though paragraph 3.4 is the Economic Development Committee producing a rather excessively glass half-empty statement, because it is not correct, and it is too negative:

This is also set against a backdrop of a growing proportion of the population that is not economically active ...

Not only is that not correct, it is actually diametrically opposite to what is happening. We are seeing a growing proportion of our population that is economically active. A bigger percentage of Guernsey people are either employed or self-employed. I take the point made by Deputy St Pier yesterday in another context that we do not know the extent of that economic activity, how many hours people are working for, or whatever. That data unfortunately does not exist. But nevertheless that is the trend.

I do not just say this to be pedantic and to pick a fault in the policy letter, but more because when something benign like that is happening, it is the time to keep pushing at that opening door. The co-efficient of friction I think, if I remember correctly, of a moving object is lower than one that is stationary. So if something good is happening like an increasing proportion of our population becoming economically active, we should try and keep that trend going. **(A Member: Hear, hear.)**

I do not think it is just a question of people working for longer. I think there are lots of things coming together here. Our unemployment has obviously gone down. That will help in that respect. Yes, some people are working until they are old, and that would help too. There are many people with some form of disability in this Island and employers are only now waking up to the fact that actually they should be focussing on what those people *can* do for them and not what

they *cannot* do, and we should certainly be continuing to work on that if we want a more productive workforce.

I think young parents and things like – it is only a small contribution – but the 15 hours of free pre-school education has liberated some people who could not afford before to get back into economic activity, because they had to stay at home looking after their three- and four-year-olds' pre-school, to be able to do just that.

Maybe instead of just looking at the cost of it, instead of just one year before people go to school, offer it for two years, increase from 15 hours to 20 hours? It might make a big impact on the productivity of us collectively as a community. That was the first point I wanted to make.

The second point was in paragraph 7.2 about the seafront. The Committee says they want to look at how they can get some short-term gains and how they can do things that would enhance the area and make it make more of a contribution early on. Well, I have thought for decades that it is just such a criminal waste of an incredibly important part of our Historic Town to have car parking dominating our historic quays and piers.

I do not say that because I want to stop people driving into Town. I would encourage them to consider alternatives, but I fully support we need adequate car parking for people both to work and shop in Town. But what a daft place for us to actually put our car parking. Not only visually, but it is actually such a valuable piece of real estate that we should be using it for other things. The trouble is I do not know how we overcome that. I would like to see multi-storey car parks built. Next to Frossard House would be a classic example. It is in a valley feature, would not impact at all on the skyline and we could have a very large one.

I think we all have to admit it would solve a problem there is in parking at Frossard House now, but you could also generate an awful lot of spare spaces that stop people The worst air pollution in Guernsey, I think I am right in saying, is in Fountain Street, people driving down. If you stop people coming in from the west there – not stop them but gave them the option to stop there and have a free shuttle or a very cheap shuttle down. I think we need to think in those ways.

Although how you actually get the finance to do that if we are absolutely obsessed with never charging anybody for parking – therefore you would get no return whatsoever on that outlay – is problematic, and I do not think this States wants to revisit that. I think even the Environment & Infrastructure Minister came into this term saying that he was not going to touch it with a barge pole over the next four years.

But I think we should at least be open-minded to consider whether or not the ends justify the means and if we can get something really superb like that, we need to consider ... I am not impressing Deputy Brouard, I am not surprised by that. Maybe then we just tip it out of Capital Reserve and we have less to spend on re-profiling PEH and on providing new schools. That is the other alternative, but it is not my favoured one.

Paragraph 8.7.2 on the Open Market, let me just read from it:

Therefore, the Open Market containing the right type of aspirational high quality properties is an important piece of the Island's promotional environment for the Committee in order to attract wealthy individuals ...

– thank you for calling them wealthy and not 'high net worth', they are *wealthy* people –

These people, in addition to purchasing property, also bring their funds to be managed and invested, their disposable income to be spent locally, additional employment opportunities, knowledge, expertise ...

Okay, so how do we get more of those 'right type' of properties in order to provide that sort of economic stimulus? I have suggested an idea to both Environment & Infrastructure, Home Affairs and indeed P&R. I have not yet said it to Economic Development, so I will say it now. We have a social problem in Guernsey I think of many very long-term Open Market residents who are now becoming less ambulant and less able to get around, living in the wrong properties who, under the old Housing Law, we would have allowed to de-register their property and move into the Local Market if they have been here a very long time and they were elderly.

We are not doing that under the new regime and I think we are right not to do it, because what it leads to is a dwindling supply of Open Market properties. But if we did allow them to do it, but maintained the Open Market stock by saying that every time somebody deleted one of those Open Market properties to move into the Local Market for the last few years of their lives, we had in effect a registration in our hand that we could sell-off to the right person – maybe a developer wanting to build one of these new aspirational properties or somebody wanting to transfer a real ‘beaut’ of an existing property onto the open market,

It would have a ‘win-win-win’ situation. It would create the facility for those people who actually need it, socially, to move into suitable accommodation. It would create more houses of the right type to attract the uber-wealthy that we actually want to. You could sell off those permits to developers – and of course we would not sell them for nothing. We would expect the developer to pay the best part of the difference between what that house would be worth on the Local Market and what it would be worth on the Open Market. Maybe half a million pounds a go. Ten of those a year, a very useful contribution to general revenue.

So I just throw that into the pot and ask that it is considered during this busy two years that Deputy Parkinson and his team are going to have in deciding how we develop our local economy.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

I will follow on from the Open Market because I think Deputy Roffey asked some questions in the States about this and then we had a letter as well, or an email about it. It is almost a bit like the Housing Strategy document that has been circulating, where the numbers are now going to be reduced following I think it was Deputy Soulsby’s amendment that came up with that, that we had a look at it.

There are new Open Market available, large and small, which have not been sold now for three years, sitting there because developers wanted to catch that market where we could have smaller Open Market, where people would come from the large Open Market into the smaller Open Market. So the properties are there. What we need to be doing in my opinion is looking after the locals, because equally they are the ones that actually want to get on the housing market and get in there, into the smaller developments we have got in Guernsey.

It is not appropriate in my opinion, while we have got locals trying to get on the smaller market, that we allow somebody who has come here, knowing they are in Open Market, knowing they can downsize into a smaller Open Market. You have only got to look at the sales last month – Open Market sold for £500,000. It costs people that, locally, to get into a three-bedroom house. Again, I think we have to look at it.

I am not saying close the door to the open market, we are saying, ‘Please come here to live’, but actually there are places available already that they can move into. We need to address the Local Market for those who will not miss out by somebody coming from a large Open Market to suddenly go down into a Local Market, which actually would be one of the properties that our local market residents would be able to move into. That is my own personal view on it as well. The stats are there, just get on to the estate agents. I mentioned it last time I was in here and I believe a Member actually sent me an email afterwards and said they did a quick check and there were 19 available on the market at that time.

That is a slight digression from what I was actually going to say but I think it is worth repeating again. There is not a major problem out there for the Open Market for those who want to come to live here.

The reason I stood was I had a query and I hoped Deputy Parkinson would be able to help me on this one. When we had the presentation to States’ Members and there was a section for arts, which is in this document here under ‘Arts’, which is the Billet but I cannot find it in the paper that was produced for us that we picked up from outside. I am not quite sure where it is listed but it is

not there in the 20 that were listed. But it is 7.6.1 in the actual Billet about the impact of 'Arts and Cultural events'.

3325 What I asked at that presentation and it was going to be considered to put in the Billet and be promoted, that we also include sports tourism. We are missing out big time on sports tourism and it is one that I keep asking about and I do not think it should be ignored at all, because sport is all-year-round. It is not a case of it is just a summer sport, or we have just got winter sports. We have sports right across the seasons and it is an opportunity which we have struggled with
3330 because of the transport links.

As we know, there are many that have had to cancel or have not been able to carry on. Even the Inter-insular have stopped over the last couple of years, for sure. So I ask again, could I have assurances please that sport will be considered? And could you point out to me in the lists that you have produced here, through you, sir, for the 20 on the paperwork that is supplied to us
3335 today, where would the arts sit in from the Billet into this document that we have got here? I would appreciate understanding that, so I can see which one it will come under.

The only other thing that I wanted to say is Action 9 and again this is on the leaflet that we were given, the paperwork we were given from outside. It is:

Ensure the population management regime is flexible and supports skills needs

The way there it is as if we have not got that: we *have* got a flexible population management.
3340 To continue with that? Absolutely, but again it is getting the message across that it is flexible. There have been some really good emails from a couple of businesses, they were sent to Deputy St Pier and he forwarded it to the Population Office and to myself, congratulating Population Management on the flexibility of assisting a business that was starting up and how easy it was to do under this new Population Management Regime. Again, I would just like to reiterate it and
3345 remind Members it is there and it is flexible. But the only way it will be flexible is if people work with us and come to the Population Management Office.

Thank you very much.

The Bailiff: Deputy Brouard.

3350 **Deputy Brouard:** Thank you, sir.

I was not going to get on to my feet at all, I was just going to say really what an excellent document this is and the more it is implemented the better it is for all of us. We can all dance around each of the 20 items that are on there. From our point of view we need to focus on it and
3355 get on and do it and produce the results in it in the next two years and beyond.

The economy is what drives everything else that we do and the reason why I am standing up really is Deputy Roffey managed to drive with his car over my two front feet and got me on two issues which I am usually concerned about. One is the idea that somehow we are now going to put out of reach for local people some of our better Local Market houses, by turning them into
3360 Open Market. It would really annoy me. I have still not quite got over the Caledonia Nursery, I think it was, that got turned into – I give way to Deputy Roffey.

Deputy Roffey: Can I ask how Deputy Brouard would feel if those permits were limited simply to sell to developers for brand new properties, rather than taking existing Local Market
3365 properties?

Deputy Brouard: Much happier. I am just concerned that local people who do well and work their way up through the property market, just to suddenly end up when there is a nice decent property that suddenly becomes more out of reach for them, by moving on. I would not be happy
3370 with that.

The parking on the piers was the other the one where he drove over my other foot. I do not have a problem with moving the cars off the piers to somewhere else. I do not have a problem

with us improving our transport system that people do not have the need to come in by car. But I do have a problem with us continuously criticising those people who do come in, who do need to go there.

That is our engine room. (**Several Members:** Hear, hear.) They are the people who are actually allowing us to spend their money on the social fabric, the lads and lasses who have gone down there and parked during the day. They are either working in retail shops or they are working in the banks or the finance industry. That is where our economy, or a big chunk of it, is coming from. To keep on knocking them, I find a little bit difficult.

I think Deputy Roffey made the point as well about it was the pollution. Actually it is the same pollution from the person parking the management car in the management garage. Is it the pollution issue or is it the fact that there are unsightly cars on the piers? Please make up our mind which – I give way to Deputy Inder.

Deputy Inder: Thank you, Deputy Brouard, for giving way.

It does remind me actually in the 2013 Retail Strategy report – again it is one of these things I do not know if it was ever debated in this Assembly. It was put together by the Chamber of Commerce, I cannot remember exactly – maybe Economic Development might be able to help me out there?

They specifically said, it was something like paragraph 64 – because I remember weirdly, in 2013 we had a ... And excuse me if I have got the years wrong, but there was only a couple of months' difference between the Retail Strategy, I believe it was 2013, that specifically said the retailers in Guernsey did not want paid parking. Yet two months later the old Environment Department bought into the Transport Strategy, whose primary focus was paid parking.

This is sometimes the problem I have got, that the people who are running the business do not want something – or *do* want something, Government ignores it completely having gone through a strategic response, so it is actually published on the Government website itself. And then of course two months later that is utterly ignored because a political steer might want to go one way. So I am kind of agreeing with you – through you, sir.

Deputy Brouard: Thank you very much, Deputy Inder.

Also we are trying to get more people in the economy to work. That may well mean flexible hours. Flexible hours means going at different times. It may also mean doing different jobs at different times and different places. Now, it all requires transport. The infrastructure that we have, by way of the number of buses, could not even cope with the 15,000-odd commuters that come into Town every day.

A Member of the Environment Department was on the radio a few months ago saying, 'Oh, it is no problem at all. If we need to have more buses for schools we will put them on'. We are at virtually maximum stretch at that time of the day as it is at the moment. So please if you want to tackle that particular issue, tackle both halves of it, not only the issues with it but also the solutions for it as well.

I think overall the economic report was a really good report put together by the new team that has got some Members of the old team in it as well. I wish them well. We need their success and I hope it goes forward.

Thank you, sir.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

I firstly wanted to support, at least in part, the points made by Deputy Paint. It should not be a case of winding up our fishing industry. Why should we have to do that? It should be about managing and protecting our fish stocks and our waters better. (**A Member:** Hear, hear.) It has to be remembered that a lot of the fish and sea life extracted from our waters are not actually

3425 extracted by local fishermen, they are extracted by non-local vessels and trawlers in the outer-limits, not *The Twilight Zone*, but the outer limits of our waters. We should not have to wrap up our fishing industry, we just need to perhaps take a different approach to it and manage it and protect it in a different way.

I supported the amendment laid by Deputy Merrett and Deputy Soulsby, but that does not mean in doing so that I am overly damning of this report – far from it. This policy letter is not bad; it has some good things in it. But my feeling is the direction given in the amendment will make the whole process more meaningful – timeframes, prioritisation, greater States' involvement and potentially greater States' buy-in can only help the process.

3435 But I did not support it because of the gathering of the great and good at the Chamber of Commerce lunch, sir. The priority shortlist that was compiled at that gathering – and I am not railing against it – was not handed down from on high on a tablet of gold. It was based on opinion. To some extent, informed opinion, but organisations like the Chamber of Commerce have a luxury that we do not have. They largely focus on business and economic activity for the sake of it.

3440 We have to look at the bigger picture. We also have to consider the strategic, social and environmental implications of any policy proposals and any policy decisions. Deputy Langlois explains far better than I could the reasons why we have to do that. Economic growth needs to lead to long-term benefits for the whole community in a variety of ways and better wealth distribution.

3445 There are some ideas in this policy letter that cause me concern. There are risks involved and this document does refer to the need to consider and establish our appetite for risk as a Government and as an Island. But I will put those specific comments – and just to give a hint now, they are comments and concerns about populations, skills, digital opportunities, construction industry, quasi-open skies, harbour action plan, seafront plan, pretty much the lot, really – on hold until we as a States, thanks largely to the amendment, have a chance to debate further reports and strategies.

Thank you, sir.

The Bailiff: Yes, Deputy de Sausmarez.

3455 **Deputy de Sausmarez:** Thank you, sir.

Like many other people I think there is much to welcome in this policy letter and I thank the Committee for bringing it forward. I would like to start by thoroughly endorsing what Deputy Langlois had to say (**A Member:** Hear, hear.) and Deputy Laurie Queripel most recently.

3460 I would just add one small point on to what Deputy Langlois was talking about. When we focus on GDP, one of the things that it absolutely does not do is account for our resources and our assets. I know there has been some conversation about that. I really do welcome the fact that the Committee recognises that economic strength and growth is only as relevant as the impact on our community, and I would urge them to work closely with the Data and Analysis Team to ensure that we have the data we need to effectively monitor these things.

3465 It is clear at some points in the policy letter that we do not actually have the data that we need, specifically around productivity in fact, and I think the one glaring omission is that we really need to be recording hours worked. So a specific commitment around that would be really helpful.

I also was delighted to see the inclusion of green finance. As some people in the Assembly will know, it is something that I have championed with much enthusiasm since the start of this political term and I have to say that enthusiasm is mirrored within certain parts of the finance industry itself actually. I have been really encouraged to see how the private sector has embraced the opportunities for green finance and Guernsey's positioning within an emerging and inevitable market. I am glad to see that has been formally recognised.

3475 I know, because I have been involved in this for some time, that there has been some really good progress that has been made already. I do not think it has been universal. I think there have

been a couple of areas where we could have acted with much greater agility and I would appeal to all the parties involved just to work as co-operatively as possible to make that happen in a timely manner, because I think time is of the essence.

3480 One area of disappointment was that in the whole of this policy letter I did not see the word 'creative'. There is no mention of the creative industries and I was really disappointed about that. Anyone who went on the tour of Specsavers' office recently cannot have failed to have noticed what an integral part of the business the multi-award-winning Creative Department is. It is about 70-strong, and the vast majority of that department are local people as opposed to permit-
3485 holders. It is a really great example of growing our own. The main limitation on the numbers is in fact the size of the local talent pool, hence the small satellite team in Jersey of about five. I give way to Deputy Dudley Owen.

Deputy Dudley Owen: Thank you to Deputy de Sausmarez for giving way.

3490 That is very generous. We have not gone into deep-dive detail amongst all of the items within the policy letter, but certainly creative stands out very prominently within the Digital Strategy, which clearly is covered within the policy letter. So it certainly has not been forgotten and the contribution of the creative sector to Guernsey is certainly recognised and acknowledged.

3495 **Deputy de Sausmarez:** I thank Deputy Dudley Owen and actually that kind of leads me on to the next thing I would like to talk about. I am really glad that there is a specific recognition of the creative industries within the Digital Strategy because I think the danger is, when we talk about the digital economy, a lot of people make the assumption, or we tend to look at it within the context of the finance sector, for example, here. I know that it is a big problem or something that
3500 happens in the UK.

I am keen to stress that the creative sector is a sector in its own right. Although I am glad that it is included within the Digital Strategy, in many ways it is broader than the Digital Strategy and so I would actually prefer to see it being acknowledged as an independent sector. It certainly feeds off and helps to create digital skills but it is quite distinct, obviously it is not one and the
3505 same thing as the digital economy.

Unlike growing construction and the service industries, there is a potential in the creative sector for low overhead growth and that is one of its key strengths. There is a load of flexibility in there and potential for really rapid development in the creative sector. That is probably one of the reasons why it became so key to Iceland's economy after the subprime scandal, in fact.

3510 So I would really like to see more investment in the core skills that feed a creative economy specifically, and that means investment in the arts and arts education at all levels. I would like to see the Committee acknowledge a direct commercial and economic benefit in giving young people the skills which enable them to set up the small businesses and enterprises across all of the arts disciplines, and equally from disciplines fed by the arts. This could take the form of arts
3515 apprenticeships and bursaries, support for existing art and media courses at a higher level and support to expand the Island's festivals which bring valuable opportunities to experience the talents of others as well as grow the visitor economy at low cost.

Just as an aside, I am told that the States' support for the recent literary festival gave at least a 500% return on investment in terms of visitor spend. So I would very much like to see a
3520 commitment from the Committee for Economic Development to actively seek to expand the creative sector specifically, understanding that it is a sector quite distinct from the digital sector more broadly, and indeed knowledge economies, which do get a mention in this policy letter.

Deputy Roffey has talked about productivity and this is something that I too can ... I am really glad that productivity is a key focus of this policy letter, because I think Economic Development
3525 have absolutely hit the nail on the head in that respect. It is about productivity. I think that is one of the areas where GDP in its more rudimentary format does not really get close to illustrating what is really going on in our economy. It is really important. Productivity is completely key.

We do know from various data sets, not least the recent gender pay gap reporting, that we are not maximising productivity from women who represent at least half of our potential workforce. Guernsey is therefore not benefiting economically as much as it could be from that half the talent pool.

I think before I go on it is probably important to emphasise that when I talk about productivity, and I am sure this is a view shared by Economic Development, it is not as simple as saying that we just need more hours being working in the Island. In fact the latest research I have been looking at seems to suggest that beyond about 40 hours a week, productivity per hour actually declines. It really not a simple dynamic; it is not simply about getting more people to work more. It is about getting them to work more productively. That is an important distinction to make.

I think we do need to take a fairly honest look at our working culture to understand why women are not progressing equally up the corporate ladders in Guernsey and we probably should be seeking to modernise that working culture to maximise the potential that we have that is currently untapped or not as tapped as it should be.

Please, let us not blame it all on babies. For most people with children there are two parents involved in raising children, whether those parents are together are not. I think we are still in an era where there is an underlying assumption that childcare is pretty much exclusively women's work. I know so many women – I have just lost count of them in fact – who have far higher earning potential than their male partners yet, after they have had a child, it is the women that reduce their hours to accommodate the school pick-ups, etc.

I know it can be argued that that is their choice, but is it? To what extent is that choice shaped by the prevailing cultural norms and pressures? How accommodating are businesses of men's childcare requirements? Not very, I do not think. I have attended a couple of workshops and had quite a lot of conversations around this issue and I know there is a lot of frustration at some of the outdated working practices that seem to exist more in Guernsey than they do elsewhere. We still seem to have quite a dominant nine-to-five culture and it tends to be a culture of presenteeism. Flexible working practices do exist, but they are inconsistent.

There is huge variability even within individual organisations. Quite often, but probably because of the lack of a really robust law, it often comes down to the discretion of individual managers and I think that is one of the main issues. Ultimately the typical working day is fundamentally incompatible with the typical school day. I am talking about the traditional working day and the traditional school day. The traditional working day was designed for an era in which one parent worked and the other one looked after the household and the children, and I do not think we are in that era any more.

I am not in any way arguing for all mums and all dads to work from nine-to-five, I am arguing for a cultural shift that encourages men to play a greater role in their children's upbringing, which will help release more women's potential and make the Guernsey economy more productive and probably happier too.

So linking this to productivity, when you look at productivity topping the global polls usually is Norway. I do not think it is any coincidence that they have some of the most forward-thinking parental policies in the world. Parents are entitled to, I think, 47 weeks' leave at full pay, or 56 weeks at 80% of full pay. The government also offers highly subsidised and excellent quality early childcare.

Looking at the economics of such policies we can see that they pay off. What the government subsidises in parental leave and childcare payments is more than offset by the positive economic impact of mothers staying and remaining productive in the workforce and there are really high levels of mothers of young children still employed, so they do not lose their place, they do not lose their footing on that corporate ladder.

What we tend to see in Guernsey is women often take a break from their careers and go back in at a lower level than they were. That is a really common thing that people experience here. So they take home less pay. One of the main problems is we just do not see those women

progressing to the higher, the more senior roles and that actually affects the entire female representation within the whole workforce.

Certainly the economics of what they did in Norway seems to add up. I read one report recently which I think valued the additional productivity of mothers in the workplace who otherwise would not be there, as about the equivalent of their entire oil wealth sovereign fund, which is significant as I am sure Members are aware. So their working culture really embraces and protects flexible working practices for men and women alike, meaning that dads can also make more than just a cameo appearance in their children's lives at weekends. And they do share the parenting equally.

There is an important bigger picture element to this. I do not think we can afford for couples to have fewer babies in Guernsey. There cannot be anyone in this room who is not aware of the scale of the challenge we face in terms of our demographics and the downward trend of our dependency ratio.

We talk a lot about immigration, net immigration. It is mentioned in this policy letter; it is obviously a huge feature of Population Management Law. We seem to accept that declining birth rates are an inevitability. But they are not. Birth rates in Norway have actually risen significantly in line with women's participation in the workforce and today they have one of the highest fertility rates in Europe.

I do not think it is unreasonable to assume that better parental policies have a positive impact on birth rates. Talk to any parent of young children in Guernsey and they will tell you about the financial pressures involved. I have heard so many of my friends of child-bearing age say, 'We literally cannot afford to have more children.' That is the financial reality of parenting in Guernsey.

Last summer I spoke to friends of mine, a Guernsey man married to a Norwegian woman. In many respects they are keen to move back to Guernsey. But they have done the sums. Although there was really competitive earning potential and although their taxes would be significantly less, because they have now three young children they said that they would be out of pocket moving back to Guernsey before their children were much older. So they completely ruled it out until that stage. More to the point actually the childcare in Norway is not only highly subsidised, it is also really good.

It is a really serious consideration and I have to say in that dynamic, I do not think we should assume the mother of the children had lower earning potential. But there is potential there to be tapped and Norway is tapping it brilliantly. Guernsey is really slacking in that department. So I do think, if we are going to talk about productivity, this is an area that we do need to give very serious consideration to.

It is not just Norway. I have used Norway because it is a really good example, but actually if you look at the productivity polls, you have all noticed that nations or jurisdictions with very strong parental policies do tend to be up in that top 10. We see a lot of the Scandinavian countries. There does appear to me anyway – I have not done any particularly detailed analysis on it – to be quite a good correlation between productivity levels and robust parental policies. So I would encourage the Committee for Economic Development to look into this and bring forward some, hopefully very progressive, ideas.

Thank you.

The Bailiff: Deputy Gollop.

Deputy Gollop: Deputy de Sausmarez, as always, has put forward a clear and challenging perspective and I would agree with her that, for some reason I do not fully understand, there certainly is a difference of opinion on the Island as to the merits of the creative industries. For some people they are crucial to our future. We know, for example, how Specsavers are extremely successful and many advertising agencies, marketing agencies, architectural firms and so on. I would argue there are probably more professional artists of one kind or another in Guernsey than

3630 there are professional fishermen or people in horticulture or farming, which is a declining number I am afraid, when you see the statistics.

But for other people we saw perhaps in the previous Economic Development Committee, a view that maybe they were not washing their face economically. My perspective is they are a growing sector. They will not necessarily all become millionaires, they are not necessarily as productive in pounds per person as certain elements of the finance sector, but they are important because they represent a personal choice of many people; and I would say the arts, like the hospitality sector, might be small in overall GDP but they are an essential part of the quality of life that Guernsey offers its collective society and residents.

3640 For example, our capability in attracting the best local and outside people to work on the Island is partly linked to the calibre not just of education, but of restaurants, schools, sports, arts and so on. So I think one should not underestimate them.

Deputy Roffey too made an interesting contribution earlier, concerning how we can better resource our Open Market. It is interesting that perhaps there is some resistance to looking at that again. But the reality is that we ended up with a rather curious property register where some really outstanding properties, desirable, are on the Local Market, whereas the Open Market is not necessarily entirely satisfactory in terms of offering the kind of property high-net-worth individuals desire. When the original register was done many of the properties, for example, were guest houses. They ended up on the open marketplace for historic reasons. I think that is another area that can be looked at, although it is not entirely an issue for Economic Development.

3650 Another challenging message Deputy de Sausmarez put across of course was her argument about our attitudes to family and women's equality. She mentioned Norway. Now, Norway is an interesting case because it has been outside of the European Union officially, but it is probably more linked that Britain will be post-Brexit. It has, according to a quick Google, a 39% higher rate tax rate, but it is a lot lower than Sweden.

3655 I think that reflects the fact that Norway is an extremely successful country in terms of its fishing and of course in terms of its oil revenues. It has, as we heard the other day from, I think Mr [inaudible] amongst other people, were talking about the 800 billion fund that they have in Norway. So they can afford not to have particularly high tax rates, but they are high compared with Guernsey I hasten to add, as is their 8% VAT.

3660 I think we have a debate, Deputy Langlois has raised this today and previously, about what exactly the upcoming generation wants. Do they want economic development so that the Island continues to have growing public services, combined with low tax rates, or do they want a different sort of society? At the moment we are not seeing clarity.

3665 Deep down, I am not particularly impressed with this report. Not only does it not offer the detail and vision that we need but it talks about plans and it talks about issues, but it does not really get into the nitty gritty. We have a philosophy that said perhaps the States should be more interventionist. But how are we going to be interventionist? Where is the money coming from? Where is the revenue coming from?

3670 Deputy Le Clerc often tells me people have unrealistic expectations with some social services. Actually they do in other ways too. They do in terms of the amount of viable hotels, transportation links and so on. We have to challenge those things and say you can either have that by one policy or another, but it might involve more public finance, it might involve a bigger Government, it might involve a change in thinking.

3675 This report does not really give us any clarity on that at all. If the Island wants to really go for growth then it actually has to make some perhaps unpalatable decisions, change its planning system if I am honest in some respects, and have a much more interventionist strategy in many ways. Or, in some other instances, a more blatant free-market strategy. There are just so many micro-issues that one could go into that perhaps this is not really the time and place for it.

3680 What I would say is there are some seeds of hope here. I like the emphasis on entrepreneurship. I attended this morning the first of the start-up breakfasts, at least in its new format, in which various people met together to consider the merits of start-ups and stretching up

businesses and scoping them up and so on. I think that is important. We do need to have more of a can-do approach to the economy and I believe entrepreneurs can be disabled people, they can be small, they are not necessarily exclusively venture capitalist or bigger entities in the finance sector and we should encourage that. Further to what Deputy de Sausmarez said, a surprisingly large number, in fact the majority of the people at the start-up today appeared to be young mothers and people in that kind of category.

So I think perhaps we have a wrong view of who the business community are and who they can be, and we need to see our people as potential. But I think the harder question about prioritisation, finance and the kind of economy we need to develop are not answered by this report, so I would say really this is just a work in progress and they will hopefully come back in more detail later.

The Bailiff: Deputy Trott.

Deputy Trott: Sir, one of the things that we learned when we were undertaking corporate tax reform back in 2006 is just how frequently business in Guernsey cycles through. How quickly we lose business and we replenish it from other sources. It is a natural business fundamental. What major industry told us at the time is that in the space of five years their book of business can in some cases look very different.

Those who rail against growth need to understand that even to stand still you need to have a policy of growth in order to ensure that you replenish the business that is naturally wasted business, that moves away for a whole load of reasons including of course in some cases the death of a client, or whatever the case may be. So it is a fundamental that we keep our eyes focussed on that.

Interestingly I always say, if you look at the report on page 25 – in particular, ‘Guernsey – open for business’ – how revealing those bullet points are. If you said to someone who was looking to land a business somewhere, ‘What do you need?’, I suspect if they were involved in our primary industry and many others for that matter, they would say, ‘We need a competitive business environment underpinned by a corporate income tax regime that meets international standards and which can be adapted as necessary if those standards change’.

They would say that they would need world-class professional services. They would say that they would need an internationally recognised and aligned regulatory regime. Most importantly, they would say that they want stable Government and financial stability and they would need to be in a place with the ability to revise legislation quickly and effectively to meet developing international standards.

We provide all of those things in spades. That is our brand. It is why we have been so successful for so many years and why I have every confidence in the future because, whilst those fundamental principles underpin any economic philosophy then, notwithstanding a catastrophe, the future should look bright.

The future does look bright. Let us take one tiny component of what we do here: wealth management. Wealth management is fundamentally important. It is not dependent on a tax. It certainly helps our need for substance, having real people doing real jobs here in a real place. But, importantly, many of our local resident investment managers outperform their UK counterparts consistently when the same benchmarks are used, such is the level of expertise in that particular area alone that we have.

The other thing I want to talk about, I am not sure anyone else has dealt with it in any great detail yet, and that is 8.8 in the report and the issue of ‘Assessing risk’. This is fundamentally important and of course is another work stream that is being undertaken. We hope that we can report back on that by the end of this year.

One of the many reasons that we are so successful is that as recently in 2008, when the global financial crisis was unfolding around our ears, our economy remained strong and stable. That was

because we did not embark in the sort of casino financial services that many other places had embarked in and that meant the effect on us here was minimal compared with many other places.

3735 That is why moving forward, assessing our risk appetite and setting our risk appetite at a level that is both encouraging to entrepreneurs but also protective of what we currently have is so fundamentally important. Fundamentally important, yes, but extraordinarily complex. It is so complex, sir, that I do not have the answer! Members who have worked with me for many years will know that is rare. (*Laughter*) On this occasion I think that every little bit of intellectual capacity
3740 that we have as a community will be needed to be drawn upon in order to set that at the right place.

So I think this is an excellent piece of work. I think the current Committee for Economic Development have done a very good job in the messages that we are sending out here and I shall continue to support them moving forward in every way I can.

3745 Thank you.

The Bailiff: Yes, Deputy Le Clerc.

Deputy Le Clerc: Thank you, sir.

3750 I have only just got a couple of points to make. Firstly, I just want to say that I think Economic Development do have a very difficult job with very high expectations and it is essential to our community for all the services that we provide. (**A Member:** Hear, hear.) I would not want to be on that Committee, so I do acknowledge that.

I just wanted to respond to Deputy de Sausmarez on the hours worked. I know then she
3755 moved on to productivity, but I think it is really the responsibility of Employment & Social Security to deal with the aspect of logging hours worked and I think that will develop when we build the revenue services work that we are doing and looking at the systems there with tax. So I just wanted to pick up on that. However, where Economic Development can help us is that there will
3760 need to be a certain buy-in from employers when we hopefully move to being able to collect that information, so that would be something where we would look for the support of Economic Development.

The only other thing that I wanted to pick up, and I was out of the room when Deputy Lowe stood, so I do not know if she picked this up but it is just on 8.7.3, and that is about Open Market and it is just the final three lines of that paragraph. I would just like some clarification, because I
3765 do not know if this is a challenge to the Population Regime in that, and it says:

In addition the work on reducing red tape assess the opportunities to remove restrictions on the use of Open Market housing which are disproportionate to the aims of the population management policy.

I am just wondering if that is asking for a U-turn on some of the legislation that we have already passed? So I would just like some clarification on that point.

Again I just want to acknowledge that this is a difficult task that Economic Development have. Some of the economy and how it progresses is not always in our own hands but if we are as nimble as we can be, then we will be prepared for all the challenges that will face us ahead. I will
3770 give way to Deputy Lowe.

Deputy Lowe: Thank you very much.

The part there that is in the report, I would think that refers to the review that is taking place
3775 over the population management, which will be looking at everything. But what must go out is the message that we are not going to be interfering with the Open Market. That is the message that went out a few years ago and caused a devastating effect. So I would not like it to be interpreted otherwise. It is just looking at ways of repopulation within the Open Market.

3780 **Deputy Le Clerc:** Thank you, Deputy Lowe, and that is all, sir.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Thank you, sir.

I just wanted to mention a couple of points. One being that there is a real place for an overview of this nature, strategy or vision, if you like, but I think we have to be very careful in devoting too many resources in a small department like Economic Development to that particular area. With just over two years left in the term it is obviously very important, but what is more important is some urgent action on matters to improve the competitiveness of Guernsey, which I have spoken on before and also to actually consider areas of business that we need to be concentrating on and getting on with. In other words, I see the focus in the next two years to be on short-term achievable targets: areas that we can actually do something about, growing the economy in future. So, positive action on key economic matters to improve the economy. I just have some concerns about going back into this document again and dotting i's and crossing t's, bureaucracy being involved in that type of effort instead of in fact looking at the areas that we need to progress. That is one point.

My second point is that it is very important that we look after what we have in Guernsey and many people are racing ahead looking at new areas, and so on and so forth. That is all very well but I think we have to protect and look after what we have, such as the finance industry, and be concerned about the welfare in that particular area.

Also in the countryside, looking after what we have. Deputy Queripel mentions the vegetable production and that type of thing. We do very well in potato production but when you get into some of the other vegetables it is a matter of having a market for those products. Unfortunately the market is sewn up to some degree by the supermarket chains at the current time and it is very difficult to feed those chains because they want regular supply.

Then of course we have to consider Town and the fact that it is shrinking, and we have to be very careful. You can notice it on the edges – Mill Street, and so on. We have got to look after that as well before thinking about expanding outward, as Jersey has done, into the front. Look after what we have got first. See that all those retail areas are occupied. See that the office space is occupied before building a lot of new ...

A few people have mentioned the green economy. I am very pleased that they have because there we can find new sources of growth I think for Guernsey. We should dwell to some degree on that and that is why we have got a very strong section I thought in Section 6 on the 'Blue economy', which is the sustainable use of ocean resources for economic growth, and improving livelihoods and jobs and the health of the ocean economy or eco-system.

That is another area. That area gets into aquaculture, marine bio-technology, tourism, maritime transport, and so on and so forth, but also expanding the fishery and that is something that Deputy Paint mentioned. We have got to be very concerned about not just conservation of the resource, perhaps conservation in terms of others depleting our resources, but certainly seeing expansion in the fishery industry, particularly at the current time with Brexit and so on and all the uncertainties that are out there. We have got to again look after what we have got as a priority.

The last thing I wanted to mention was regulation, which I think can kill us. The more I look at it, the more I see regulation as holding us back in Guernsey, whereas Jersey has attempted to rid itself of some of its regulation, particular in the air industry, for example, and it is very difficult to compete with them when in fact they have an open skies policy, where ours is heavily regulated. Hopefully, that particular issue will be remedied next month when we look at the whole open skies area and deregulation to some degree.

Thank you, sir.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

Picking up on what Deputy de Lisle has just said, it may be that Jersey has several tens of thousands more people that contribute to that, rather than necessarily their air routes policy.

I just want to make a couple of points quite quickly. Generally I support the proposals put before the States by the Committee.

I agree, incidentally, with what Deputy de Sausmarez said about productivity and I think Deputy Parkinson referred to that in his opening speech and I think it is right that there ought to be an emphasis placed on that issue. I have read somewhere not all that long ago that in manufacturing the average French worker has made, by the end of Thursday, what it takes the average British worker by the end of Friday. I do not quite know how we measure productivity in Guernsey and how accurately we measure it, but certainly improving productivity is key to economic growth, particularly when we face the kind of constraints we do in relation to the size of our population, the pressure there is on land, etc.

The couple of points I wanted to make: first of all the Equality Working Group made a response to the Economic Development Strategy, which I think they circulated to all States' Members. They picked up peripherally on the issue of productivity, but particularly on the importance of diversifying the workforce as a key enabler to economic growth.

I think it would be quite useful when Deputy Parkinson replies to the debate, if he could point out to the States where in this strategy are the issues that have been raised by the Equality Working Group and how much focus does his Committee intend to apply to the points made in their submission? This is in relation to breaking down barriers in terms of accessing the workplace. Deputy de Sausmarez raised some of these points in relation to women in work and flexible working. If the strategy before the States is light on anything it is perhaps in that area and given the emphasis Deputy Parkinson placed on productivity when he opened the debate, it would be useful if he could provide some reassurance that the Committee recognises and will work to fulfil some of the points made by the Equality Working Group.

Secondly, in relation to the 'International university', about which there is some text on page 20, my understanding is that Deputy Parkinson and his Committee conceive the international university to be primarily, if not exclusively, for off-Island students. I would be grateful if he could clarify or hopefully confirm that is the case when he replies to debate. If it is, the way I see it and I think the way Deputy Parkinson sees it, but I hope I am not putting words in his mouth, is that the efforts of the Committee for Education, Sport & Culture to encourage a partnership between post-compulsory providers – College of FE, the GTA University Centre and the Institute for Health and Social Care Studies – working towards university college status which would be entirely for local students, can co-exist with the international university project which is being led by Deputy Parkinson's idea, because they are catering to completely different client groups.

If that is not the case I think our two Committees are going to need to resolve what may be conflict between the two projects. I hope that my understanding of it is correct, but if Deputy Parkinson could confirm that when he replies to the debate I would be grateful.

Other than that, I support the Committee's proposals and I support the Committee and wish them well in what is effectively half a term in office; and they have quite an ambitious agenda but I wish them well.

The Bailiff: Deputy Green.

Deputy Green: Sir, yes, very briefly. Like others I will be supporting this strategy and I hope it will evolve into a full-blown plan in due course. I just wanted to make a couple of quick points.

The first point is in paragraph 2.9 there is a brief mention of the:

...challenges of emerging technologies leading to robotisation of some business activities.

I am glad there is that indication there, but I do not think we should go through the whole of this debate without mentioning this specifically.

Technology and mechanisation, robotisation, etc., is going to have a terrific impact on the jobs market in this Island and on our economy generally, just as it will elsewhere as well. The future workforce therefore will inevitably look fundamentally different from the way it looks today. I hope that Economic Development and other Committees in this Government will do much more from now on in terms of preparing the economy and preparing individuals for those challenges, because at the moment I do not think the readiness of the society and the readiness of the States for these challenges is apparent at all. I do not see any evidence that we are even thinking about it necessarily.

We certainly need to encourage the Committee *for* Economic Development and other Committees as well, to be aware of this. I give way to the Vice-President of the Committee.

Deputy Dudley Owen: Thank you, sir, through you, to Deputy Green for giving way.

It is very much on our radar, actually. I attended on Friday the Sandbox Sprint, which was an initiative put on by the Guernsey Financial Services Commission, which really tackled some of the issues around automation in our economy and encouraged businesses to come forward and to think of innovative ways – some of them maybe were slightly more outlandish than others – but some really interesting initiatives from businesses that exist here today in Guernsey about how to deal with automation, how to free-up time and knowledge to become specialists in certain areas with client inventions.

It is very much on our radar. The Future Digital services, I am not sure whether you caught that in my speech before about how we will be briefing States' Members in more detail about how Future Digital services are going to benefit Economic Development, the wider community, but also look at automation of work and how those opportunities can filter down through the community. So, yes, it is on our radar.

Deputy Green: I am very grateful for that indication. I do not think as a Government or as a society we should underestimate this as a challenge, because it is an enormous challenge. I take comfort from the comments that the Vice-President has made.

Secondly, just to go back to something that Deputy Gollop mentioned, I think traditionally for the last 30 or 40 years, the Guernsey economic policy insofar as there has been one, has been based on the notion of trickle-down economic theory. I think in many ways this strategy document is actually something of a watershed moment, because my reading of it is that the emphasis now is going to be a rather more assertive role for Government in the economic development of the Island and I applaud that, and I agree with that.

I know that Deputy Parkinson has spoken in the media about this, about the need for a more interventionist policy, which is what Deputy Gollop was saying, and I think that is exactly what we need to pursue as long as the intervention is the right kind of intervention. I think that is the question that Deputy Gollop was getting at. How exactly are we going to do it? That is perhaps something which is a missing part of the jigsaw at the moment.

My own view would be the key role of Government is to try to bring together and to invest in, together with the private sector, the key enablers of economic growth – the skills, the infrastructure, the connectivity, the technology and all the rest of it – and co-ordinating it together, because you cannot just leave it to the market. In many ways Guernsey has prospered by having a very strong, relatively free market economy in the last 20 or 30 years, but I do not think that model is going to work in the future.

I think this is in many ways a watershed moment. It is an assertive approach to recognising that you need a greater level of state intervention, as long as it is the right kind of intervention. Other than that, sir, I will be supportive of this strategy. I do not think in any way it is the finished article, but it is a good step in the right direction.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, in my wilderness months – Churchill might have had 10 years, I had six months – I took the opportunity to speak to lots and lots of entrepreneurs from outside the Island and inside the Island. Deputy Trott hit the nail on the head when he looked at the eight bullet points on page 25 and said all these things, they are all true. They are absolutely true.

When you look at, for example, point eight, the things that were created: the International Stock Exchange, the world's first image rights register, 2-Reg, etc. All innovative, highly successful, fantastic institutions that have been brought into existence by the various States over the last few years. They are great, they are fantastic and I am going to support this document. It is far from perfect, but it is a step in the right direction and it is built on the commendable work of the previous Economic Development Committee.

It goes beyond it in a way, but it is not enough us telling us how good Guernsey is to do business and what a fantastic place this is. All of which is true. You have got to persuade the entrepreneurs out there. I had, and I was very grateful to him, the three-hour indulgence recently of a world-class entrepreneur. I am not going to name him but it is somebody who really loves Guernsey, really values Guernsey, has a small business interest here but has his other business interests elsewhere. He appreciates the stability of Guernsey, he appreciates the safety of the Island, but he has no confidence in the last States of Guernsey.

He has got no confidence in this States of Guernsey, because despite the fact it says it is business-friendly, it is not. That is his view. If he were to bring his businesses to Guernsey, it would increase our GDP by about 5% or 6%, but he would be unlikely to because world-class entrepreneurs do not put all their eggs in one basket. Even if he put a fraction of his business activities into Guernsey, it would be transformational in connection with us.

So we have got to persuade people and when I hear the very able Deputy de Sausmarez mention Norway, of course we want everybody to maximise their potential. We do not want any sexual bias. We want people to do the best they can and we have got to have fluid and flexible working practices, etc. Whether a husband or a wife, whether he or she works or they both work, that is not matter for Government, that is a matter for the family, not for the State to interfere and say that. That is for the family to decide that and individual families will make individual choices. They should be given every opportunity.

When I hear Norway mentioned, which is a wonderfully successful country, a bit sterile, but a wonderfully successful country with a climate that we perhaps would not ourselves want all the time. But with the high rates of taxation – it might be less than Sweden – but they are still the high rates. If we were to say to an entrepreneur who was going to come and start his businesses in Guernsey, 'That is great, but by the way shortly we are going to increase our tax burden by another 14% or 15%', he would say, 'I will come here for my summer holidays, but I am not going to do business here'.

We have got to live in the real world and the real world tells us that we have got to be more welcoming, we have got to be more proactive. We have got to establish business links with world-class entrepreneurs. We cannot tell them what to do. We cannot say, 'You have got to come here, and you have got to obey our laws', because they will say, 'Of course if I come to Guernsey I have got to obey your rules. But I do not have to come here. I do not have to put my business activity here. I can put it in that island 22 or 23 miles away'. People do make that mistake and do that regularly, because for right or wrong they are seen as more business-friendly and more proactive than we are.

So all of this is wonderful; all of this is fantastic. All of this I am sure must have the meat on the bone that Deputy Dudley Owen and others have mentioned, and Deputy Merrett, etc. It has got to have that. We have got to have an end result. It is a bit like a football team and Arsenal were very good at it in recent years, they played all this attractive football, but they did not score enough goals, (*Interjections*) because they failed in the penalty area because they did not have true grit in the penalty area, because they did not have Harry Kane!

Deputy Fallaize: Point of correction, sir.

3985 I think Deputy Ferbrache is misleading the Assembly, because I think he will find that Arsenal have won more trophies than Spurs in the last three or four years! (*Laughter and interjections*) So if we are measuring things by output, which I know Deputy Ferbrache likes to, I think he ought not to mislead the Assembly quite to the extent he has. (*Laughter*)

3990 **Deputy Ferbrache:** Two points in relation to that: the first team to do the double in the 20th century was Tottenham Hotspur. (*Interjections*) And secondly, Tottenham Hotspur have been way above Arsenal in the Premier League in the last two seasons. I will just mention that. So both history and present favour Tottenham Hotspur rather than Arsenal, but I appreciate that Deputy Fallaize, as he does in so many ways wants to cling on to every straw that he can! (*Laughter*)

3995 In connection with all of that, of course this is a document that we have got to support, of course it is far from perfect, and that is not meant as a criticism of anybody. But we must actually do business in a way that the world wants us to do business, because otherwise we can have all the pretty words, we can have all the pretty football, but we will not score enough economic goals.

4000 **The Bailiff:** It is very nearly 5.30 p.m. Can I just have an indication how many more people wish to speak in this debate? Two. I put to you the proposition that we continue to sit to conclude this debate. Those in favour; those against?

Members voted Contre.

4005 **The Bailiff:** I thought that would be the outcome, but I thought I would give you the opportunity! You will resume at 9.30 a.m. tomorrow, when I will not be here, the Deputy Bailiff will be here, but that is fine! (*Laughter and interjections*)

The Assembly adjourned at 5.30 p.m.