

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

STATES' TRADING SUPERVISORY BOARD

AMENDMENT TO THE CONSITUTION OF THE STATES' TRADING SUPERVISORY BOARD

Letter of Comment from the Policy & Resources Committee on the item lodged by the States' Trading Supervisory Board entitled "Amendment to the Constitution of the States' Trading Supervisory Board".

HM Greffier
Royal Court House
St Peter Port
GUERNSEY
GY1 2PB

17th July 2018

Dear Sir

**Requête: Amendment to the Constitution of the States' Trading Supervisory Board
(P.2018/47)**

In accordance with its responsibilities under Rule 28 of the States' Rules of Procedure, the Policy & Resources Committee has carried out consultation in respect of the above Requête. Initially, it sought the views of the Committee *for* Economic Development, the States' Assembly & Constitution Committee and the States' Trading Supervisory Board (STSB).

The Committee *for* Economic Development was unable to provide feedback because conflicts of interest among members rendered the Committee inquorate for any discussion of this matter. Consultation with the States' Assembly & Constitution Committee was verbal; hence, although its Members' views have been taken into account, there is no formal letter to append. The response of the STSB is attached, albeit signed off by its former President.

Given that the STSB is the custodian, on behalf of the States, of significant States' assets, the Policy & Resources Committee considers that it is crucial to ensure that the balance of its membership reflects the need for commercial thinking. **Consequently, it cannot support the proposal in the Requête that the Board should comprise five States' Members and two non-States' Members. The Committee is of the view that this would lead to the perception that the States were doing little more than paying lip service to the notion of a commercially-focused Board, by tipping the balance heavily in favour of politically-based decision-making. If this were the case, it is very likely – indeed almost inevitable – that the States would struggle to attract high calibre candidates for the non-States' Member roles.**

The Committee does not oppose an increase by one in the number of States' Members on the STSB. This would slightly widen political accountability without "overloading" the Board with political representation.

Turning now to nomination rights, the Committee does not intend to oppose the suggestion that it should lose the sole right to nominate candidates for the Presidency of the STSB. However, it is of the opinion that it should retain the sole right to nominate non-States' Members. Such nominations should be made only after consultation with the STSB, as there is no desire to nominate candidates who could potentially cause conflict.

The rationale for this conviction is largely explained by the comments above setting out the importance of ensuring that commerciality is at the heart of the STSB's thinking. Unlike non-States' Members on Principal Committees, such members of the STSB have equal voting rights with their political counterparts. This is right and proper and means that candidates must be selected very carefully indeed.

The Policy & Resources Committee has already devised a rigorous selection process for the non-States' Members on the STSB. The process is both robust and transparent and has already been demonstrated to work extremely well, resulting in the appointment, in 2016, of two excellent candidates. Nominations from other sources would bypass this process, thereby potentially undermining the strength of the STSB membership. Consequently, the Policy & Resources Committee would resist any attempts to change its responsibilities in respect of these nomination rights.

Finally, I would take this opportunity to comment on the STSB's proposal, set out in the attached, that a review of the constitution of the STSB and other Committees, Boards and Authorities should be undertaken by the States' Assembly & Constitution Committee. The Policy & Resource Committee considers that such a review is unnecessary at this time.

The debate on the current Requête is likely to be sufficiently wide-ranging to give a good idea of the opinion of the States on its specific constitution. With regard to other constitutions, the Committee believes that insufficient time has passed since the implementation of the States' Review Committee's recommendations to justify such a review. Furthermore, as this work has not been planned and prioritised, to agree to undertake it now would inevitably mean diverting resource from other priority areas that have been agreed. In such circumstances it is difficult to see any argument for commencing a review now.

I should be grateful if you would arrange for this letter of comment to be published in the usual way.

Yours faithfully

Deputy G St Pier
President



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31st May 2018

Dear Deputy St Pier

Requête: Amendment to the Constitution of the States' Trading Supervisory Board

I write to thank you and your Committee for inviting my Board to meet with you on 29th May in order for you to consult with us on the matter of the aforementioned Requête.

The Policy & Resources Committee undertook to review with the States' Trading Supervisory Board (STSB) its constitution once it had sufficiently bedded in. I can confirm that my Board is of the view that a review of the constitution of the STSB is now timely after some nineteen months of full operation. However, rather than that review being carried out by the STSB and the Policy & Resources Committee or through a Requête, my Board is of the opinion that it would be more appropriate for the review to be carried out by the States' Assembly & Constitution Committee, given its duties and powers, and in the context of a wider review of committee, board and authority constitutions. This would allow for a proper, measured and objective analysis of the facts that can then be laid before the States.

Pending any review, the STSB is also of the view, given the unique commercial and trading nature of the STSB, that the robust recruitment process to seats on the Board that was applied for States members and non-States members in 2016 should continue to be followed on the replacement of any of the existing members.

Yours sincerely

Deputy Charles Parkinson
President
States' Trading Supervisory Board