



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 26th September 2018

*All published Official Reports can be found on the
official States of Guernsey website www.gov.gg*

Volume 6 No. 22

ISSN 2049-8284

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,
M. P. Leadbeater, J. I. Mooney

St Sampson

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

The Vale

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

The Castel

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

The West

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

The South-East

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

Representatives of the Island of Alderney

Alderney Representatives S. Roberts and M. Dean

The Clerk to the States of Deliberation

C. Foster (H.M. Deputy Greffier)

Absent at the Evocation

R. M. Titterington, Q.C. (H.M. Comptroller),
Deputy J. P. Le Tocq (*absent de l'Île*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Deputy Greffier

EVOCATION

The Deputy Greffier: Billets d'État XX and XII of 2018. To the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at the Royal Court House on Wednesday, 26th September 2018 at 9.30 a.m. to consider the items listed in these Billets d'État which have been submitted for debate.

5

The Bailiff: Members of the States of Deliberation, welcome back after your long vacation and a special welcome to Alderney Representative Mike Dean who is appearing for the first time and who, if he speaks, will be making his maiden speech.

10

Several Members: Hear, hear.

STATEMENTS

General Update – Statement by the President of Policy & Resources

The Bailiff: We begin with three Statements, the first to be delivered by the President of Policy & Resources Committee, which is a general update Statement.
Deputy St Pier.

15

Deputy St Pier: Thank you, sir.

The Committee's mandate includes financial management and fiscal strategy, working within the framework of the Medium Term Financial Plan set by the States last year. There will be significant detail available on 8th October when the 2019 Budget is published, ahead of debate in November.

20

The Committee also oversees and supports the programme of public service reform being led by the Chief Executive. The appetite and readiness to increase both ambition and pace has grown, about which there will be further announcements in the next couple of weeks.

Another of the Committee's mandated roles is external relations. The Vice-President will be giving an update in relation to Brexit after this Statement.

25

Brexit, though critical, is not the only external relations issue that is being dealt with. Members will know from previous updates that Guernsey, with other jurisdictions, is engaging with the EU Commission and the Code of Conduct Group on Business Taxation in relation to substance

requirements. The need for Guernsey to meet international standards in this area is well understood, and I am pleased to advise that progress has continued to be made in recent weeks.

30 The work that has been undertaken has been truly a Guernsey-wide effort – and input and expertise has come from the Law Officers' Chambers, the Guernsey Financial Services Commission, and industry itself. We are confident that our approach to demonstrating that we are meeting substance requirements will satisfy the EU Commission's criteria, and that we will have legislation in place despite the exacting timescale of implementation by the end of 2018.

35 The Committee continues to progress the implementation of the recommendations of the Constitutional Investigation Committee from the previous term. This work stream has been prioritised by the Committee in order to ensure that we have greater constitutional resilience, underscoring our stability as a jurisdiction.

40 On 16th May I informed the Assembly that it was of strategic importance that we have the legislative and procedural architecture in place to be able to test the will of the people of the Bailiwick – should it ever be necessary – on questions of constitutional importance. For example, in the event of our constitutional position not being respected by the UK, it is conceivable that the public may wish to express a view on our future constitutional relationship. (**A Member:** Hear, hear.)

45 Expeditious work has been carried out in ensuring that we have legislative foundations in place in order to do this. Enabling legislation will therefore be presented to the Legislation Review Panel when they meet on 2nd October so that it may be considered by the States during our November meeting.

50 We will, of course, also be able to take stock of lessons from the Island's first referendum next month on Electoral Reform.

Sir, since my last update statement, the Committee has progressed a number of areas of policy that can be collectively described as social reform.

In relation to divorce, a period of consultation has been completed. The States of Jersey are conducting a similar review of their legislation and officers are working together and sharing any relevant findings to inform each review and the recommendations.

55 The Committee is also leading on a review of the 1919 Marriage Law to ensure the community can have more choice in where and how we can enter into marriage. Following public consultation, a report is being finalised, and I can confirm that overall there was support for the majority of the proposals presented.

60 In relation to probate, a working party has now been established in order to look at the practicalities of transferring the oversight of the probate service from the ecclesiastical court to the Royal Court, while maintaining the current staffing and service in a seamless manner. I have been advised that the working party will meet for the first time on 17th October.

65 In relation to the voluntary sector, work is progressing on the establishment of the social investment commission. This will include non-States' expertise, and will have the opportunity to invest financial resources in third sector projects and work that support our community and support the overall outcomes of the Policy & Resource Plan. It will provide greater transparency on how public money is used, greater focus on outcomes, and greater security to charities and voluntary groups – as there will be consistent criteria applied as to how money is distributed. This model is similar to models used in other jurisdictions, and overall it will distribute more finance on an annual basis to the third sector than is the case at present. The aim remains for the shadow commission to be in place by January, and a policy letter will be presented to the States early next year.

75 As part of a further commitment to reform, the Committee set out its intention to review the 1948 agreement with Alderney in our letter of comment to the policy letter on the Review of Air Transport Licensing. We wish to ensure that the 1948 agreement is fit for purpose in the modern context.

The Committee intends to undertake a comprehensive assessment of the 1948 agreement, including examination of the findings from the reviews of the financial relationship undertaken in

80 1995 and 2016. The review should be evidence-based and result in clear recommendations that balance the interests of our communities, and it is an opportunity to ensure the relationship is based on a clear understanding of the level of services to be provided, and balancing rights and obligations with the interests of our taxpayers.

85 The findings of this initial evidence gathering work will then be subject to discussion between a joint group of representatives from the States of Alderney and the States of Guernsey. It is envisaged that the matters raised by the review can be explored with candour without the need for any brokering or mediation of the discussion. A meeting of the Alderney Liaison Group will have the opportunity to look at the first phase of work undertaken as part of the review before the end of this year.

90 Sir, I have referenced a number of areas in this Statement where we are working together with Jersey – Brexit, the work on substance, the work on matrimonial reform. That is part of a much wider commitment to improving Guernsey-Jersey working that I have referred to previously. Politicians and officers from both of our jurisdictions will meet in Guernsey on 23rd November, and I look forward to reporting on further progress after that.

95 The Chief Executive of the States has advised me that officers from both Civil Services met in Jersey on 17th September. While it is clear that at this stage some areas of co-operation such as health are having more traction than others, the Guernsey Civil Service's commitment to seeking out opportunities for joint working with Jersey is constructive and positive.

Sir, I want to close by highlighting particular issues of interest to the Assembly.

100 First, the review of strategic air and sea links infrastructure. The commissioned external consultants have shared their initial thinking with the Policy & Resources Committee – and we, in turn, have shared it with the Committee *for* Economic Development. We are currently considering the priorities for the next phase of the review, and the Policy & Resources Committee is presently planning to present its initial recommendations to the Assembly in December.

105 Second, inert waste. I remind the Assembly that any delegation of authority to the Committee does not compel the authority to be exercised if the responsible Committee does not consider it to be in the best interests of the States.

110 The decision not to authorise the expenditure on the two quarries was made based on clear information by States' Committees working on this matter as follows: firstly, both the STSB and the Committee *for* Environment & Infrastructure concluded that the preferred way forward is the Longue Hougue South site in terms of its availability, operational life and best practical environmental option credentials balanced with affordability; secondly, both of the quarry sites identified were sub-optimal, together providing only three years' capacity from Quarter 1 (Q1) 2023; and thirdly, the extant resolution requires simultaneous Environmental Impact Assessments
115 which seems unnecessary given the overwhelming evidence that one site will likely be a much stronger contender.

In short, the Committee made an evidence-based decision, and one that recognised that we have a duty to consider carefully how we spend public money. There is no requirement for us to report further to the States.

120 I should add, though, that the creative input from Deputies Inder and Paint to question alternatives has been constructive, and I welcome that constructive challenge. The President of the States' Trading Supervisory Board will be making a statement in the October States' meeting, which the Committee welcomes as the appropriate next step.

125 Third, and finally, on 22nd October the new Revenue Service goes live. This will provide a single unified service that will mean taxpayers get a more efficient service. This is a further example of how the States is delivering change to public services through integrating two functions and improving the customer experience, whilst reducing operating costs. It is to be welcomed as a positive development and a precursor of further positive changes.

Thank you, sir.

130 **The Bailiff:** Members, first of all, anybody who wishes may remove their jacket.

I remind you that there can be a period not exceeding 20 minutes, although that can be extended at my discretion, for questions to be asked of Deputy St Pier on any matter within the mandate of the Committee. Does anybody wish to ask a question?

135 No. Oh, Deputy Roffey.

Deputy Roffey: I was fascinated to know that the consultants looking at connectivity and the Airport have shared their initial findings. Are their initial findings that we should or should not extend our runway?

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

Deputy St Pier: Sir, there has been some initial work which presents a number of different options. It is now for the Policy & Resources Committee working in consultation with the Committee for Economic Development and of course the States' Trading Supervisory Board to present a policy letter to the States which gives some options and obviously with our recommendations to the States as well. I am not going to pre-empt that process in a response to this question today, other than to repeat, as I said in my Statement, the intention is to bring a policy letter before the end of this year.

150 **The Bailiff:** Deputy Gollop.

Deputy Gollop: I am sure there may be further interest from my new and respected colleagues from Alderney, but I would like to ask the President why the Committee has made such a priority of re-evaluating the 1948 agreement to transfer services and the constitutional relationship between our States, given the fact that the previous Policy Council under the stewardship of the then Deputy Chief Minister, Allister Langlois, did a lot of work on those areas, much of which has failed to be implemented?

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

Deputy St Pier: Sir, I dispute that the previous work has either been wasted or failed to be implemented. That work focused entirely on understanding the financial relationship, and I referred to that in my Statement; that work will clearly inform the review of the 1948 agreement.

165 Why do we believe it is a priority? That agreement in essence was negotiated in the immediate aftermath of the Second World War with the intention that it would only be a temporary arrangement; that was the hope and expectation – perhaps 10 years or so. Seventy years later it remains in place. The services which are provided have substantially changed and that is what needs to be recognised in the review that is proposed. We need to ensure that the agreement
170 between our communities remains fit for purpose in the 21st century.

The Bailiff: Deputy Green.

Deputy Green: Sir, on that same subject, the 1948 agreement, I absolutely welcome the need for an evidence-based review in this area, but I would like Deputy St Pier to be very clear on the review of what was originally a tripartite agreement. Is the intention that P&R will carry out the review themselves or is it likely to be an independent review of the 1948 agreement?

The Bailiff: Deputy St Pier.

180 **Deputy St Pier:** Sir, I correct Deputy Green. It was not a tripartite agreement; it was a bilateral agreement, albeit that clearly the Home Office at the time were involved in the process, but they were not a party to the agreement.

185 We envisage that the review will be undertaken between the States of Alderney and the States of Guernsey. It is a bilateral agreement and it will be reviewed bilaterally.

The Bailiff: Deputy Tindall.

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

Does the President consider that the Social Investment Commission, rather than giving charities security, applying strict criteria may result in the smaller charities not receiving funds which the people of Guernsey would give them if that criteria was not in place?

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

Deputy St Pier: Sir, I think it will remain open clearly for the people of Guernsey to continue to give to whichever charities they wish to give to. The question is the direction of the funds which are quasi-public funds at the direction of the States of Guernsey. The Social Investment Commission is intended to ensure that the criteria that are applied are consistent with delivery of the priorities set out in the Policy & Resource Plan primarily. So it is to ensure that we do have a greater focus. There clearly will be impact as a result therefore on the third sector, but overall, as I said in my Statement, the expectation is this will be a mechanism which is capable of delivering more rather than less overall.

205 **The Bailiff:** Deputy Dorey.

Deputy Dorey: Thank you.

Deputy St Pier spoke about the review of the Airports and Ports infrastructure; he did not mention sharing it with the Committee *for* Environment and Infrastructure. Could he just clarify, as the responsibility of the Committee *for* Environment and Infrastructure includes infrastructure including but not limited to water, waste water, the Ports and the Airports, that he will be sharing the report with this Committee as well?

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

Deputy St Pier: I can confirm that, sir.

The Bailiff: Deputy Gollop.

220 **Deputy Gollop:** Yes, from the Development and Planning Authority point of view we very much thank Policy & Resources for involving us along with other committees in the Seafront Enhancement project. But is the President confident that resources are in place to move forward with positive initiatives within now approximately a year from where we are now until the autumn of 2019? And that he will also be in a position to consider some of the exciting ideas being generated by some Deputies about perhaps ideas of utilising waste more effectively in the Harbour east coast area?

The Bailiff: Deputy St Pier.

230 **Deputy St Pier:** Sir, I do not want to get drawn too much onto that latter point at this stage. I think the Seafront Enhancement Area project needs to be seen as being potentially a multi-year, multi-million pound opportunity covering a whole range of potential enhancements to a significant area. A lot of work needs to be done in that and in particular engagement with the community.

235 There is a second part to the project which is nearer term and as referred to in the question, the intention is to be able to try to move forward with some smaller scale projects particularly within the Town area to demonstrate that we are able to progress some enhancement in the short term.

240 So I think it is important to keep it in context that there are many factors to take into account, including not only inert waste which was implicit within Deputy Gollop's question but the questions of our Harbour infrastructure requirements including hydrocarbon importation, the link with energy supply. This is a very complex picture and hence us needing to create a structure and capacity that is able to deliver across multiple Government terms as well, that is particularly important.

245 **The Bailiff:** Deputy Yerby.

Deputy Yerby: The last P&R Plan update gave a number of areas in which the Policy & Resources Committee was going to work with other committees to support and progress and co-ordinate the development of policy. Can the President give an update on what has been achieved on those various areas of action?

The Bailiff: Deputy St Pier.

255 **Deputy St Pier:** Sir, clearly the work, particularly of Deputy Stephens working in the social policy area with Supported Living and Ageing Well and the Children and Young People's Plan – that work has continued. There will be proposals in the Budget in relation to moving the agenda forward in relation to the pooling of budgets to enable some work to be progressed in some areas, which is something that has been talked about before. Also the other area that is clearly required is to ensure that we have got sufficient policy resource across all the Committees. That is something that we have been engaging with very significantly as part of the Budget process. Many committees require additional policy resource; we have to consider how that is to be provided in the most effective way and the Budget also will be dealing with that issue as well.

265 **The Bailiff:** Deputy Merrett.

Deputy Merrett: Thank you, sir.

270 In the interests of openness and transparency, why can the connectivity report not be shared with all Deputies? If half the Assembly, with all the authorities and committees, now may have sight of this report or be able to review it before a policy paper, why can't the whole of this Assembly have a chance to review it?

The Bailiff: Deputy St Pier.

275 **Deputy St Pier:** Sir, I can assure Deputy Merrett that all States' Members will have the opportunity. The reports – the *reports*, at this stage, because there is one in respect of sea and one in respect of air – remain in draft; they have not been finalised. I think it is entirely a normal part of the process of the work of Government that the committees mandated with this area of responsibility should at least have the first opportunity to manage what is being received.

280 I can assure Deputy Merrett that everything will be shared in due course but please allow the responsible committees to do the job that they have been directed to do.

A Member: Hear, hear.

285 **The Bailiff:** Deputy Inder.

Deputy Inder: Yes, sir, thank you, and Deputy St Pier, for you, sir, thank you for the update and making mention of the work that Deputy Paint and I have done, along with a number of other Members. Next month I think we will hear from STSB – possibly a further development there or certainly more of an update.

290 Can I ask then, sir, through this discourse over the last two or three months, has it been established that if we are going to reclaim we are going to reclaim with more purpose than possibly the current option?

The Bailiff: Deputy St Pier.

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Deputy St Pier: Sir, I think there are a number of issues to consider in relation to inert waste particularly and reclamation, and central to this issue is: are we dealing with an inert waste problem and an inert waste strategy or are we dealing with a reclamation project? Because clearly if it is a reclamation project then actually you want to fill whatever it is you are going to fill in as quickly as possible so that you can then use whatever you have filled in for whatever purpose you decide you wish to use it for; whilst if you are wishing to solve a problem in relation to inert waste you probably want to fill it in as slowly as possible so you do not have to find somewhere else to fill in later.

300

So that, in essence, is the heart of the tension we have, that is the tension which I am hoping Deputy Ferbrache is going to seek to address in his Statement and I think we also have to recognise that these things are running on different timelines as well, which is another particular challenge. So I am afraid I do not unfortunately have the answers to the questions that Deputy Inder might seek today but that is the issue which the committees have to struggle with and ultimately, I would suggest, one that probably the Assembly will need to get to grips with.

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310

The Bailiff: I see no one else rising.

General update – Statement by the President for Economic Development

The Bailiff: We will move on to the next Statement which is also a general update Statement to be delivered on behalf of the Committee *for* Economic Development by the President, Deputy Parkinson.

315

Deputy Parkinson: Thank you, sir.

The Committee has set out an Economic Development Strategy, which the States decisively supported at the end of June. I am pleased to update the Assembly on the progress made over the last three months since that occasion.

320

I want to start with some good news. The more front-footed approach to marketing adopted by the Committee and its agencies this year is already reaping dividends. Quarter two (Q2) of this year saw an increase of 5% of bed nights in paid-for commercial accommodation against the same period last year – 13,000 additional bed nights.

325

Excluding cruise passengers and visiting yachtsmen, visitor numbers increased by 2% – 89,434, compared to 87,801 in Q2 2017. Adding in cruise passengers and visiting yachtsmen, total visitor numbers increased by 1.4% for Q2 2018 – 148,614 compared to 146,617 in the same period last year.

Staying business visitors saw a healthy increase of 26% compared with Q2 2017 and business day visits remained stable. Leisure day visits also saw an increase of 7%.

330 The marketing activity carried out during Q2 of this year to capitalise on the launch of the Guernsey Literary and Potato Peel Pie Society movie is expected to have an impact on visitor numbers later this year and of course during 2019, but early positive signs are emerging already.

VisitGuernsey's online visitor survey shows that over 20% of leisure visitors to Guernsey during Q2 claimed that their decision to visit the Island was influenced by the marketing activity
335 surrounding the release of the film and/or by having seen the film.

Locate Guernsey continues to go from strength to strength. The first half of 2018 has already generated recurring revenue to Guernsey of almost £1.5 million, in terms of tax revenue and document duty – almost twice as much in this half-year as in the previous two years put together.

This in part is down to the more confident and positive messaging adopted by the Committee
340 and to the importance of stability, security and quality of life; to the clarification of the situation in relation to the Open Market; and to the breadth of our offer, which includes for example the 2-Reg aircraft registry.

Locate Guernsey's annual October showcase in London has seen a considerable increase in attendance from local and off-Island businesses, and demonstrates that the message is getting
345 through – Guernsey is open for business.

A new Director of Locate Guernsey will shortly be confirmed. The new team's focus will include working with the Digital Greenhouse in order to develop a more unified approach to attracting High Net Worth Individuals and digital businesses, and to promoting the Open Market.

Sir, central components of the Economic Development Strategy are demonstrating that we are
350 open for business, working to diversify the economy, and growing what we already have.

Transport connectivity, digital connectivity and removing red tape are absolutely central to demonstrating that 'open for business' message.

Following the endorsement by the States of the new Transport Licensing Framework, the Committee is in discussion with a number of commercial operators. It is clear that a decision on
355 the future of Guernsey's runway will have an impact on these discussions, but there will be other factors that impact them as well. The tender for the lifeline links public service obligation contracts to Alderney will also be issued shortly.

With regard to sea links, we are in conversation with Condor on a continuing basis, and are planning for all contingencies until there is clarity on the proposed sale of that business. Long-
360 term thinking is dependent on the long-term physical infrastructure of the harbour, and that work is being prioritised by the Seafront Enhancement Area Working Party.

In relation to digital connectivity, we are committed to delivering the telecommunications policy that was published in May, and which will ensure we can provide the digital connectivity we need for the future. The policy will deliver superfast broadband to homes, fibre to businesses, and
365 next generation 5G mobile. We intend to have a policy letter to the States in Q2 of next year to set out the business case for the required investment and the clear timelines and steps for delivery.

Following consultation with industry bodies, the Committee has agreed to investigate providing full-fibre to businesses, not just to business districts. This will ensure businesses have
370 the connectivity they need to grow, and we will be working with the Institute of Directors, the Chamber of Commerce and CICRA in order to set out a clear path forward for doing this.

Critical to the strengthening of competitiveness is removing unnecessary red tape. I am pleased that this morning the Committee has been able to confirm that the red tape review endorsed by the States in the Economic Development Strategy will begin work in November, and
375 will report back to the Committee during Q1 of 2019.

The panel will be chaired by Peter Shaefer, who has worked in businesses across the world and also in the public sector in the UK. Members of the panel will include: Mr Barrie Baxter of the Chamber of Commerce; Mr Clive McMinn of the Confederation of Guernsey Industry; Mr Stretch Kontelj of the IoD; and my colleagues Deputies de Lisle and Mooney, who will bring expertise and
380 insight across a number of sectors. The Committee is grateful to those who have offered their time and expertise.

Sir, work is ongoing to diversifying the economy. I am delighted that next week I will be meeting with a representative of the Mayor of Paris in order to discuss how Guernsey and Paris might work together to make more of the significant international literary icon Victor Hugo and his legacy in Guernsey. This is not just about evolving our tourism offer – it is about how we evolve our Island's brand.

The development of an international university presence will help reposition our brand. We are in early stage conversations with a number of potential overseas partners. There is no formal agreement yet, but there is clearly interest in what Guernsey can offer, and we are hoping to make further progress during the course of this year.

The Committee is now receiving a significant number of approaches from businesses and organisations in relation to medtech and medical tourism, and in relation to renewable energy and the blue economy. We will be publishing policy statements on these areas in early 2019, scoping the work that we will look to do, in partnership with others such as the Committee for Health & Social Care and for the Committee for Environment & Infrastructure.

The finance sector, of course, remains the engine of our economy, and underscores Guernsey's global reputation as a competitive and innovative jurisdiction. During the final quarter of this year, working with Guernsey Finance and the finance sector, the Committee will publish a policy framework for the finance sector and position statements on the five areas of growth agreed in the Economic Development Strategy.

Clearly this thinking is connected to our work on economic risk – we must have the environment in which to deliver these growing opportunities. Balancing risk and opportunity is an important role of the Committee, and in particular I want to recognise the diligent, effective and hard work that Deputy Tindall has done recently to ensure that the new AML handbook, which will be published shortly, genuinely strives to do that.

I mentioned the success of our agencies earlier, and Guernsey Finance too has had some significant success in the promotion of new products. Its marketing of Insurance Linked Securities has been stepped up this year, and so far in 2018 we have seen 197 ILS cells established already. This compares with 88 in the whole of 2017. Industry is confident that rates of new business will continue to grow, reflecting Guernsey's increasing profile as a leader in this space.

Sir, Government's role is to provide the economic conditions for growth. I am pleased, then, that this morning the Committee has also been able to confirm that the Economic and Productivity Advisory Panel endorsed by the States in the Economic Development Strategy will begin work in November.

The panel will include Mr John Perkins, the joint CEO of our Island's biggest private sector employer and our most famous off-Island brand, Specsavers; Mr Simon Phillips of Barclays; and Mr Phillip Marr, who has worked for public bodies around the world including other island economies. As before, the Committee is grateful to those who have offered their time and expertise.

I am also pleased to confirm that the Committee has worked with Skills Guernsey to develop a Skills Action Plan. The Vice-President of the Committee, Deputy Dudley-Owen, is meeting with business groups, and it is heartening that those groups want to play an active role in developing the action plan with us and with the Committee for Education, Sport & Culture. The action plan will be published in the next month.

One final point is the development of a new retail sector strategy with the Chamber of Commerce and its retail members. Developing an approach to support retail in this way is very much the type of partnership work the Committee wants to champion.

So, sir, much work has been done to implement the States' Economic Development Strategy, although it is still early days, and to create the economic conditions for sustainable growth and prosperity. The Committee thanks those in the private sector who are providing constructive and consistent support to help make our Islands even better.

Thank you, sir.

The Bailiff: Again, we have a period of questions.

Deputy Lester Queripel, you have not asked a question yet; you can be first.

Deputy Lester Queripel: Sir, can Deputy Parkinson tell me, please, whether or not his Committee have any concerns about the policies in the Island Development Plan, particularly in relation to the way in which the relevant policies affect the hospitality industry?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Yes, sir. An amendment to the IDP debated in 2016 directed the Committee to bring a review of the Tourism Strategy to the Assembly by the end of 2018. Regrettably, due to the pressure of other workstreams, we will not in fact be able to bring that review to the Assembly until early 2019. But the review, when it comes, will be informed by the recent review of Guernsey's tourism product undertaken by PwC and of course the Policy & Resources led review of air and sea links infrastructure.

The review of our tourism product by PwC highlighted the need for improvement in some of our tourist accommodation and my Committee believes that the additional flexibility which will be needed to allow the industry to evolve to meet the demands and aspirations of our target markets needs to be focused on. We believe that it should be easier for businesses to enter and exit the tourism industry than it is at present, but we will report back to the Assembly in due course when we bring that strategy.

The Bailiff: Deputy Inder.

Deputy Inder: Yes, sir. This is actually probably some of the best news we have had on the tourism sector for quite a few years, and as a boarding permit holder and owner of a couple of self-catering units I know there have been direct and tangible benefits as a direct result of the Guernsey film.

But just a word of caution. There are two figures that came from Deputy Parkinson's speech. On one hand we are told that 20% claim to have been influenced by the Guernsey film, yet Quarter 2 only went up 5%. So the question is: if you took the Guernsey film out of it – through you, sir – do we have a structural problem, for want of a better word, in our visitor figures?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, I do not think a direct causal connection has to be established to the exclusion of other potential influences. Twenty per cent of our visitors tell us that they have been influenced by the marketing around the film or having seen the film itself. Obviously, a percentage of those would have come to Guernsey anyway, even if they had not seen the film, and of course equally a number of people who will have been favourably impressed by Guernsey through our publicity may have already made their holiday plans for this year and may not come until next year. So the linkage between the promotion and the upturn in demand is not terribly precise or scientific. What we know is that the film has had a strong beneficial effect and our visitor numbers are rising.

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

Can Deputy Parkinson tell the Assembly whether his Committee have formed an initial opinion on whether or not Guernsey's airport runway needs to be extended; (*Laughter*) and, if so, what that opinion may be?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, sir, like the Policy & Resources Committee, we are patiently waiting for PwC to publish their final recommendations. We have seen drafts of what they are intending to propose and I think at this stage it would be fair to say that while those drafts in general seem to be supportive of a runway extension, there is not the necessary clarity about what kind of runway extension (*Laughter*) or essentially how long it needs to be. So we are waiting for the full report from that working study, and yes, obviously this is of great strategic significance for Guernsey.

The Bailiff: Deputy Yerby.

Deputy Yerby: To paraphrase Deputy Ferbrache, gender should not be a defining characteristic, but diversity of gender adds value to a body like a Jurats' Bench or, say, an Economic Advisory Panel. So, assuming that the Committee does not think that leading Guernsey businesswomen have nothing to add to the development of economic policy, how will they ensure that future advisory panels are more diverse in terms of gender representation?

Three Members: Hear, hear.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Sir, in selecting advisory panels of, in this case, economic experts, we are not fishing in a very large pool of candidates. The number of people in Guernsey who could be held up as having the necessary expertise is probably quite limited, and clearly I am sure even the most ardent feminists in the Chamber would agree that we should be selecting the best person for the job regardless of gender. But it is certainly not our intention to make any of our advisory panels an exclusively male domain, and where the best candidates who come forward are females we will be delighted to select them.

A Member: Hear, hear.

The Bailiff: Deputy Gollop.

Deputy Gollop: It would certainly seem a very impressive list of red-tape busters that has been compiled to look at bureaucracy generally and regulation of business specifically.

Would the President, on behalf of the Committee, acknowledge that the initiative actually was very much part of the previous Committee and the Committee before that, and that for it to be effective any initiative against local red tape will have to be Stateswide and will require Deputy Parkinson's Committee liaising with many other Committees, from Planning to Health & Safety to Policy & Resources, or whatever?

The Bailiff: Deputy Parkinson.

Deputy Parkinson: I am certainly happy to confirm that a red tape audit was undertaken in the old Commerce & Employment Department. Sadly, I do not think that has germinated into anything very fruitful, but we are not starting from a clean sheet of paper. That work has been done. The new working party will undoubtedly begin by reviewing the work that has already been done and what they do will build on the past work.

As to the co-operation and collaboration, clearly all of these issues will require cross-Committee working. I am expecting we may find that there are obstacles to business development, for example, in the planning area, and we will have to liaise closely with the DPA

and others to understand what can be done and try and enlist their support in removing the obstacles.

540

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

545 I was surprised: I cannot recall the President mentioning – I believe it is now the SEA – the Seafront Enhancement Area Group in his update, because I would perceive that could be an area of economic growth in the shorter term. Could he please explain to us what his Committee is doing to support the Seafront Enhancement Area Group?

Thank you, sir.

550

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, I am happy to confirm to Deputy Merrett that I did, in fact, mention the Seafront Enhancement Area Group. I am a member of that group and my Committee of course supports the work of that group to try and maximise the opportunities around the east coast of Guernsey but also, of course, to deal with any threats which imperil any part of our Island, including the threat of rising sea levels.

The Bailiff: I see no one else rising. We will move on to the –

560

Deputy Gollop: The second question. My question –

The Bailiff: I have not called you yet! (*Laughter*) I am still deciding whether you are too late or not. Okay, one more question. (*Laughter*)

565

Deputy Gollop: Thank you very much.

The Bailiff: Deputy Gollop.

Deputy Gollop: I thought there were one or two more to come.

570

My question was a simple one. Some of us who are not involved with Economic Development are very interested in the evolving situation regarding sea and ferry links and we would like to know perhaps will Economic Development be in a position to share their opinion as to any issues that may arise with the ferry links and its providers with the wider States as soon as possible?

575

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Well, sir, as mentioned in my update, we are closely monitoring developments with the sale by Macquarie of the Condor business and we are undertaking a range of studies, contingency planning for possible alternative outcomes of that process and initiatives that the States might want to pursue. So the area is a matter of high priority for us and is being kept under close review.

The Bailiff: There are no more questions.

**Brexit –
Statement by the Vice-President of Policy & Resources**

585 **The Bailiff:** Next we will have Deputy Trott, the Vice-President of Policy & Resources Committee, who will deliver a Statement on the subject of Brexit.
Deputy Trott.

590 **Deputy Trott:** Thank you, sir.
This is the fourth update statement from the Policy & Resources Committee on the States of Guernsey's work as the UK negotiates to leave the EU. It has been a busy summer for anyone working on Brexit matters and we continue to progress our preparations for whatever situation may unfold beyond March 2019.

595 In October or November of this year the UK government is seeking two agreements – a legal text, the Withdrawal Agreement, and a political agreement on the framework for the future relationship with the EU. However, if the UK fails to achieve these, there is the possibility of a no deal scenario, where the UK will leave the EU without any agreements. The States of Guernsey is preparing for both outcomes.

600 Turning to engagement with the UK, we continue to work hard at political and official level to ensure that Guernsey's and the wider Bailiwick's position is clearly understood and that our views are taken into account. The UK government remains committed to representing those views, even if they differ from their own. We are working alongside Jersey and the Isle of Man and our engagement remains strong across a wide range of UK government departments. For example, we are in regular contact with H.M. Revenue & Customs on the establishment of a customs
605 arrangement with the UK to replace Protocol 3; the Department for International Trade about the future international and global trade in goods and services; and with the Home Office on issues relating to the movement of people, covering both the free movement and settlement of British and EU citizens within our community. We are also engaging in wider policy areas, such as with the Department of Health & Social Care, planning for the continued provision of healthcare and
610 medicines and the prevention of diseases. These discussions will continue, and undoubtedly will intensify, across the UK government as March 2019 approaches.

615 In March 2018, the Cabinet Office established a fortnightly Crown Dependencies Contact Group at senior officials level, an essential link to ensure clear dialogue and understanding of the UK and Islands' positions and planning.

620 There is evidence that this continued engagement is helping to ensure our interests and position are well understood by the UK. In early July, Deputy St Pier attended the latest Crown Dependencies Chief Ministers Quarterly Meeting, chaired by Robin Walker MP, Minister at the Department for Exiting the EU, together with representatives from Jersey and the Isle of Man and the Ministry of Justice Minister, Lord Keen. The UK's depth of understanding of the issues which
625 might impact the Bailiwick of Guernsey was obvious and encouraging. The next meeting is taking place next month.

630 The British-Irish Council continues to provide a valuable opportunity to discuss matters of mutual interest with heads of administrations from each of the BIC members. Guernsey hosted a BIC Summit in June, at which we secured in the final communique all member administrations' recognition of the importance of respecting and upholding the long-established and formal relationships that we share. The next BIC Summit is in November and will be most timely for the Brexit process.

635 Furthermore, Guernsey's Government will be represented at both the Conservative and Labour Party conferences this year, by myself and Deputy Le Tocq respectively, to continue to develop a wide base of engagement with UK MPs, and Deputy Le Tocq is currently at the Labour conference.

States Members will also be aware that Deputy St Pier has written to the Prime Minister this week to reiterate once again that it is vitally important that our interests in the Brexit process continue to be taken into account and that our ancient constitutional relationship with the Crown

is upheld. That letter was an opportunity to express the view that a deal that provides an orderly exit and a strong economic outlook for the UK is in the best interests of Guernsey and that a no deal outcome would not be in our interests.

I turn now to the UK's position. On 6th July at Chequers, the Cabinet agreed a collective position for the future of the UK's negotiations on Brexit, known as the Chequers Proposal. On 12th July the UK government published its white paper based on this proposal, outlining the Cabinet's views on the future relationship between the UK and the EU. The white paper outlines that the government is seeking a principled and practical Brexit in the form of an Association Agreement. A UK-EU economic partnership is proposed to allow free trade areas for goods, leading to a frictionless border via a Common Rule Book. The white paper also outlines proposals on digital commerce, services and investment, free movement and socio-economic co-operation. It suggests binding provisions relating to open and fair competition, these horizontal commitments intended to ensure a level playing field for trade. We are continuing to assess the possible impacts for Guernsey of this proposal, while awaiting the formal October European Council meeting, during which the EU is expected to provide their response to the Chequers Proposal.

The UK government is publishing a wide range of technical guidance notices which cover potential outcomes if the UK and the EU fail to reach an agreement. Those notices also consider what mitigation might be necessary. As those papers are published, they are being analysed for local implications and the States will publish information via our website to explain if, and how, no-deal impacts could affect Guernsey.

An important part of this process is Guernsey's readiness, and the Policy & Resources Committee's Brexit Group, which includes representatives from the Committee *for* Economic Development and Home Affairs together with Channel Islands Brussels Office, continues to meet every two weeks. Each time, the Group is kept informed and co-ordinates the strategic response to latest information from Brexit discussions and negotiations.

With regard to legislation planning, in November last year the States considered the necessity of legislation to enable the Bailiwick to continue to function after Brexit. Two Projets were approved by the States in June this year and have subsequently been approved in Sark and, more recently, in Alderney. There is a third, overarching, Brexit Projet to be considered in all three Islands before the end of this year. This will be joined by a customs Projet, led by the Committee *for* Home Affairs, to underpin the new customs regime that will be required when our Protocol 3 relationship ends.

As has previously been indicated, it is likely that the three Bailiwick legislatures will need to consider further Projets and secondary legislation to ensure that we maintain the flexibility and ability to respond quickly to events. This is likely to include matters linked to trade, as well as other legislative fixes required as a consequence of the UK's exit. Some of this may be at short notice. The legislation will be essential whether there is a deal or no deal.

The States have made it clear that EU nationals within our community should not face undue uncertainty. Therefore, immigration legislation is being considered to ensure that those who are eligible to do so can apply to settle in the Island in the same way as EU nationals will be able to throughout the UK.

With regard to Guernsey's deal planning, it is essential to the Bailiwick that any deal between the UK and the EU takes our interests into account and respects our ancient links with the Crown. Areas such as international trade in goods and services, immigration and transport are paramount to our economy and objectives.

Guernsey officials are working closely with H.M. Revenue & Customs to establish a future Guernsey-UK customs arrangement underpinned by a ministerial agreement and legislation, which will need to be considered by the States' Assembly before it takes effect, in accordance with this Assembly's Resolution on customs matters from July. This should ensure that goods from outside the UK, from the EU and globally, will be able to continue to flow into and out of the Islands as they do now. The proposed arrangement is essential for the Bailiwick's economy. It

demonstrates the close and detailed cross-Committee work that is going on between the Policy & Resources Committee and the Committee *for* Home Affairs.

690 Consideration is also being given to the potential opportunity for Guernsey to join the UK's membership of the World Trade Organisation (WTO). Joining the WTO would enable Guernsey to trade in goods and services globally using the WTO's rules which ensure that all countries trade on the same basis and are protected from any unfair or excessive trade sanctions – trade restrictions or high tariffs, if you prefer. Obtaining membership of the WTO would be significant for the Bailiwick's future. It will ensure that the Islands can trade with, and be treated as, any other global trading partner. Preparatory work has progressed well and I am hopeful that we will be in a position to present more details on this to the Assembly for consideration in the coming months.

695 So Guernsey is not complacent, and our contingency planning – or no deal planning – I will refer to now. While both the UK and the EU maintain that negotiating a deal is the priority, the probability of a no deal scenario has increased since July and increased significantly. Plans are being advanced to ensure that critical services and supplies can continue to flow in and out of the Islands if the UK leaves the EU with no deal.

700 If there is a disorderly exit on 29th March – referred to by many as a 'cliff edge', due to the potential sudden change in arrangements – the Bailiwick needs to ensure that proportionate contingency plans are in place. Some of the priority areas for a no deal scenario include: the impact on supply chains – for example, mitigating any disruption and delays for goods crossing UK borders and reaching the Islands; transport – for example, ensuring that Guernsey driving licences continue to be recognised elsewhere and Guernsey-registered vehicles can continue to drive on European road networks; and mobility – for example, ensuring that the Common Travel Area remains intact and continues to allow free movement between Guernsey, the UK and Ireland, and we can seek to guarantee the rights of EU nationals residing in Guernsey, as this Assembly has resolved.

710 The Civil Contingencies Authority has been briefed on current planning and will provide governance through its political oversight of Guernsey's no deal contingency planning moving forward. It is particularly important for no deal planning that the various Committees work together to consider what mitigation might be required. We are working closely with our colleagues in Jersey, as there may be pan-Channel Islands solutions to many no deal challenges, and we are liaising closely with the Isle of Man. It is vital that information is shared between the UK and the Crown Dependencies to ensure that our planning is aligned, particularly in areas where we are dependent on UK supply chains.

715 One example of joint working within the Bailiwick is in respect to road traffic and the status of Crown Dependency registered vehicles and drivers, particularly in the event of a no deal scenario. Guernsey licensed drivers might need an International Driving Permit issued by the States of Guernsey to continue to be able to drive in the EU post-Brexit. The Policy & Resources Committee and the Committee *for* the Environment & Infrastructure are considering the extension of the 1968 Vienna Convention on Road Traffic before 29th March 2019. This would safeguard the ability for Guernsey licensed vehicles to be driven throughout the EU post-Brexit. The extension of the Convention would require the introduction of periodic roadworthiness testing of commercial and private vehicles. The Committees are working to find a way to introduce and roll out such a scheme in a practical and proportionate way – and as we learned only last night, the government of Jersey is seeking to do the same.

720 Resource implications – the Policy & Resources Committee continues to keep resource requirements under constant but close review in liaison with other Committees, particularly Home Affairs and Environment & Infrastructure, as well as St James' Chambers. We have approved funding requests for additional resources, including in respect of systems changes that are required within the Guernsey Border Agency, and we anticipate further requests will be forthcoming for areas such as immigration and the supply of passports. In order to help manage this transition, in the 2019 Budget report to be published on 8th October – and I very much hope that all Members will be able to attend that presentation – we will be recommending that a

£3 million Brexit reserve be established to enable us to manage the further costs that will be incurred whatever the outcome of the UK's negotiations. I should emphasise that this number is not a budget, a forecast or an estimate; it is simply a prudent recommendation based on the information available to date. The final expenditure may prove to be greater than or less than this sum, dependent on many variables.

In conclusion, challenges still lie ahead on the road to Brexit. There is a need to prepare for various possible outcomes against a ticking clock. That clock is ticking more loudly as the deadline is now only six months away. Whilst it is still not clear how the UK-EU negotiations will conclude, what is clear is that Guernsey's Government is leaving nothing to chance.

Thank you, sir.

The Bailiff: We may now have a period not exceeding 15 minutes, unless I decide to extend it, for questions to be asked within the context of that Statement.

Deputy Roffey.

Deputy Roffey: Thank you, sir.

I notice that this morning Theresa May said that post-Brexit the UK would turn itself into an economic powerhouse by slashing taxes, simplifying regulation and having the lowest corporation tax within the G20. In other words, they want to do a Guernsey. My question for P&R is: should we be flattered or economically threatened by that vision?

The Bailiff: Deputy Trott.

Deputy Trott: Deputy Roffey would expect no other answer: flattered, of course.

The Bailiff: Deputy Hansmann-Rouxel.

Deputy Hansmann-Rouxel: Thank you, sir – and thank you, Deputy Trott, for that update.

Early on in your Statement you mentioned that P&R are working very closely with the UK to make sure that our views and interests are being represented even when they differ from our own. Could Deputy Trott please outline what areas might differ and how those are being monitored?

The Bailiff: Deputy Trott.

Deputy Trott: I think the important thing here, sir, is to underscore how cognisant the UK are of the uniqueness of the three Crown Dependencies, the constitutional relationship which requires the UK to consider our interests, even when theirs are not necessarily co-aligned.

Partly because I am not as good at thinking on my feet as I once was and partly because I do not want to open up a whole load of doors which will lead to a number of questions that could be even more complex to answer, I shall defer giving a detailed answer to that, but I will promise to provide Deputy Hansmann-Rouxel with a list of areas where such problems may exist.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

Would the Vice-President agree with me that the decision taken to have a presentation for all States Members was not only a wise decision but a helpful decision for Members to understand and appreciate the massive amount that has taken place and is still to take place on Brexit and give the opportunity for Members to understand that complexity?

The Bailiff: Deputy Trott.

790 **Deputy Trott:** Yes, I wholeheartedly agree with that and repeat that I think it is extremely important that Members clear their diaries, if there is a clash, and ensure that they are able to attend on the morning of 8th October.

The Bailiff: Deputy Gollop.

795 **Deputy Gollop:** Sir, whilst thanking Deputy Trott and acknowledging the really hard work his political team, the official team and I am sure the Law Officers are doing on our behalf, would he not acknowledge that we are in a difficult scenario at the moment because we are reacting to a government in the UK who is not at all clear on its direction of travel, assuming it is still the
800 government next March. And so, would he suggest perhaps that the Islands should get together and actually consider direct negotiations with the European Union to maybe continue the Protocol 3 or an appropriate variation of it in the event of a no deal scenario or an unacceptable deal?

805 **The Bailiff:** Deputy Trott.

Deputy Trott: Well, in some respects that question touches upon the question that Deputy Hansmann-Rouxel asked earlier. (**Deputy Gollop:** Yes, it does.)

Under our present, and hopefully enduring constitutional relationship, negotiations of that
810 type are carried out with the EU occasionally bilaterally by ourselves through something called Deeds of Entrustment. In other words, we are given specific permission to engage on a one-to-one basis. On matters of this complexity negotiating alongside the UK, with the protection of the UK, particularly bearing in mind it was they that helped us negotiate the valuable Protocol 3 at the time of their accession into the EU back in the early 1970's, remains by far the most sensible way
815 for us to behave.

There are questions around what would happen if the UK was unsuccessful in that and if, for instance, our interests were not aligned through say a WTO agreement. There is absolutely no suggestion whatsoever that the UK is doing anything other than being helpful in the manner in which we are negotiating in that way.

820 So the short answer is that it is impossible to speculate about the future, but right now being alongside the UK when matters of this type are discussed is far more advantageous than trying to adopt any unilateral engagement, even if such unilateral engagement would be accepted by the EU.

825 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Sir, I am sure all States' Members would commend the excellent work (**A Member:** Yes.) that has been done by Policy & Resources (**Two Members:** Hear, hear.) and their officers in relation to Brexit. But we are more likely than not, it seems to me, to have a no Brexit
830 deal, or the British government are, because the Tory Party are inept and the Labour Party are Marxist so we are probably not going to get anywhere. (*Laughter*)

In connection with that, is it envisaged by Policy & Resources that if we get to the end of March and there is no British deal, that there would be wide ranging debate in this Assembly as to the options that Guernsey and possibly Jersey may have to adopt?

835 **The Bailiff:** Deputy Trott.

Deputy Trott: The short answer to that is: of course.

840 Sir, I anticipated a question of this type because it is on all our minds and I wrote down some words just before I rose to deliver that speech earlier and this is what I wrote: while it is not inconceivable that we could arrive at a situation where our constitutional bonds with the UK are

broken, it remains inconceivable to me – and I have been closely aligned with this issue from the start (**A Member:** Hear, hear.) – that either the UK or the Channel Islands would allow such a position to develop. So irrespective of what the UK's future relationship looks like with the EU, I
845 very much hope and believe that our relationship with the UK will remain solid and strong and our prosperity will remain co-aligned as it is today.

The Bailiff: Deputy Graham.

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

As the events unravel over Brexit, there is a clear requirement that Guernsey is going to have to be fleet-footed, not least in the field of legislation. We will need to be able to react with our primary legislative process very quickly. With that in mind, I wonder whether Deputy Trott will
855 bring us up to date on how the recommendations of the former Constitutional Investigation Committee are progressing, if indeed they are progressing, and their relevance to any legislation that may have to be undertaken as a result of Brexit.

The Bailiff: I am not sure that is within the context of the Statement that is being delivered.

860 **Deputy Trott:** No, the Constitutional Investigation Committee's proposals were somewhat more extensive than on that narrow issue alone, and I thoroughly enjoyed working with Deputy Graham before he was in the States on that Committee. Certainly, to my knowledge, there has been no legislative block. The order in which our legislation is being considered has not in any way diminished despite, of course, the extraordinary workload that the UK Parliament is under.

865 In fact, Lord Keen told us only yesterday, sir, that he expected something approaching 900 statutory instruments alone to be considered by the UK Parliament before the end of this year, that is an unbelievably aggressive workload, an essential workload. But certainly I am not able to advise of any problems with the legislative process, I look towards Her Majesty's Procurer who is either depressed at what I am saying because that is not the case or nodding in confirmation ... it
870 is the latter I am delighted to hear, sir.

Thank you.

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

Questions for Oral Answer

COMMITTEE FOR EDUCATION, SPORT & CULTURE

Schools – Mobile phone and device use

875

The Bailiff: We will move on to Question Time.

The first Questions are to be from Deputy Lester Queripel to the President of the Committee for Education, Sport and Culture, Deputy Fallaize.

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Deputy Lester Queripel: Sir, Les Beaucamp High School recently banned their pupils from using mobile phones, and other such personal mobile devices, during school hours whilst they are in the school. Bearing in mind that the Members of this Assembly often say the States needs to encourage an inclusive society at all times, do the President and his Committee have any concerns that banning the use of personal mobile devices at Les Beaucamp school, whilst allowing the use to continue to take place in other States run schools, could result in the pupils at Les Beaucamp feeling excluded and therefore disadvantaged in any way?

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The Bailiff: Deputy Fallaize.

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Deputy Fallaize: Thank you, sir.

Students at Les Beaucamp High School are allowed to have mobile phones in school, but they may not use them during school hours unless directed by a teacher, for example, as an educational tool in a lesson.

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This policy at Les Beaucamp is not unique among States secondary schools and therefore it cannot be said that students at Les Beaucamp are being excluded or disadvantaged relative to students in other schools.

This policy is intended to allow students to develop an understanding of appropriate use of devices while also allowing them to have the space and time to interact with each other face to face in social spaces around the school, particularly at break and lunchtime.

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The Bailiff: I see no one rising for a supplementary.
Your second Question please, Deputy Queripel.

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Deputy Lester Queripel: Sir, a survey undertaken by the London School of Economics in 2015, found that banning the use of mobile phones and personal mobile devices by pupils whilst they were at school, greatly improved their levels of education due to their being able to concentrate on their lessons without distraction and interruptions. It also reduced cyber bullying and protected the mental health of pupils. So bearing that all in mind, can the President tell me please whether or not he and his Committee have any concerns in relation to pupils here in Guernsey having access to their personal mobile devices whilst they are at school?

910

The Bailiff: Deputy Fallaize.

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Deputy Fallaize: Sir, I read this 2015 report in full before these Questions were answered and it indicated an improvement of around 6% in GCSE results but mentioned nothing about cyber bullying, mental health or wellbeing. The Committee is minded to leave mobile phone use to the judgement of school leaders, not least recognising the journey towards greater devolution to schools.

920 However, in the future secondary school structure, one school operating in two colleges, there will be a single policy on mobile phones and while developing this policy the recently appointed executive head teacher will consult the Committee and her colleagues in schools. This single policy will reflect the need to balance the benefits and risks of mobile devices and the wellbeing of students will be at the forefront of any plans.

925 **The Bailiff:** Is this a supplementary, Deputy Queripel?

Deputy Lester Queripel: It is, sir.

930 The President said in his response that the Committee is minded to leave mobile phone use to the judgement of school leaders. Now that concerns me greatly, because that sounds as though the Committee are divorcing themselves from their responsibility to apply political oversight to what is happening right now regarding pupils using personal mobile devices in our schools. Bearing that in mind, is the President able to give me an assurance that his Committee do indeed apply political oversight to all that is happening right now in our schools and that the Committee are not just focussing exclusively on future policies?

935 **The Bailiff:** Deputy Fallaize.

940 **Deputy Fallaize:** Well, this is a matter of judgement, isn't it; to what extent States' Committees should be involved in the running of services. The Committee obviously does apply political oversight to what is happening in schools and takes full responsibility for policy, but has reached the conclusion that whether students are permitted to have mobile phones and how they may be used or where they may be used in the premises is a matter that is best left to the judgement of head teachers than it is to the Committee, but ultimately it is a matter of judgement.

945 Deputy Queripel's question implies that he would like the Committee much more involved in the day-to-day running of schools at a very detailed level, the Committee does not think that that is its responsibility and it pays head teachers very well to make these sorts of decisions and to lead their schools.

The Bailiff: Deputy Soulsby.

950 **Deputy Soulsby:** Sir, the impact that social media is having on the mental health and wellbeing of our young people is a real and growing concern (**Two Members:** Hear, hear.) in health and care here and further afield. (**A Member:** Hear, hear.) Does the President agree with me that, just like smoking, just banning something will not make the difference, but greater education and awareness around its use ...; and if so will this be considered as part of the review he mentioned in his earlier response?

The Bailiff: Deputy Fallaize.

960 **Deputy Fallaize:** Yes, I agree with Deputy Soulsby's statement.

965 I know that the newly appointed executive head teacher is very keen to try to find the right balance so that there is some education and instruction of young people in the sort of technology that is common place today as well as ensuring that there is a proper environment in schools to ensure that children can learn and that we are not doing anything which is likely to provide a platform for cyber bullying. This is quite a difficult balancing act but the considerations which Deputy Soulsby sets out will certainly be taken into account as the single policy across the new secondary structure is developed.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

Would the President consider when he was talking about a review that will take place, I would hope sooner rather than later, that it may be beneficial speaking to Blanchelande who have banned phones for a considerable time? (**A Member:** Hear, hear.) The youngsters are allowed their phones when they leave school and they use the office phone should they need to make any phone calls during school hours to ensure that cyber bullying wherever possible ... and stop texting from one person across the playground or a classroom to another, that they actually start talking to one another and socialising and get rid of a lot of the pressures that happen now through social media.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: There is a later Question actually on social media, or where my Answer relates to social media which perhaps will pick up on some of this. But I ought to clarify that this issue of a review, it is not so much that the Committee has decided there ought to be a review into mobile phone use, it is that as we move to the new structure of having one school in two colleges obviously there are going to have to be single policies in all sorts of areas which cover the one school and they are not presently, these policies on mobile phone use, the same in all of our schools so a single policy will have to be adopted. That work will be led by the executive head teacher but I will certainly suggest to her that there is discussion with the grant aided colleges before that single policy is developed.

The Bailiff: Your next Question please, Deputy Queripel.

Deputy Lester Queripel: Can the President tell me please: who actually monitors pupils using personal mobile devices in our States-run schools where they are permitted; how is that monitoring actually done; and what happens to a pupil if they are caught using their personal mobile devices for other things aside from educational purposes?

The Bailiff: Deputy Fallaize.

Deputy Fallaize: All schools have personal devices such as iPads, tablets or laptop computers. These are subject to acceptable use policies which if broken could ultimately lead to restrictions on future use, confiscation, the involvement of parents or fixed-term exclusions. Their use is monitored by teachers and other staff in the same way as other forms of behaviour are routinely monitored in schools.

In relation to mobile phones specifically, either they are not permitted during school hours other than with the expressed permission of a teacher or they are permitted during school hours for purposes other than education and are therefore not monitored in the way that is suggested in the Question.

The Bailiff: You have a supplementary, Deputy Queripel?

Deputy Lester Queripel: Yes, sir.

In his response the President said that the use of personal mobile devices is monitored by teachers and staff in the same way as other forms of behaviour are routinely monitored in schools, then he went on to say that they are not monitored in the way suggested in the Question, so, sir, I am somewhat confused now because that sounds like a contradiction to me.

But by his saying the use is not monitored in the way suggested in the Question is he saying that there is no monitoring carried out by staff in schools to ensure pupils are using personal mobile devices exclusively for educational purposes, because I am aware that there are rules laid down for pupils, sir, but what is being done to ensure those rules are complied with?

The Bailiff: Deputy Fallaize.

1025 **Deputy Fallaize:** Sir, I think Deputy Queripel is conflating the use of personal devices which
are in schools in order to be educational tools; I listed some of them, and personal mobile phones
being brought into schools by students. Now in relation to the former, they are monitored in the
same way that behaviour with any other type of equipment in a school is monitored. In relation to
1030 personal mobile phones there are some schools which have the kind of policy which I outlined at
Les Beaucamps and that use is monitored or those rules are adhered to and the people who are
normally responsible in schools for adhering to these rules, head teachers and teachers are
ensuring the rules are adhered to or, in some schools those rules do not exist and students are
permitted to have mobile phones and to use them personally during recreational times and in
1035 those schools obviously that same level of monitoring is not going on because the same rules do
not exist.

The Bailiff: Deputy Yerby.

1040 **Deputy Yerby:** Sir, would the President agree with me that while it is important to protect
against cyber bullying and ensure that phones are used only for acceptable purposes, it is also
critical for young people's development and wellbeing that they have a reasonable expectation of
privacy from authority figures in their lives and that any monitoring that exists in schools or
elsewhere should be respectful of that?

1045 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Yes, I think Deputy Yerby puts that point very well and I can confirm that the
way in which this is done in schools does adhere to the kind of principles that she has set out.

1050 **The Bailiff:** Deputy Gollop, supplementary.

Deputy Gollop: I was just thinking, wouldn't the heartening and apparently excellent results at
GCSE and A-Levels across many Island schools recently in the summer break suggest that the
utilisation of modern technology, including smart phones, may be doing many of the students
1055 some good?

The Bailiff: Deputy Fallaize.

1060 **Deputy Fallaize:** I do not think any inferences can be drawn about the use of mobile phones
in schools from the GCSE results obtained by Guernsey students.

A Member: Hear, hear.

1065 **The Bailiff:** Your next Question please, Deputy Queripel.

Deputy Lester Queripel: Sir, can the President please tell me if he and his Committee feel
there are benefits to allowing pupils in our States-run schools to access their personal mobile
devices, such as mobile phones, during school hours on school premises and if they do, can he tell
me please what they feel those benefits are?
1070

The Bailiff: Deputy Fallaize.

Deputy Fallaize: The Committee and many head teachers agree that, when used wisely,
technology in the classroom, including personal devices, has the potential to improve student

1075 engagement and outcomes. There are many education-related applications accessed through personal devices which can support learning, homework, school organisation and communication between school and home. The Committee knows of no benefits in allowing students unrestricted access to mobile phones, including access to social media, at times of recreation during the school day.

1080

The Bailiff: No supplementaries, your final Question –

Deputy Lester Queripel: I have a supplementary, sir.

1085

The Bailiff: You do, sorry.

Deputy Lester Queripel: Sir, in response to my Question the President said that many head teachers agree that when used wisely the use of personal devices in the classroom has the potential to improve student engagement and outcomes, yet not only did the 2015 survey undertaken by the London School of Economics find that banning the use of personal mobile devices by pupils whilst they are in school greatly improved their levels of education, also in June this year Ofsted said that pupils using personal mobile devices in schools made a teacher's job even harder and that the education benefits were dubious. Added to that Culture Secretary, Matt Hancock, called on head teachers to ban the use of personal mobile devices by pupils in schools and France has recently banned the use of mobile devices in all their schools. So does the President understand why I am so concerned about this whole issue?

1090

1095

The Bailiff: Deputy Fallaize.

1100

Deputy Fallaize: Deputy Queripel again is conflating personal mobile devices with mobile phones and they are not the same thing. France has not banned personal mobile devices in schools, I am not sure there is any school in England which has banned personal devices – iPads, tablets and laptop computers are now just routinely used as education tools.

1105

What the reports he referred to are talking about, and where I think his concern is, is where there is unrestricted access to personal mobile phones by students during the school day and I think that my answer to the main part of this Question addresses that. I said the Committee knows of no benefits in allowing students unrestricted access to mobile phones, including access to social media, at times of recreation during the school day. But what the Committee is not going to do is to ban the use of mobile devices in schools wholesale because that would be a retrograde step.

1110

The Bailiff: Final Question please ... Sorry, Deputy Merrett has a supplementary.

Deputy Merrett: Thank you, sir.

1115

Would the President agree with me that there is a certain amount of parental responsibility when sending your child to school with a mobile (**A Member:** Hear, hear.) phone device that they ascertain what apps are on that device and whether they are actually age appropriate for the child concerned?

1120

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Yes, I think Deputy Merrett is right and makes a very good point.

The Bailiff: Your final Question, please, Deputy Lester Queripel.

1125

Deputy Lester Queripel: Sir, can the President tell me please whether or not there are a sufficient amount of school computers in our States run schools, for all the pupils to access for educational purposes during school hours?

1130 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Yes, but that is only part of the challenge for providing the best possible IT solution in schools. There are challenges to resolve in relation to improving infrastructure and equipment which are currently being addressed.

1135

The Bailiff: You have a supplementary, Deputy Queripel?

Deputy Lester Queripel: I do, sir.

1140 The President said in his response that there are challenges to resolve in relation to improving infrastructure and equipment which are currently being addressed, so can he give us some examples, please, of those challenges and improvements?

The Bailiff: Deputy Fallaize.

1145 **Deputy Fallaize:** I think if Deputy Queripel was to speak to head teachers he would find that they have more concerns around, for example, the ease of access and the speed of access than the number of devices there are available to them.

1150 The Committee is developing something called a 'digital roadmap' which will set out effectively the needs of digital technology in schools in the future and then, of course, there will be some work carried out to ensure that as far as possible and as far as resources allow that what is needed is provided, but that work is ongoing.

I can tell Deputy Queripel that I will receive an update on how that work is providing at a pre-arranged meeting tomorrow morning – provided that we are finished in here in time, sir, it looks unlikely.

1155

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, sir.

1160 The digital roadmap is something that I do know quite a bit about, having worked on this myself while sitting on Education, Sport & Culture, but would the President not agree that actually the infrastructure and the speed is not so much as important as teachers actually knowing exactly why they are using digital in the classroom because unless they have that knowledge then the speed is academic because they will not be using it to the best of their ability anyway.

1165 Could the President please confirm if there is budget allocated to the schools to further develop teachers' understanding and training in this very important area going forward?

Thank you.

The Bailiff: Deputy Fallaize.

1170 **Deputy Fallaize:** The two must be interrelated. If we have all the right equipment and the right infrastructure and the staff do not have the appropriate skills or training then that is a problem. Equally, if the staff have the appropriate skills and training and we do not provide the appropriate equipment and infrastructure the whole thing is not going to work properly. So I do not think it is a matter of one or the other.

1175 In terms of budget there is some budget available. I am sure that most head teachers would prefer there to be more budget available and every effort will be made through the development of the digital roadmap and the Committee's response to it to ensure that that particular area that

Deputy Dudley-Owen talks about – adequate staff, training and improving of skills – is incorporated as a central part of our response to the digital road map.

1180

The Bailiff: That concludes that series of Questions.

COMMITTEE FOR HEALTH & SOCIAL CARE

Bulwer Avenue fire at Guernsey Recycling – Public warning; penalties; investigation; safe drinking water; safety of fire officers

The Bailiff: Next we have five Questions to be asked of the President of the Committee *for* Health & Social Care by Deputy de Lisle.

1185 My proposal is that we continue to sit to deal with them all – either we do not start or we start and we do them all rather than break half way through and lose the momentum on them. So I put to you that we continue to sit until we have concluded the Questions to be asked by Deputy de Lisle. Those in favour; those against.

Members voted Pour.

1190 **The Bailiff:** I think that was carried, I think those saying Contre just voted louder, so first Question please, Deputy de Lisle. *(Laughter)* What I mean is that they shouted louder; there were fewer, but they shouted louder.

Deputy de Lisle: Thank you, sir.

1195 There are concerns relating to the delay in notifying the public of the Bulwer Avenue fire, the failure of an early warning system of communication with islanders and the inaccuracy of the information given by Environmental Health in relation to the toxic nature of the fire. How will these areas of concern be corrected in future?

The Bailiff: Deputy Soulsby.

1200 **Deputy Soulsby:** Sir, whilst the Committee *for* Health & Social Care seeks to be as helpful as possible in answering the Questions, it has not been possible to answer all Questions due to a number falling outside of the Committee's mandate, reflective of the multi-agency response during and after the Bulwer Avenue fire. The Committee is mindful of the comprehensive information already shared with all States' Members in early August by the Director of
1205 Environmental Health and Pollution Regulation in relation to the site, its engineering and its licensing conditions and understands the Chief Executive is reviewing any learning coming out of the incident.

1210 Officers from several States' Committees, including the Office of Environmental Health and Pollution Regulation, were on site rapidly following notification of the incident, the risk to public health was monitored and discussed between the professionals on site, including staff and the Office of Environmental Health and Pollution Regulation, Guernsey Water, the Health and Safety Executive, the Fire & Rescue Service and the site operators and subsequently it was silver command. A media release was issued when the Fire & Rescue Service started to extinguish rather than previously contain the fire and the nature of the plume began to ground. Clarification has
1215 already been issued publically regarding the content of this message.

The Bailiff: Do you have a supplementary?

Deputy de Lisle: Yes I do, sir.

1220 The question is the delay in notifying the public and the failure of an early warning system because Public Health sent out a release just after one o'clock in the afternoon, but the fire started around nine o'clock in the morning. Would the President agree with me that measures should be implemented to alert the public sooner?

1225 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Sir, I cannot comment on that aspect of the incident, it does not relate to the Committee *for* Health & Social Care and might be more appropriate to be commented on in Question 3.

1230 **The Bailiff:** Deputy de Lisle, is this another supplementary?

Deputy de Lisle: Yes, sir, if I can ask a second.

1235 The President might be able to identify more with this question; she mentions that the Chief Executive is reviewing any learning coming out of the incident. When will the findings of the review be completed and will they be made public?

The Bailiff: Deputy Soulsby.

1240 **Deputy Soulsby:** Sir, I think that is down to the Chief Executive what he wishes to do and what review he is doing, what conclusions he has and what he wants to do with it.

The Bailiff: Your second Question please, Deputy de Lisle.

1245 **Deputy de Lisle:** Thank you, sir.

What penalties have been applied to those responsible for the fire and what conditions were applied on reopening the waste site?

The Bailiff: Deputy Soulsby.

1250 **Deputy Soulsby:** Sir, it would be inappropriate to comment on the outcomes or potential penalties of ongoing investigations before these have been concluded.

The Bailiff: Your third Question please, Deputy de Lisle.

1255 **Deputy de Lisle:** The third Question is what investigative review has been initiated to protect the public in future?

The Bailiff: Deputy Soulsby.

1260 **Deputy Soulsby:** Sir, this Question is better addressed to the Committee *for* Home Affairs as I understand the Chief Officer of Fire & Rescue is responsible for leading an investigation into the fire. The Office of Environmental Health and Pollution Regulation is currently reviewing compliance with the waste management site licence conditions prior to the fire and considering what revisions or additions may be appropriate.

1265

The Bailiff: Is there a supplementary?

Deputy de Lisle: Can I ask a supplementary there, sir?

1270 From the answers so far I gather at least three investigative reviews are in progress – one by the Chief Executive, a second by the office of the Home Committee and a third by the office of the Director of Environmental Health and Pollution Regulation. Can I ask the President why not a comprehensive uniform review across all effective agencies to ensure full joined up accountability across Government?

1275

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, that may eventually be the case. As I said in my opening Answer, this was a multi-agency incident and that is why it has got multi-agency reviews with various specialists from the different units who need to make that review. At some point it may be that the Civil Contingencies Authority see those reviews and consider them together but there is a good reason why there are three reviews and not just the one.

1280

The Bailiff: Your next Question, Deputy de Lisle.

1285

Deputy de Lisle: Yes, sir.

What measures have been put in place to safeguard the public drinking water supply from toxic fire residues leaching into Longue Hougue reservoir?

1290

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, again, this Question is best addressed to the States' Trading Supervisory Board who are responsible for Guernsey Water. Under the waste management licence for the site, issued by the Director of Environmental Health and Pollution Regulation, measures were in place prior to the fire to protect the Longue Hougue reservoir from ground borne pollution. These measures include an engineered, concrete hardstanding across the site incorporating bunding and two interceptors. It should be highlighted that these measures were fundamental in preventing the Longue Hougue site becoming contaminated prior to, during or following the incident.

1300

The Bailiff: Do you have a supplementary?

Deputy de Lisle: No supplementary, sir, I thank you for that Answer.

1305

The Bailiff: No supplementary, your final Question then.

Deputy de Lisle: What health and safety measures were in place to protect the firemen and their reserves on site and have measures been taken since the fire to protect the health and safety of workers on site from pollutants, ash and residues from any fire?

1310

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, this Question relates to matters which are outside the remit of the Committee for Health and Social Care and they would be better addressed to possibly the President of Home Affairs, or the President of Home Affairs might want to say something at this present moment.

1315

The Bailiff: I do not see how there can be a supplementary, but do you have a supplementary arising from that Answer?

1320

Deputy de Lisle: Yes, I do, sir.

Several of my Questions, sir, have not been answered due to the multi-agency nature of the issue. However, this cannot be a reason not to answer these important Questions which members of the public seek answers to.

1325

The Bailiff: This is a speech, not a question.

Deputy de Lisle: This is the question, sir – can the President organise multi-agency Answers to these Questions or do I have to ask multiple agencies the same questions in order to receive an adequate response?

1330

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, Deputy de Lisle has been in the States longer than I have and I think he should know the Rules and my responsibility relates to my mandate. Health & Social Care has got a pretty big mandate at the moment. If he wants me to do everything well that is fine, (**A Member:** Hear, hear.) but I think it is down to Deputy de Lisle – who should know the Rules by now – to send the right Questions to the right people. (**A Member:** Hear, hear.)

1335

The Bailiff: Deputy Lowe, do you have ...?

1340

Deputy Lowe: Yes, can I say...

A Member: No. (*Laughter*)

1345

The Bailiff: You can ask a supplementary question.

Deputy Lowe: Yes, I am just trying to think who I am going to point it to.

The Bailiff: Well, you cannot ask a question of Deputy de Lisle.

1350

Deputy Lowe: No, would the President of Health & Social Care agree with me that the practice operated to ensure that our public are protected is just standard procedure to ensure both the firemen and our public are all part of the training that happens regularly and that it would be wrong if that was not in place in the first place?

1355

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, I thank Deputy Lowe, who will understand this area very well as it falls under her mandate and I agree with what she says.

1360

Deputy de Lisle: I have a further supplementary, sir.

The Bailiff: If it is a genuine supplementary arising out of the Answer saying that Deputy Soulsby could not answer the Question, you can ask it.

1365

Deputy de Lisle: Yes, it is.

Would the President agree with me that this inability to respond to a multi-agency issue in Question period reflects a failure of the new Machinery of Government to provide joined-up government?

1370

The Bailiff: That is outside the ambit of the Answer.

Deputy Soulsby: It may be, sir, but actually the incident showed how great the joint working was (**A Member:** Hear, hear.) and I send out my respect and congratulations to the Fire Service, Health and Safety, Environmental Health (**Several Members:** Hear, hear.) and Public Health for the fantastic job that they did that meant that the environment was protected and people did not come to harm.

Thank you, sir.

Several Members: Hear, hear.

The Bailiff: On that note, we rise for lunch. We will resume at 2.30 p.m.

*The Assembly adjourned at 12.36 p.m.
and resumed at 2.30 p.m.*

POLICY & RESOURCES COMMITTEE

IPSAS implementation – Progress; P&R report; impact on financial position

The Deputy Greffier: Question Time continues.

The Bailiff: The next series of Questions are to be asked by Deputy Jennifer Merrett of the President of the Policy & Resources Committee.
Deputy Merrett.

Deputy Merrett: Thank you, sir.

My first Question: the Policy & Resources Committee (P&R) as successors to the Treasury & Resources Department, benefited from an allocation of £1.3 million in March 2012 to implement the International Public Sector Accounting Standards (IPSAS), but it appears from the States' accounts that until 2017 only £300,000 of this amount has been allocated and only £19,000 actually spent. How does the President justify such slow progress when dedicated resources were made available by the States?

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I would like to thank Deputy Merrett for her questions and her interest in this particular issue. Whilst my answers obviously will focus on the specific point raised, I think it is worth re-emphasising the key benefit of the project because it will result in the inclusion of all assets and liabilities on the balance sheet, which will enable the provision of enhanced information and therefore improved decision-making.

As I set out in my speech to the 2017 accounts earlier this year, it is very important not to underestimate the scale of the task associated with the adoption of IPSAS. This is not an accounting exercise for the finance team alone, it requires substantial business change to ensure that the States as an organisation, and its processes, are able to adapt to enable production information required; and, as Members may be aware, the finance function within the States, including staffing, systems and processes, has undergone significant and extensive improvement programmes over the past few years since 2012. This preparatory work means that we are now in a sound position to enter the implementation phase of this major project.

1415 This is, and will be, an extremely resource-heavy project requiring access to a wide range of skills; and not just specialist accountants, but lawyers, property valuers and so on. There are considerable competing demands within the States for these very same resources.

The Bailiff: Are there any supplementaries? Deputy Merrett

Deputy Merrett: Yes, sir, I have two.

1420 In his reply, the President states it is very important not to underestimate the scale of the task. In his opinion, was the scale of the task underestimated and, if so, is that why there has been an expectation from this and previous assemblies that we would have adopted IPSAS in a more timely fashion?

1425 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, I am not sure that the scale of the task was underestimated but possibly the expectation of swift implementation may have been set inappropriately. I think the scale of the implementation is significant: it is not just a question of money, which is what was talked about in 2012, it is all the human resources and all the other process changes that need to be put in place in order to make this happen. That is where the delay has been.

The Bailiff: Deputy Merrett, your second supplementary.

1435 **Deputy Merrett:** Thank you, sir.

On 7th July 2015, Billet d'État XII, there was a successful Soulsby amendment which was to agree that the accounts would be prepared under recognised accounting standards and that these would be formally commenced within a phased implementation with effect from 1st January 2016. The explanatory note in the amendment was important because it highlights that the implementation, the extant resolution, would result in a robust and tested accounting framework which is essential for efficiency, budget reporting and planning.

1440 So would the President agree with me that three years after the 2012 States Resolution in 2015, even when Deputies were not content with the perceived lack of progress, it was only after the successful amendment that any more progress has begun, and it has been done, with the first real update being given to this Assembly in his accounts speech in 2017?

1445 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, I am not entirely convinced that question is raised out of my response to the first Question, but nonetheless the question of adopting a framework of accounting standards as per that Resolution, as I made clear in my speech in the 2017 accounts debate this is a journey of substantial change, and the accounts for last year are the first public presentation of that change – and there is yet more to come.

1455 **The Bailiff:** Deputy Yerby.

Deputy Yerby: If P&R respects the role of IPSAS in making its Budget and the accounts more transparent and comprehensible to the ordinary reader, will it also take other interim steps to make the accounts more transparent, such as the visual diagrams requested by Deputy Le Clerc for the upcoming Budget?

The Bailiff: I am not sure that arises ... but Deputy St Pier.

1465 **Deputy St Pier:** Yes, certainly the visual representation, as requested by Deputy Le Clerc in the Budget, quite clearly is not an IPSAS accounting issue. However, it is one which is a point that is very well made. Policy & Resources Committee discussed that particular question yesterday. I can confirm that we will seek to present additional information in the way that has been requested to help the readers of the Budget both in and outside this Assembly. And I can confirm in relation to
1470 information in a way which we hope will improve the public and other understanding of what is presented in both the accounts and in the budgetary information.

The Bailiff: Deputy Merrett, your second Question.

1475 **Deputy Merrett:** Thank you, sir.

Since the original States' Resolution in 2012 does P&R consider that a dedicated project team has been created; and, if so, does it have sufficient resources in terms of both personnel and skills?

1480 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, a project team has been created, albeit it is very much in its infancy. One member of the project team has significant experience in public sector accounting and in particular in the development of formal accounting guidance for public bodies applying
1485 international accounting standards.

Now, as the project progresses the project team will need to expand in order to draw upon skills and expertise from across the States as may be required. This project requires changes to be made to financial systems and business processes, and for staff and other stakeholders to be given appropriate training. It is important to stress that these are not overnight changes and some
1490 elements of this project will require significant resources in the face of competing demands from elsewhere.

The Bailiff: The next question.

1495 **Deputy Merrett:** Supplementary, please, sir.

The Bailiff: Oh, a supplementary.

Deputy Merrett: As the States resolved to move to IPSAS in March 2012, could the President
1500 please advise this Assembly as to why the project team is very much in its infancy, six and a half years after the original States' Resolution?

The Bailiff: Deputy St Pier.

1505 **Deputy St Pier:** Sir, as with many other Resolutions which this Assembly passes, there have been competing pressures and demands on the team required to implement the Resolution, and that explains the delay.

Deputy Merrett: My second supplementary, please, sir.

1510

The Bailiff: Yes.

Deputy Merrett: Does the President believe that the political will and the Civil Service's will to deliver this are aligned?
1515

The Bailiff: Deputy St Pier.

Deputy St Pier: Yes.

1520 **The Bailiff:** Your third Question.

Deputy Merrett: Thank you, sir.

What, if any, level of collaboration is there between other teams, departments and committees in order to get the job of implementing IPSAS done in a timely fashion?

1525

The Bailiff: Deputy St Pier.

1530 **Deputy St Pier:** Sir, it is essential that there is widespread collaboration from the various functions across the States in order to successfully deliver this project. There are some significant matters which need legal clarification in order that the appropriate accounting rules can be applied. Fixed assets need to be valued and potentially revalued in subsequent years and the financial systems do require updating, but this has to be done with a view to maintaining reporting functionality using current accounting policies.

1535 Whilst there is a budget for implementing the changes, work is ongoing to understand what the longer-term impact will be across the different functions and teams once IPSAS has been introduced.

The Bailiff: Do you have a supplementary?

1540 **Deputy Merrett:** Yes, please, sir.

My original Question, sir, asked what, if any, level of collaboration is there, not 'Is it essential there is widespread collaboration?' as I believe this is a given. So could the President please give me more information regarding the level of collaboration that has taken place to date?

1545 **The Bailiff:** Deputy St Pier.

Deputy St Pier: I am not in a position to provide that information, sir.

The Bailiff: Your next question.

1550

Deputy Merrett: My second supplementary, sir, please.

The Bailiff: Oh, second supplementary.

1555 **Deputy Merrett:** Has there been any resistance to this change? And, if so, what has the President done to mitigate any resistance or barriers?

The Bailiff: Deputy St Pier.

1560 **Deputy St Pier:** Sir, I do not think there has been any resistance. The barrier to change is, as I have said in response to the previous questions, one of resources.

The Bailiff: Your fourth Question, Deputy Merrett.

1565 **Deputy Merrett:** Question 4, sir.

Could the President confirm that a report or update was recently commissioned by P&R in order to advise the Committee what the requirements would be should P&R formally declare the intention to adopt IPSAS?

1570 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, the Committee will receive regular updates throughout the project to enable it to monitor progress and of course give direction where required. The Committee will shortly be considering a report which outlines the planned reforms for the presentation of the 2018 financial statements for the year which we are in; details of the key challenges identified so far; and recommendations for the next stages in the project.

The Bailiff: Is there a supplementary?

1580 **Deputy Merrett:** Just one, sir.

In the interest of openness and transparency, would the President be prepared to share the report with, as a minimum, the Financial Review Panel which is part of the Scrutiny Management Committee, all Deputies; and/or would he be willing to share it in the public domain so progress can be identified and the next steps of the project clearly understood?

1585 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, given that neither I nor members of my Committee have seen the report, I am not in a position to give that undertaking until such time as I have had that opportunity.

1590 **The Bailiff:** Your fifth Question.

Deputy Merrett: I believe it is my sixth, sir – oh no, it is quite right, sir, sorry. *(Laughter)*

1595 **The Bailiff:** You can move to your sixth if you wish! *(Laughter)*

Deputy Merrett: It feels like more, for some reason!

What are the outstanding key requirements before a declaration of intent can be made in respect of IPSAS?

1600 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, the most pressing matters that require consideration prior to declaring the adoption of IPSAS 33, which is the first time adoption of Accrual Basis International Public Sector Accounting Standards, include: defining the accounting boundaries to include those entities that would otherwise have prepared separate accounts, and developing a means of collating the appropriate financial information; agreeing a process for consolidating incorporated entities and accounting for joint ventures; assessment of the matters relating to the States' pension liability; preparing for the valuation of the property portfolio infrastructure and other assets; and ensuring the States are in a general state of readiness prior to declaring the adoption of IPSAS 33.

The Bailiff: Do you have a supplementary?

Deputy Merrett: No, sir, I believe that question was answered. *(Interjection by Deputy Gollop)*

1615 **The Bailiff:** Deputy Gollop.

1620 **Deputy Gollop:** ... if it arises, my supplementary would be: it follows from these detailed answers that if and when IPSAS is fully implemented it could, and probably will, have a material change on the valuation of the Island's assets and other elements, which would then perhaps lead to us having to reconsider policy if the figures are up or down. Is that a fair ...? In other words, will there be consequences for our budgeting when the process is completed?

1625 **The Bailiff:** Deputy St Pier.

1630 **Deputy St Pier:** Sir, it will not change the valuation of assets and liabilities, but of course it will recognise the valuations of assets and liabilities for the first time. As I said, I think in response to the first Question, indeed the whole rationale behind this Resolution dating back to 2012 – when Deputy Parkinson was the Minister for Treasury & Resources at the time – is to ensure that better decision-making can be made with better quality financial information. So I cannot predict what impact it will have on our decision- and policy-making but that is the purpose behind the adoption of IPSAS.

1635 **The Bailiff:** Deputy Yerby.

1640 **Deputy Yerby:** Deputy St Pier said that the final thing that needed to be achieved was a state of general organisational readiness; and of course we know sometimes having a fixed and immovable deadline helps organisations to become ready sooner than they would otherwise be prepared to do. Does P&R consider that there is a point at which it might say, 'All right, we are going to do this now, buckle up' – whether it feels the organisation is all the way there yet, or not?

The Bailiff: Deputy St Pier.

1645 **Deputy St Pier:** I think Deputy Yerby makes a very valid point. I do not think Policy & Resources are yet in that position; it is therefore a hypothetical question whether at some point in the future we may reach that point where we take that view. As I say, I think the challenge for us of course is managing priorities across the States and certainly we are not at that point yet, sir.

1650 **The Bailiff:** Now your sixth Question.

Deputy Merrett: Thank you, sir.

1655 When does the President believe that the intention to adopt IPSAS will be declared, bearing in mind that there appears to be a three-year period for compliance with IPSAS once a declaration of intent is declared?

The Bailiff: Deputy St Pier.

1660 **Deputy St Pier:** Sir, Deputy Yerby is quite correct that IPSAS 33 permits up to a three-year transitional relief period, and I did refer to that in the speech on the 2017 accounts – the three-year transitional relief period to fully implement the accounting standards once the declaration of intent has been made. However, this relief period is only intended to assist with the final conversion to IPSAS, with the vast majority of work being undertaken prior to this.

1665 There is no fixed date agreed, but given the extent of changes required, it is expected that the process may take two to three years before a formal declaration is made. It is therefore essential that the Policy & Resources Committee is confident that adequate preparation for transition has been undertaken prior to announcing the declaration of intent. At the end of the process the accounts will be subject to audit based upon all person and accounting standards issued by the International Public Sector Accounting Standard Board.

1670 **The Bailiff:** Do you have a supplementary?

Deputy Merrett: I do, sir.

I am very concerned and confused as to why an additional two to three years may be required before a formal declaration may be made, bearing in mind that this would still allow another three years before compliance – so potentially not until 2024, 12 years after the original States' Resolution. Could the President confirm that this may partly be due to the STSB timeline for property valuation; and, if so, why they cannot be aligned or overlapped?

1680 **The Bailiff:** Deputy St Pier.

Deputy St Pier: Sir, Deputy Yerby does not sound remotely confused, I think she has understood the point (*Interjections*) precisely! The additional period prior to the declaration of intent (*Interjection*) is to allow a period of preparation to take place, including the valuation of assets across the States, including those that reside within the States' Trading Supervisory Board. All of that takes time and takes resources.

The Bailiff: Do you have another supplementary? No? Your seventh Question.

Deputy Merrett: Thank you, sir.

1690 When does the President of P&R believe that the intention to adopt IPSAS will be declared, thus enacting a three-year countdown for compliance?

The Bailiff: Deputy St Pier.

1695 **Deputy St Pier:** Sir, I refer to my answer to the previous Question, I did struggle to understand the distinction between this Question and the prior Question, sir.

The Bailiff: Is there a supplementary? No? Question 8.

1700 **Deputy Merrett:** Thank you, sir.

For the record I am Deputy Merrett. (*Laughter and interjections*)

The Bailiff: What did I say? What did I say? (*Interjections*) Sorry?

1705 **Deputy Merrett:** Does the President think – the President being Deputy St Pier – that the move to IPSAS will have a materially positive or negative impact on the States of Guernsey's financial position?

The Bailiff: Deputy St Pier.

1710 **Deputy St Pier:** Sir, I do apologise if, under pressure and under fire, I managed to refer to (*Laughter*) the wrong Deputy.

So, to Deputy Merrett I respond, sir. The application of IPSAS will result in both assets and liabilities being introduced on to the statement of financial position. At this stage it is anticipated that these additional assets, including fixed assets, will exceed the additional liabilities which of course are primarily the pension deficit. This change is not limited to the preparation of the accounts, it is a change to the way financial decisions are taken within the States, including the development of the budgeting process. It focuses attention on all the assets and liabilities of the States as well as understanding the changing wealth of the States as an organisation.

1720 **The Bailiff:** Any supplementary? No?

Deputy Dudley-Owen has a supplementary question.

Deputy Dudley-Owen: Thank you, sir.

1725 Just in consideration of the different terminology that is going to be used as a result of the
introduction of IPSAS, what measures does the President envisage that we are going to have to
take in order to educate people who are interested in reading these? Because, whilst we realise
there is not going to be a difference in the financial position of the States of Guernsey with the
new standards, there will be a very big difference in the presentation of the financial position and
1730 some of the terminology is unusual, to say the least.

The Bailiff: Deputy St Pier.

1735 **Deputy St Pier:** Sir, Deputy Dudley-Owen raises a very valid point that the language of IPSAS
is very different. Of course if one follows a standard, if we are going to adopt it we adopt it in its
entirety, as I referred to in my response to a previous question. So we will need to adopt that
language as part of our terminology.

But I think we will need to go through a process of communication and education, and we
obviously cannot assume that just because we have adopted a particular standard that everybody
1740 necessarily understands that. That process, I would suggest, sir, did start this year in the
presentation of 2017 accounts, particularly with those who are present in the Assembly today. But
it is an ongoing process and is perhaps a justification for the transition which will be required.

The Bailiff: Question 9.

1745

Deputy Merrett: Thank you, sir.

Is the President satisfied or disappointed about the progress made to adopt IPSAS since 2012?

The Bailiff: Deputy St Pier.

1750

Deputy St Pier: Sir, as set out in my Answer to Question 1, this is a substantially far-reaching
project which is being carried out at a time when the States is undertaking significant
transformation activities. It is most important to ensure that the adoption is a success, is
appropriate for Guernsey and represents value for money, of course, and delivers benefits – as
1755 that is the purpose of it.

However, I must point out that as the project progresses iterative changes will be made to the
States' accounts, as I indicated earlier. In the years prior to the full adoption of IPSAS, Members
will recall that the 2017 accounts had a distinctly different look and feel, including the aggregation
of all income and expenditure – picking up on Deputy Dudley-Owen's point – under the newly-
1760 titled Statement of Financial Performance, in addition to the previous general revenue income and
committee expenditure income and expenditure reports relating to the various funds and reserves
that are now incorporated. This development provided much greater clarity and transparency to
the overall financial position of the States.

1765 **The Bailiff:** Have you a supplementary?

Deputy Merrett: Yes, I have, sir, actually.

I would really appreciate the President answering the specific Question I asked of him. Is he
satisfied or disappointed about the progress? Satisfied or disappointed? And, sir, a one-word
1770 answer would suffice.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I am going to disappoint Deputy Merrett (*Laughter*) by failing to give her a one-word answer.

Sir, in an ideal world, which unfortunately none of us occupy, I think we could look back with hindsight and imagine a world where IPSAS *had* been implemented with greater alacrity than has proved to be possible. We do not live in such a world, we live in the real world where the States has experienced significant pressures and significant competing demands of resources, that has to be recognised in how we implement this project, which is the case. It is now moving forward. It will make a difference and we need to continue to press on with it.

DEVELOPMENT & PLANNING AUTHORITY

DPA applications – Planning delays

The Bailiff: We move on now, then, to the final series of Questions to be asked by Deputy Roffey of the President of Development & Planning Authority.
Deputy Roffey.

Deputy Roffey: Thank you, sir. I do feel slightly embarrassed at joining in Question Time at five to three in the afternoon, but not sufficiently so not to plough ahead.

My first Question: what is the average time currently being taken from the DPA receiving planning applications to those applications being officially registered? And if there is any material difference, then please can the answer be broken down into large, medium and minor applications.

The Bailiff: The President, Deputy Gollop, will reply.

Deputy Gollop: I thank Deputy Roffey for his Questions, being aware that the boot is perhaps on the other foot today.

The answer really is that over the summer period there was a delay in the registration of planning applications. This was mainly due to the number of applications received and staff moves leaving vacancies to be filled. At its worst the period for registration was in the region of 28 days, or a month, effectively. A media release was issued in early August to advise prospective applicants and their agents of this issue, and the agents were also advised of delays during the biannual Agents' Forum. However, I am pleased to inform that since that time the timescale for registration has significantly improved and is now running at three working days, which is in line with normal expectations. Applications are registered in date order and no distinction is made between type or scale of application in this process.

I would also say the vacancy within the technical support team is currently being advertised and we hope to fill it soon. We have had difficulties over the last few years recruiting to some vacant planning officer posts, and with the exception of the post currently being advertised, we are currently fully staffed.

The Bailiff: Do you have a supplementary or do you wish to move on to your next Question?

Deputy Roffey: Supplementary, if I may, sir.

May I preface the question by saying I really welcome the return to normal service, but it must have been incredibly recent because until just a few days ago I was getting lots of reports of lengthy delays. But the question is: if the problem was caused, as the President says, by the number of applications and staff vacancies, how confident is he that this will not reoccur? And, in

this context, could he either confirm or deny that a decision has been taken not to replace two of the planning officers who recently left?

The Bailiff: Deputy Gollop.

Deputy Gollop: We have to live within our budget and I will take back to the Committee the exact allocation of operational roles, but we are aware that grumbles from architects most probably related to the registration backlog in August. This has now been resolved but the feedback inevitably tends to lag behind events, often by some time. Planning application numbers normally fluctuate over the year and there is no point resourcing in some areas for the worst case scenario and being over-resourced at other times. As I have said, we are currently fully staffed and we did eliminate one technical post to have more of a policy role for the future.

It also has to be said that I think until the summer glitch, the professional community have been very impressed with the quality of service that they have received and our service levels are very much within our desired time levels.

The Bailiff: Your second Question.

Deputy Roffey: What is the average time currently being taken to determine planning applications once they are registered? Once again, please break down into large, medium and minor, if there is a material difference.

The Bailiff: Deputy Gollop.

Deputy Gollop: Sir, I am able to advise you and the States that the average length of time taken to determine a planning application during the particular month of August 2018 was 10.38 weeks – 10½ weeks, 10 weeks and three days – which is in line with the target that 90% of all applications will be determined within 13 weeks. As applications are registered in date order, no distinction is made here between type or scale of application. Like Deputy Roffey, I have been a Member of past States and remember clearly that we often used to have 12-week backlogs a few years away. So I think we were actually a little bit ahead of the curve, even in August.

The Bailiff: Supplementary? No? Your next Question, then.

Deputy Roffey: Question 3: does the President agree that any lengthy planning delays are yet another headwind for a local construction industry which is already under some strain?

The Bailiff: Deputy Gollop.

Deputy Gollop: Well, the Committee's response, sir, is very much as explained: I do not agree that there are lengthy planning delays. I believe that the Authority plays an important and positive role in supporting the local construction industry through the several thousand planning and building control applications every year along with pre-application enquiries, site inspections and other requests for advice or assistance.

On a personal level I would say that if there are issues that have slightly depressed the local construction industry, they are part of a States-wide suite of policies that we need to address collectively in this Assembly and I do not think Planning is particularly responsible. Indeed, the feedback at the moment appears to be that Planning are too generous in allowing potential for development, so how we can be blamed for any slowdown in construction, I am not sure.

The Bailiff: Deputy Lester Queripel.

1870 **Deputy Lester Queripel:** Sir, supplementary. Bearing in mind the President has just responded by saying several thousand planning and building control applications are submitted every year, is he able to break that down and relay to the Assembly the figures from a typical week, please?

The Bailiff: Deputy Gollop.

1875 **Deputy Gollop:** Well, Deputy Lester Queripel is a very valued member of our Committee (*Laughter*) who regularly makes extremely interesting and lengthy points during our meetings, and this perhaps allows me to further the dialogue we have had recently. In a typical week, 30-40 planning applications are registered plus around 20 building control applications which are
1880 registered, plus between 10 and 20 pre-application enquiries registered. Now, that is a busy authority compared to many local authorities in the UK. Also, countless phones and counter enquiries are dealt with – particularly with the musical chairs that have been going on across our House in recent years; incoming post received and recorded, and outgoing post and permissions despatch; and that is in addition to the policy side of Planning which is releasing development
1885 frameworks and press releases and answering questions from Deputies and Douzeniers and other enquiries.

The Bailiff: Deputy Lester Queripel, another supplementary, and then Deputy Merrett.

1890 **Deputy Lester Queripel:** Sir, does the President agree with me that those are extremely impressive figures indeed, (*Laughter*) and surely point beyond the shadow of a doubt at just how hard the staff in the Planning Office actually work?

A Member: Hear, hear.

1895 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Yes, I would agree with Deputy Lester Queripel, and we as a Committee are united on that. If the Assembly wishes to see even faster processing of applications, the answer
1900 might be an increase in our staff and budgetary resources and the training to provide that. But I think in the circumstances we are very much doing our part.

The Bailiff: Deputy Merrett.

1905 **Deputy Merrett:** Sir, I believe I must declare an interest, as my partner is an architect. My question to the President is: with planning applications perceived to take a long period of time, could some of them have been detained because of the length of time taken to develop draft frameworks where indeed some are not in place at present?

1910 **The Bailiff:** Deputy Gollop.

Deputy Gollop: I think there are various theories about development frameworks. I think we – collectively as a board, with perhaps one dissenter – very much see development frameworks as extremely useful in coming before applications because they shape an environmental and
1915 technical scenario and allow planning to be holistic rather than piecemeal. I can announce at this point that shortly the DPA are going to announce that we will be extending the Pointues Rocques development framework, for example. That, of course, will require more work, and that is a part answer to why sometimes it is not possible for the DPA to inform every previous person of a new application. But development frameworks do and I think are already working in cutting down the
1920 number of individual difficulties, and indeed the whole professional framework of pre-application

discussions based on development frameworks is proving a boon to the professional building, architectural and surveying industries.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, yes, just to pick up from Deputy Gollop talking about the amount of post going in and out of the DPA, does he agree with me that a potential solution there is a more automated and quite possibly online solution to planning applications for the future?

A Member: Hear, hear.

The Bailiff: Deputy Gollop.

Deputy Gollop: I am actually doing a Statement next month in which some of the broader questions may come out, but as you have heard, Deputy Dawn Tindall, my very able and diligent Vice-President, would very much welcome technological improvements – so would Deputy Oliver, indeed the whole Committee – and I think there is not a board meeting that goes by when we do not impress upon the staff the hope, the aspiration, a bit like professional accounting standards, that we will one day have an online planning system in which even three-dimensional plans will be online. It will also make open planning meetings and constant communication with the electorate and applicants and dissentors much easier.

As just a side issue, we are already moving ahead with the times and we are joining Scrutiny in allowing our committee meetings to be electronically recorded to save on the cost of maintaining extensive PA and secretarial requirements. So we are moving with the times; we are probably ahead of any of the Principal Committees in that regard.

The Bailiff: Deputy Hansmann-Rouxel.

Deputy Hansmann-Rouxel: Thank you, sir.

Deputy Gollop mentioned 'some day in the future' – is there a timescale on that?

Deputy Gollop: Well, I think we are very much keen, as part of our vision beyond the annual and monthly report, to really work with the staff in monitoring this throughout 2019. I think it is a project for the next year.

The Bailiff: Can I just remind Members that supplementary questions should be questions that arise from the Answers that have been given. Deputy Gollop said that he is going to be giving a Statement next month; there will be an opportunity then to question him on some of these broader issues that simply do not arise from the Questions.

Deputy Leadbeater has a supplementary.

Deputy Leadbeater: Thank you, sir.

Will the President agree with me that the Authority are already proactive in the online area and you can already book site visits for inspections etc. online?

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes, you can, and indeed I think the wide range of literature that is available online now, including development frameworks, is already part of the transformation of planning.

The Bailiff: Deputy Roffey, your fourth Question.

Deputy Roffey: Thank you, sir.

1975 Given that when planning fees were introduced the Island was assured that in return they would get an efficient well-resourced and timely service, is the President happy that the States are keeping their side of the bargain?

1980 **The Bailiff:** Deputy Gollop, can I suggest you confine yourself to the Answer that has been circulated this time? *(Laughter)* Deputy Gollop.

Deputy Gollop: I could say a lot more, but yes, *(Laughter)* the Development & Planning Authority and the staff within the Planning Service deliver overall, we know, an efficient, well-resourced and timely service which represents excellent value for money to both developers and the taxpayer.

1985

The Bailiff: Deputy Roffey.

Deputy Roffey: I have a supplementary, if I may. Now that the President has put on record categorically that his Department is well resourced, will he confirm that he will not use a lack of resources as a reason for declining open planning meetings?

1990

The Bailiff: Deputy Gollop.

1995 **Deputy Gollop:** Well, I think we had a summer where it was pretty clear that we, on every level, professional and political, do welcome open planning meetings, and we will indeed be having at least one next month.

The Bailiff: Your fifth Question.

2000 **Deputy Roffey:** If the Answer to Question 4 is no – which I admit it was not – what does his Committee intend to do about it? *(Laughter)*

Deputy Gollop: No, I cannot, sir. No, my Answer is an unequivocal yes.

2005

The Bailiff: Thank you very much.

Deputy Roffey: One supplementary, sir.

2010 Will the President accept that I am actually hugely supportive of the DPA in a difficult task and I want to ensure that they are adequately resourced, but from that Answer I presume that nothing is going to be done to strengthen the Department or make it more resilient; therefore, presumably any repeat of the circumstances which occurred over the summer will lead to similar unacceptable problems? Is that any way to treat paying customers?

2015

The Bailiff: Deputy Gollop.

Deputy Gollop: Well, we will improve our staff situation. In Cabinet we are now ... You can never tell when a staff member is going to be absent for whatever reason, but we think we have the solution now and we will work within it. Perhaps if there were slightly fewer opponents to every planning scheme we would have more time. *(Laughter)*

2020

The Bailiff: Deputy Merrett.

Deputy Merrett: Can I just ask the President what his contingency is for staff when they are absent? That seems to be his excuse, or a reason. There must be some contingency plan, sir. Can I ask what the contingency plans are?

Deputy Gollop: That is a good question. We need a contingency plan. We do regularly a risk register, and on the risk register staff is not particularly high. I think it should be borne in mind that, unlike in the previous Assembly, we are a standalone Committee but we do share resources with other committees. Our secretarial and administrative resources are linked to Environment & Infrastructure, who are our political partners, and indeed we use their facilities to some extent; and if, for whatever reason, we did have a shortfall, we would ask, kindly, Policy & Resources. That is why this Committee twice has won amendments discouraging poaching of our senior staff to other areas of work in the States, because we need their expertise, we need the quality of their work and we need their experience – and, dare I say, other Committees should respect that across the Chamber.

The Bailiff: Deputy Inder, is this a question arising out of the last Answer?

Deputy Inder: It is, sir.

The Bailiff: The last substantive Answer, not the last supplementary question answer?

Deputy Inder: I will let you be the judge of that. (**The Bailiff:** No.)

Back in 2003-04, I think it was, there was a major issue with planning and the Department back then were outsourcing a lot of their work to English planners. I do not know if they were rubberstamped through, but basically that was one of the solutions for times when the Planning Department back then was not particularly well resourced. If the problem is as big as people seem to be playing this up – and I am not entirely sure it is – is there an option for the Planning Department to outsource some of the decision processes, as they did some 12, 13, 14, 15 years ago?

Deputy Gollop: Yes. To my right, two of my colleagues from Alderney are both respected and able members of the Alderney Building & Development Committee and I have seen them work very well on open planning meetings. I believe they have outsourced one of their more sensitive cases to Guernsey recently, so it does go different ways. Maybe we could outsource to Jersey. Deputy Young is working in Alderney with planning, a very respected figure. We have no plans to do that, but it is an option for the future and indeed much of the thinking behind the Island Development Plan was initially going to be outsourced but was done in house because of a problem with outsourcing it. So we look at every option.

The Bailiff: Is this a genuine supplementary question arising from the Answer to the fifth Question?

Deputy Merrett: I believe so, sir. I think the answer is yes, but it is quite difficult to ascertain. But I will try anyway.

The President referred to the amount of objections that come from our community, and that is obviously time absorbing. Would the President agree with me that maybe with the expectations of our community having so many objections, maybe the IDP does need amending or revising?

Deputy Gollop: I think that is a question more suitably developed in the following months, but the answer to whether the Island Development Plan ... Well, the Committee, in the fullness of time, will come back to the States because we are obliged to do so, but the answer to Deputy Merrett's question is really in the hands of the community, especially other States' Members, who

2075 have to come up with evidence supporting the view that a change is sometimes needed – we heard a reference to the tourism industry earlier today. But I do think this really is a question that is more likely to be developed next month.

The Bailiff: I think that is probably true of most of the supplementaries. *(Laughter)*
2080 I think that concludes Question Time and we will move on to election time.

Billet d'État XX

I. States' Trading Supervisory Board – Election of a Member – Debate commenced

Article I.

The States are asked:

Further to the Resolution of the States of the 20th July, 2018 and in accordance with Rule 16 of The Rules of Procedure of the States of Deliberation and their Committees, to elect a sitting Member of the States as an additional member of the States' Trading Supervisory Board to hold office until the 30th June 2020.

(N.B. Pursuant to the Mandate of the States' Trading Supervisory Board, a Member of the Board shall not be the President or a member of the Transport Licensing Authority.)

The Deputy Greffier: Billet d'État XX, Article I – Election of a Member of the States' Trading Supervisory Board.

The Bailiff: First of all, the President of the Board may nominate a candidate, if he wishes to do so.
2085

Deputy Ferbrache: Yes, sir, the unanimous nomination of our Board is Deputy Kuttelwascher, seconded by Deputy Smithies.

2090 **The Bailiff:** Is that correct, Deputy Smithies?

Deputy Smithies: That is correct.

The Bailiff: Are there any other nominations? Yes, Deputy Le Clerc.
2095

Deputy Le Clerc: I nominate Deputy Peter Roffey.

The Bailiff: Deputy Peter Roffey. Is there a seconder?

2100 **Deputy Tooley:** Yes, sir.

The Bailiff: Deputy Tooley, thank you.
Deputy Inder.

2105 **Deputy Inder:** Sir, I will be nominating Deputy Victoria Oliver and I will be seconded by Deputy Dudley-Owen.

The Bailiff: Is that correct, Deputy Dudley-Owen?

Deputy Dudley-Owen: Yes, it is, sir. Thank you, Deputy Inder. *(Laughter)*

The Bailiff: Anyone else?

In that case, we have three candidates proposed: Deputy Kuttelwascher, proposed by Deputy Ferbrache and seconded by Deputy Smithies; Deputy Roffey, proposed by Deputy Le Clerc and seconded by Deputy Tooley; and Deputy Oliver, proposed by Deputy Inder and seconded by Deputy Dudley-Owen. What will happen now is that each of the proposers may speak for not more than five minutes in respect of their candidate, but neither the candidate nor any other Member is entitled to speak at this time.

Deputy Ferbrache first.

Deputy Ferbrache: Sir, Deputy Kuttelwascher is in his third term as a States' Member and currently has no particular position. That is a great waste of his talent, **(A Member: Hear, hear.)** a great waste of the ability that he undoubtedly has shown in the two and a half sessions that he has been a Member of the States of Guernsey.

In his first term he served the last 14 months or thereabouts as a Member of the Public Services Department, and as a Member of that Department he sat on the Airport Project Board. In his second term, where he was Deputy Treasury Minister, he again sat on that Board for the whole of the four-year duration. In the course of that five and a bit years he engaged really with everything other than the Channel Islands Lottery that falls within the very wide mandate of the States' Trading Supervisory Board.

I also had the pleasure of serving with Deputy Kuttelwascher when he was Vice-President of Economic Development. He is a person of great wisdom, a person of great judgement and he has commercial experience.

I was surprised, when I became President of the States' Trading Supervisory Board, just how many tentacles of our society it touches. We need a cohesive team – which I believe we have got with a very able Vice-President and the two non-States' members, who are exceptional people. We need to complement the team and I can think of nobody better to complement the team than Deputy Kuttelwascher.

The Bailiff: Next, Deputy Le Clerc will speak in respect of Deputy Roffey's nomination.

Deputy Le Clerc: Thank you, sir. I will probably be a little bit longer.

I am delighted to be in a position to propose Deputy Roffey. I believe he has all the attributes required to bring oversight and guidance to the Board.

Deputy Roffey is a man who is never afraid to challenge. He would never put friendships and associations above what he believes is right. Many of us, including friends, have been on the receiving end of those uncomfortable challenging questions. If he thinks an issue is worth fighting for, he is not afraid to do so. That is the type of person that I want on STSB, someone who is not afraid to rock the boat, who will push and question the boards of the incorporated companies. I also know that he will ensure the efficient management, operation and maintenance, as per its mandate, for the States on incorporated trading concerns such as the Dairy, Airport, Harbour, water, States' Works and waste disposal.

Sir, I can hear the cogs whirring with many thinking he may already be overstretched with his commitments on SACC and Education. My answer to that, and indeed his own answer, is the often-quoted saying, 'If you want something done, ask a busy person to do it.' Deputy Roffey has stood down from his commitments at the Co-op and is no longer on the Scrutiny Management Committee. This has freed up his time. Deputy Kuttelwascher has no other committee commitments and Deputy Oliver has some committee commitments, but that does not mean that we should dismiss Deputy Roffey's nomination. What is far more important is the quality, ability

and commercial decision-making of the candidate, and I believe that Deputy Roffey has this in bucket-loads.

Let me explain more about his commercial experience. A huge part of his life outside politics has been his 26 years directing one of the Island's biggest and most successful commercial entities, the Channel Islands Co-op, with 15 of those years being spent as President or Vice-President. During his time on the board the local Co-op transformed its presence in the Island. When he joined the Co-op it was a real minnow compared to its then competitors such as Le Riches and Besants. He was a driving force on a board which oversaw and guided a remarkable period of growth which saw the Co-op become a really dominant force in local retailing by the time he stepped down a few months ago. He was also responsible for setting the strategic direction of one of the biggest trading entities in the Channel Islands, which must make him a prime contender to oversee some of the States' trading bodies. He has a proven skill set.

Just as importantly, whilst he may have been serving on a board which demanded a complete focus on commerciality in order to survive and thrive in a hugely competitive environment, he was also directing an organisation which was not solely motivated by maximising profit. As we know, the Co-op also has a strong social purpose and is owned by tens of thousands of ordinary Islanders. The parallels with States' trading entities in this respect are obvious.

Over the last few years, his commercial experience has spread to the national stage. Following the UK Co-op Group's near collapse created by the international banking meltdown, he was recruited on to the organisation's national membership council and from there on to its business performance committee. He is proud to have helped the Co-op Group new board and executive first to save the UK's biggest mutual society and then to turn it around to the point where it is now significantly growing its market share in the face of fierce competition, and this is an organisation with a turnover of over £10 billion a year.

Sir, the Assembly are all very well aware of Deputy Roffey's political skills and experience, having served in many top jobs within this Assembly since he first entered politics 36 years ago. For example, he is no stranger to the Dairy, due to his time on agriculture, or to many other aspects of the STSB's work, thanks to his breadth of political experience. We know that once given a job he throws himself into it 100%, and I know that he is genuinely motivated by the prospect of serving on STSB. He is convinced that our trading assets have the potential to contribute far more to our community and not just in terms of money.

I therefore ask you to support him. He is the right man for the role. Thank you.

The Bailiff: Finally, Deputy Inder will speak in support of Deputy Oliver's nomination.

Deputy Inder: Thank you, sir.

Members, I doubt there is anyone left on the Island who will not have heard my views why Guernsey should use its home-grown talent wherever possible, as opposed to farming out that expertise to English consultants – well, with the exception of the planning decisions, maybe, when we get a bit busy. Thirty years in business developing that talent – training them, believing in them, providing opportunities for them to grow into positions – has convinced me that there is nothing this Island cannot do with the right people in the right position, and I apply that consistent approach to my support today.

In STSB we already have existing talent. We have a captain at the helm with supreme commercial legal skills, we have got Deputy Jeremy Smithies, the hands-on engineer, non-States' members Hollis and Falla, all with significant commercial expertise, and today we have a hole to fill for another vacant position. I am hoping to persuade you of the addition of Deputy Oliver to that talent pool.

STSB has huge responsibilities: it is the holding company for our commercial identities, it is the waste disposal authority, it is responsible for the real estate owned and leased by the States of Guernsey. In short, it is Guernsey's largest land management company and Deputy Victoria Oliver's professional skills will obviously complement that Board.

I will give you a brief overview from her CV. She is a chartered surveyor. She started her career working at Savills as a graduate surveyor. Over the next seven or eight years she became a member of the Royal Institute of Chartered Surveyors, specialised in rent reviews, lease renewals in commercial and retail and office, and developed a lease consultancy database working closely with the IT consultants of the firm that she was with. So she has land and management in her blood; it is what she does. STSB has land running through its mandate and Deputy Oliver is what STSB needs.

Deputy Oliver is not shy in coming forward either and has certainly taken on some politically toxic projects – very brave for a lady in her first term. Anyone else in this Assembly want to be a member of the DPA today – under fire, politically exposed, with no small risk to her political career? Or what about population management, in the thick of it with the rest of her Members on the Home Department?

The experience of the Board for her personal development would be great for her. Her professional qualifications make her an obvious fit and I have no doubt she will offer great scrutiny on an extremely important Board. So, Members, I just ask you to give this young Turk real consideration to the position that we have in front of us today.

Thank you, sir.

The Bailiff: Members, I remind you there are three nominations for one position as a Member of the States' Trading Supervisory Board: Deputy Kuttelwascher, proposed by Deputy Ferbrache and seconded by Deputy Smithies; Deputy Roffey, proposed by Deputy Le Clerc and seconded by Deputy Tooley; and Deputy Oliver, proposed by Deputy Inder and seconded by Deputy Dudley-Owen. Will you please now cast your votes.

Are there any more voting slips? No. Well, those will go off to be counted.

Unless anybody disagrees, I do not think the election of a Chairman and Deputy Chairman of the Administrative Decisions Board Panel will be impacted by the result of that vote, so hopefully we can move on to that. Okay?

Billet d'État XXII

I. Chairman and Deputy Chairman of Panel of Members – Deputy Green and Douzenier R. L. Heaume MBE re-elected

Article I.

The States are asked:

To elect, in accordance with the provisions of section 4 (2) of the Administrative Decisions (Review) (Guernsey) Law, 1986:-

1. A Chairman of the Panel of Members, who shall be a sitting member of the States of Deliberation and who has held a seat in the States for a period of three years or more, to fill the vacancy which will arise on 1st June, 2018, by reason of the expiry of the term of office of Deputy C. J. Green, who is eligible for re-election.

2. A Deputy Chairman of that Panel, who shall be one of the Deans of the Douzaines but who shall not have a seat in the States, to fill the vacancy which will arise on 1st June, 2018, by reason of the expiry of the term of office of Douzenier R. L. Heaume MBE, who is eligible for re-election.

The Deputy Greffier: Billet d'État XXII, Article I – Administrative Decisions (Review) (Guernsey) Law, 1986, a new Chairman and Deputy Chairman of Panel of Members.

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I wish to propose Deputy Green as the Chairman and Mr Richard Heaume as the Deputy Chairman, sir.

2245

The Bailiff: Deputy Trott.

Deputy Trott: Sir, I second both of those nominations.

2250

The Bailiff: Are there any other nominations either for the Chairman or the Deputy Chairman of the panel? No.

In that case, we will go straight to the vote. I put to you, first of all, that Deputy Green be re-elected as Chairman of the Panel of Members. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare him elected.

Secondly, that Douzaine Representative Heaume be re-elected as Deputy Chairman. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare him elected.

Billet d'État XX

COMMITTEE FOR ECONOMIC DEVELOPMENT

II. Director of Civil Aviation – Mr Dominic Lazarus appointed

Article II.

The States are asked to decide:

Whether, after consideration of the policy letter entitled "Appointment of the Director of Civil Aviation", dated 29 June 2018, they are of the opinion:-

1. In accordance with paragraph 1(2) of the Aviation (Bailiwick of Guernsey) Law, 2008, to agree to appoint Mr Dominic Lazarus as Director of Civil Aviation for a period of five years, with immediate effect.

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

2255

The Deputy Greffier: Billet d'État XX, Article II, Committee for Economic Development – Appointment of the Director of Civil Aviation.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

2260 On behalf of my Committee, I am pleased to present to you a policy letter recommending the appointment of Dominic Lazarus as Director of Civil Aviation following the resignation of the former DCA in July 2018.

2265 The DCA has the same statutory role in the Bailiwicks of Jersey and Guernsey and is responsible for the regulation of aviation safety and security, the regulation of meteorological services for air navigation; revealing developments in international aviation law, regulations and standards; and for ensuring that the Channel Islands regulatory framework remains compliant.

2270 The Aviation (Bailiwick of Guernsey) Law provides that the States shall appoint the DCA on the recommendation of the Committee *for* Economic Development. The Committee has therefore undertaken a recruitment process to identify a suitable candidate in conjunction with representatives from the States of Jersey, given the pan-Channel Island nature of the role. As such, this post is a constructive example of pan-Island working enabling significant cost efficiencies and consistent policy formation across the Islands.

2275 Following the recruitment process, Mr Dominic Lazarus was identified as the preferred candidate. Mr Lazarus has more than 30 years' experience in aviation, including 10 years advising on regulation. He was previously the Head of Regulatory Affairs for the Asia-Pacific Region with CAE Inc. and has most recently acted as a specialist consultant in the aviation insurance sector.

2280 Mr Lazarus has worked with national aviation authorities towards the development of regulations and has also been responsible for liaising with the International Civil Aviation Organisation on matters concerning international safety and airworthiness.

2285 Mr Lazarus was sworn in as the DCA for Jersey in July 2018. In Guernsey the Committee has exercised its ability to appoint him as Acting Director until such time as the States makes the appointment to the role of DCA for Guernsey. As such, Mr Lazarus has been in post as Acting Director since July 2018 and the Committee remain satisfied with his suitability for the role of DCA.

2285 The Committee is therefore pleased to recommend the appointment of Dominic Lazarus as Director of Civil Aviation and further recommends that the appointment should be for five years with immediate effect.

The Bailiff: Is there any debate? No.

In that case, I put to you the proposition that Mr Dominic Lazarus be appointed as Director of Civil Aviation for a period of five years with immediate effect. Those in favour; those against.

Members voted Pour.

2290 **The Bailiff:** I declare him appointed.

STATES' TRADING SUPERVISORY BOARD

**III. Guernsey Electricity Limited –
Appointment of non-executive directors –
Gillian Browning, Richard Denton and Peter Shaefer appointed**

Article III.

The States are asked to decide:

Whether, after consideration of the policy letter entitled 'Appointment of Non-Executive Directors – Guernsey Electricity Limited' dated 29 June 2018 they are of the opinion:-

1. To approve the appointment of Gillian Browning as a non-executive director of Guernsey Electricity Limited with immediate effect.

2. To approve the appointment of Richard Denton as a non-executive director of Guernsey Electricity Limited with immediate effect.

3. To approve the appointment of Peter Shaefer as a non-executive director of Guernsey Electricity Limited with immediate effect.

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

The Deputy Greffier: Article III, States' Trading Supervisory Board – Appointment of Non-Executive Directors – Guernsey Electricity Limited.

2295 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Sir, I ask that the States appoint Gillian Browning, Richard Denton and Peter Shaefer.

2300 **The Bailiff:** Any debate? Yes, Deputy Tindall.

Deputy Tindall: Thank you, sir.

2305 Whilst I have no issue with any one of the individuals who are being proposed – far from it – I would like the President of STSB to confirm for completeness that there is no restriction on a director of the Guernsey Financial Services Commission becoming a director of a States-owned company, unlike the restriction that States' Members cannot be a commissioner or work for the GFSC.

2310 If no restriction exists, does the President consider the corporate governance of Guernsey Electricity Limited is sufficient to manage the conflict or even the perception of conflict that may arise?

Also, given the work expected of all non-executive directors, please can the President of STSB reassure this Assembly that, in accordance with good corporate governance, the individuals have all been asked and confirmed they can allot sufficient time as required for the job?

2315 **The Bailiff:** Deputy Gollop.

Deputy Gollop: While supporting the Board, the President and the applicants as extremely able and suitable candidates, I am intrigued by one or two elements in the policy letter. Listen to this – 2.2.3 says:

A total of fifty applications were received, ...

2320 – after, obviously, a good marketing campaign, better than some of the other committees; they were not poor-quality candidates, evidently really good –

... of which twenty were selected for a long list and ultimately a short list of eight candidates were put forward for second interview by GEL's Remuneration and Nominations Committee.

Well, that tells me that perhaps the STSB are more successful in attracting quality candidates than occasionally perhaps the States of Guernsey, and it also shows that this one Committee could read 50 ... not manifestos, but CVs, and work it down to a good number. So, there you go, clearly we are working on these things and we need to consider.

The Bailiff: Deputy Ferbrache to reply.

Deputy Ferbrache: Dealing with Deputy Gollop first, sir. Of course, people want to be part of something that is part of the STSB because they realise that is one of the relatively few parts of the States that works well. **(Several Members:** Ooh!)

In relation to good corporate governance I breathe corporate governance, it echoes through every cell in my body, so I am concerned about corporate governance. But being serious, of course, we are always concerned about corporate governance.

As Deputy Gollop highlighted, I am sincerely grateful to him, there were so many good candidates that applied that the choice was a difficult one, but the choice was the right one. There is no conflict between Mrs Browning's role, there is no conflict between her position and there is no problem that we have in relation to our recommendation to her. And all of them would not have put their names forward if they could not have devoted sufficient time to discharge their duties.

The Bailiff: In that case, perhaps I will put the appointments to you separately. First of all, to approve the appointment of Gillian Browning as a non-executive director. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare her appointed.

Secondly, to approve the appointment of Richard Denton as a non-executive director of Guernsey Electricity Limited. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare him appointed.

And finally, to approve the appointment of Peter Shaefer as a non-executive director of Guernsey Electricity Limited. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare him also appointed.

**The Data Protection (International Cooperation and Assistance)
(Bailiwick of Guernsey) Regulations, 2018;
The Data Protection (General Provisions) (Bailiwick of Guernsey) Regulations, 2018;
The Income Support (Guernsey) Law, 2017 (Commencement) Regulations, 2018;
The States' Housing (Rent and Rebate Scheme) (Guernsey) (Amendment) Regulations, 2018;
Waste Disposal and Recovery Charges Regulations, 2018;
The Electoral System Referendum (Availability of Electoral Roll) Regulations, 2018**

The Bailiff: I think we can move on with legislation.

2355

The Deputy Greffier: Legislation laid Before the States: The Data Protection (International Cooperation and Assistance) (Bailiwick of Guernsey) Regulations, 2018; The Data Protection (General Provisions) (Bailiwick of Guernsey) Regulations, 2018; The Income Support (Guernsey) Law, 2017 (Commencement) Regulations, 2018; The States' Housing (Rent and Rebate Scheme) (Guernsey) (Amendment) Regulations, 2018; Waste Disposal and Recovery Charges Regulations, 2018; The Electoral System Referendum (Availability of Electoral Roll) Regulations, 2018.

2360

The Bailiff: I have not received notice of any motion to debate any of them.

POLICY & RESOURCES COMMITTEE

IV. The Interpretation and Standards Provisions (Bailiwick of Guernsey) Law, 2016 (Commencement and Amendment) Ordinance, 2018 – Approved

Article IV.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled "The Interpretation and Standard Provisions (Bailiwick of Guernsey) Law, 2016 (Commencement and Amendment) Ordinance, 2018", and to direct that the same shall have effect as an Ordinance of the States.

The Deputy Greffier: Legislation for approval, Article IV, The Interpretation and Standards Provisions (Bailiwick of Guernsey) Law, 2016 (Commencement and Amendment) Ordinance, 2018.

2365

The Bailiff: Is there any request for any debate or clarification? No, in that case I put it to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

2370

V. The Income Tax (Guernsey) (Amendment) Ordinance, 2018 – Approved

Article V.

The States are asked to decide:

Whether they are of the opinion to approve the draft Ordinance entitled "The Income Tax (Guernsey) (Amendment) Ordinance, 2018", and to direct that the same shall have effect as an Ordinance of the States.

The Deputy Greffier: Article V, The Income Tax (Guernsey) (Amendment) Ordinance, 2018.

2375 **The Bailiff:** Any request for clarification or debate? No, I put it to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

**States' Trading Supervisory Board –
Election of a Member –
Deputy Kuttelwascher elected**

The Bailiff: I think we now have the result of the voting for the election of a Member of the States' Trading Supervisory Board. It has just been handed to me.

2380 I can advise that the voting is as follows: Deputy Kuttelwascher, 14 votes; Deputy Roffey, 13 votes; Deputy Oliver, 10 votes; and there was one spoilt paper, so I therefore declare Deputy Kuttelwascher to have been elected.

POLICY & RESOURCES COMMITTEE

**VI. Revisions to the Proceeds of Crime Framework –
Propositions carried**

2385 **The Deputy Greffier:** Article VI, Policy & Resources Committee, revisions to the Proceeds of Crime Framework.

The Bailiff: Deputy St Pier ... Deputy Trott, sorry, the Vice-President, will open the debate.

2390 **Deputy Trott:** Sir, the President has very kindly allowed me to present this one to the Assembly, for which I remain eternally grateful. (*Laughter*)

2395 The policy letter proposes amendments to the anti-money laundering, AML, as it is known, and combatting of terrorist financing framework, CFT framework, in the Bailiwick. In particular, it proposes that the provisions contained in regulations issued by the Policy & Resources Committee should be updated to meet the revised standards of the Financial Action Task Force – FATF, as it is affectionately referred to – and recommendations made by Moneyval and that the regulations should be repealed and replaced by amendments to the Criminal Justice (Proceeds of Crime) Bailiwick of Guernsey Law, 1999.

2400 Sir, the proposals in this policy letter have been subject to significant consultation with the regulated sector. Financial services businesses, together with firms of lawyers, accountants and estate agents, so-called 'prescribed businesses' in the Bailiwick, have been subject to AML and CFT obligations for many years.

2405 The obligations are wide ranging. They include, for example, customer due diligence, referred to as CDD, checks on customers to verify their identities and on business relationships more widely to verify the identity of individuals and structures within those relationships and to prevent the relationships from being used for laundering of criminal proceeds or the financing of terrorism.

Sir, most of the obligations are contained in two sets of regulations made by the Committee and two handbooks issued by the Guernsey Financial Services Commission. Each of the two sets of regulations mentioned, one for financial services businesses and one for prescribed businesses, is made by the Committee under the Proceeds of Crime Law. Each set of regulations is complemented by a handbook, one for financial services businesses and one for prescribed businesses issued by the GFSC. The handbooks contain a combination of rules and guidance. The States of Guernsey is committed to meeting the standards of the FATF, an international body based in Paris, which sets the global requirements for AML/CTF.

Overall the revisions will modify the framework rather than make significant amendments to it. Over more than 15 years the independent international evaluation bodies have concluded that the Bailiwick has a very positive level of compliance with the standards of the FATF and the objective of the proposals in this policy letter is to seek to ensure that the Bailiwick maintains its deserved reputation as a jurisdiction which is intent on ensuring that criminals cannot launder their proceeds of crime here.

One of the changes is a different hierarchy for the way in which certain of the standards, including CDD standards should be expressed in a jurisdiction's regime, and the Bailiwick has two options in seeking to ensure certainty in addressing this new hierarchy. One option is to include a number of elements of, for example, CDD requirements in primary legislation such as the Proceeds of Crime Law and to address the remaining elements by revisions to the regulations and also revisions to the rules and guidance in the GFSC handbooks. This approach would be very difficult to draft successfully, and also cumbersome for businesses. A second option is preferred and has been extensively consulted on.

Hence, the Committee has concluded that the regulations should be repealed and replaced by new schedules to the Proceeds of Crime Law, the second option. This would remove the need for key legislative CDD requirements to be both in primary and secondary legislation i.e. in the Law as well as in the regulations and would therefore allow retention of the existing three tiered approach of one principal layer of legislation complemented by rules and guidance in the GFSC handbooks as opposed to having two key layers of legislation complemented by rules and guidance and it will also require some minor amendments of provisions in the main body of the Proceeds of Crime Law.

It is currently envisaged that the changes to the provisions in the main body of the Law and the introduction of the new schedules will come into force from 31st December 2018, the effective date. However, in order to ensure that businesses have sufficient time to implement the schedules in a proportionate manner, together with the rules and guidance in the revised handbook, which will be issued by the GFSC, the Committee has concluded that the Law should provide it with regulation-making powers so as to be able to phase in compliance by businesses with different aspects of the requirements. And with particular regard to that aspect, sir, the Policy & Resources Committee extends its appreciation to Deputy Tindall for her input into that process.

As with the existing regulations, the main new schedule should include duties and requirements to be complied by businesses for the purposes of forestalling and preventing money laundering. This should include, by way of example, coverage of risk assessment and mitigation by businesses; CDD enhanced client due diligence; timing of the identification and verification of customers; how to address inability to comply with customer due diligence measures; measures where there is some reliance on a third party; monitoring transactions and activity and so on.

The indications from industry are that a number of Guernsey businesses are already meeting the proposed requirements in practice. Members may be interested, in particular, with regard to the following: the provisions on enhanced client due diligence for politically exposed persons, so-called PEPs, will be extended beyond foreign PEPs to cover domestic PEPs and persons entrusted with a prominent function by an international organisation. The ECDD provisions for PEPs will therefore apply to international and domestic PEPs, including persons who have or have had at any time a prominent political function, and for the avoidance of doubt, Members, that includes us. Persons with a prominent function they have been entrusted with by an international

organisation, immediate family members of such persons, so including our siblings, our wives and husbands and our children.

2460 Currently, when a person with a prominent political office has stepped down from that office there is no limitation on when ECDD is applicable, this is on the basis that internationally PEPs are considered to be high risk. After consideration of both the practical implications of the existing approach and the money laundering and terrorist financing risk to Guernsey, the Committee has decided that the 'once a PEP always a PEP' requirement can be modified to provide some
2465 flexibility, but only in statutorily specified circumstances, so the good news is that some, at least, sir, will eventually no longer be PEPs if that condition is followed through.

Sir, penultimately the GFSC handbooks are based on the existing regulations. The Committee and the GFSC have worked together on the revisions to the Proceeds of Crime Law arising from this policy letter and a single updated GFSC handbook for specified businesses will be issued to
2470 complement the legislative revisions. Throughout the formulation of the proposed framework the Committee and the GFSC have held more than 30 presentations, drop-in sessions and meetings attended by representatives covering all sectors of industry. Additionally in response to the consultations, which were in excess of 70, every comment and piece of feedback from both the consultation and the extensive engagement with industry has been given careful consideration
2475 and there have been changes as a consequence of that, which has assisted the formulation of the revised framework.

I am very pleased to be able to say that the GFSC's engagement has included presentations on the consultations in Alderney and Sark, the Alderney Policy & Finance Committee and the Sark Policy & Performance Committee have confirmed that they agree with the proposals in this policy
2480 letter and therefore, sir, I so move.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, sir.

2485 The proposals in this policy letter have the support of the Committee for Home Affairs. At the heart they are about security, protection and upholding appropriate standards. Not only do we need to enforce the Laws we already have, but we also need to do everything we reasonably can to ensure criminals cannot launder their money in the Bailiwick. We must also close down any opportunity for such individuals and organisations to use their ill-gotten gains to support the
2490 financing of terrorism in its various guises. There is equally a reputational need for the Bailiwick to demonstrate its unequivocal commitment to stamping out such illegal activity. Guernsey is a top quality jurisdiction demanding high and yet appropriate standards across our finance and related sectors. We must maintain a high standard and safeguard our reputation in the eyes of the world. The proposal before us today will help us do just that.

2495 I recommend Members to support the proposals.
Thank you, sir.

The Bailiff: Deputy Tindall.

2500 **Deputy Tindall:** Thank you, sir.

I was told last week by someone who used to be a Deputy that this would be a topic which few would be interested in, even fewer would really understand and only one would take the trouble of making a speech in the Assembly. *(Laughter)* He was obviously wrong. The anti-money laundering and countering of financing of terrorism framework, or AML framework for short, is of
2505 paramount importance to those who work in the finance industry and those who work in businesses, such as lawyers, accountants and estate agents. From the new Guernsey facts and figures books these businesses represent roughly 50% of GVA or gross value added. Just as important though, it will affect us all in the Bailiwick if we are evaluated by others as failing to adhere to international standards in AML. Getting this framework right is vital for our economy,

2510 vital for our businesses and for our international standing. Why therefore would an individual who used to be a Deputy consider that few are interested?

Sir, we should not only be interested but we should take the utmost care to ensure that we have a framework fit for purpose, regulation that is appropriate and proportionate and show our businesses that they are supported by this Government in getting this right.

2515 When in Alderney in 2016, several Deputies and Alderney States' Members visited PWC's offices and were told how vital it was for the new AML framework to be fit for purpose; how, if we did not, we would be walking blindfolded into a disaster. I agreed then and I agree now, if we do not get this right our future offering of top class financial services could be put in jeopardy. Some listening, sir, may still be disinterested but this affects everyone that has a bank account and also
2520 those who may be struggling to get one. Everyone knows the pain of getting a correctly certified copy passport and utility bill and the long forms that need to be completed. That is all due to the AML framework and, more to the point, how it is interpreted.

Sir, I hope that I have the attention of those in this Chamber and perhaps many more of those of the public who are listening. Most importantly, I want to again get the attention of the
2525 Guernsey Financial Services Commission. The reason: whilst today we are being asked to decide if we are of the opinion that our AML framework should be updated to meet the revised FATF standards and recommendations made by Moneyval, I am of that opinion. I am because it is essential that we are seen to be meeting those standards and the way to do that is by ensuring that the evaluator, Moneyval, confirms we do. However, there are some, and I am one, who do not
2530 agree that the recommendations made by Moneyval actually meet the revised FATF standards, but I have to say that our opinion is irrelevant. I am told that Moneyval believes they do and that, I am afraid, is that, as they confirm to the world that we meet international standards and we must have that confirmation.

I say this not to upset the apple cart but simply to explain to the oh so many in their responses
2535 to the consultation last year objecting to the proposed revisions to the AML framework. As Deputy Parkinson kindly noted in his update this morning, I have spent many days over the summer trying to ensure that the new AML framework, and in particular the new handbook, genuinely strives to balance risk and opportunity. I have tried, but at this point in time I have to admit failure, only in some aspects, because for the rest I am completely in the dark. What I do
2540 know is that there is apparently no wiggle room and that the new enhanced measures are necessary and that the PEP requirements, whilst improved over what we have, cannot be aligned with the rules and the 4th EU Money Laundering Directive, or 4MLD for short. That would have been preferable to that which is set out in paragraph 5.1 of the policy letter, but I am told we have to accept that.

2545 However, what we most definitely do not have to accept is how those standards and recommendations set out in the policy letter are interpreted in the AML framework. That brings me back to what we are being asked to approve. We are being asked to agree changes to the AML framework, yet that framework is not in our gift. We can approve this policy letter, we can approve the changes to the Law through the ordinance coming before us in October, we can
2550 annul the regulations which P&R can enact under the new legislation, but we have no control whatsoever over the rules and guidance issued by the GFSC, none at all. The GFSC will be issuing a handbook for all businesses who are subject to the AML framework, setting out in detail what they can and cannot do to comply with the legislation. The detail will be within this new handbook and sir, the devil will be in that detail. And judging by the draft version of the handbook, issued by
2555 the GFSC last July, and again in a revised edition of chapter 8, an awful lot of the devil will be in that detail. For example, the revised chapter 8 was another stab, if you will, at explaining what enhanced measures are and how we will treat PEPs. For me, it was a stab in the dark. The quality of the drafting was appalling – confusing, ambiguous, inconsistent, an editor's nightmare. Sir, we do not know what we are going to have to implement and we do not know if it will be clear or
2560 even logical. That said, my summer was also spent trying to get this message across to the GFSC, a message, sir, which had been voiced by so many in the consultation and consultations are only

as good as the reaction to the messages within it. And again, we shall see, because we have not seen so far the response.

2565 These were also voiced by the working group of compliance officers and MROs set up in December 2013, of which I was one for a while, and who actually produced what I thought was quite a good effort in March 2015, which also covered the requirements of the 4MLD but which the GFSC in their wisdom decided needs to be completely rewritten. Some of my colleagues on the working party are actually embarrassed by the published version, one even in tears – and that was not me, I might add – over the standard of drafting. We are told that these pleas made in 2570 2017 did not fall on deaf ears and that action was taken by the GFSC to review the draft handbook and to try to ensure it is fit for purpose. I am assured that, unlike the previous handbooks and the way in which they were produced, this one will be a living document and will have anomalies and ambiguities amended when pointed out – proof will be in the pudding.

2575 Also, I have been trying to agree a more sensible timetable for implementation, as initially I understood that businesses had to rewrite all of their AML documentation by the end of June 2019. On the face of it, it may sound not so bad. A legislation handbook issued in say October, still gives nine months, however, one of the foundation stones of the AML framework for a business this time round is the national risk assessment and that is due out some time in January. A business would be mad to start writing in earnest its business risk assessments, policies and 2580 procedures before the national risk assessment is issued. If they did they run the added risk of having to rewrite the lot, if one of the national risks identified have not been taken into account in their processes. So the timeline has reduced from say end of January to end of June, and that does not take into account the need to get board approval, which for some businesses the board only meets every three months, although I am pretty certain that directors will make an exception 2585 for this in me. Taken together with a lack of professionals available to draft these documents, compliance personnel are in short supply, as we were told a few weeks ago because many vacancies in the finance industry are in compliance.

That is not all. If the handbook is poor quality, as was the original draft issued by the GFSC, then it would be a mammoth task for all specified businesses to have good quality, effective 2590 policies and procedures in place ready to go at the end of June 2019. I am pleased to say that during these many conversations over the summer – what was an incredibly long summer for me – that not only may the handbook be fit for purpose but the timetable for implementation may also change to allow more time for the rewriting of AML documents. But also for the clock to start ticking only once the national risk assessment is published. That would be of great benefit to 2595 businesses, and I believe end up with a greater degree of compliance to the new requirements. However, during the summer at each and every meeting I had, and in fact today, I have been told of a change to the original plan of how the AML framework was to be implemented. Originally we understood that the AML framework would consist of the Law, the regulations issued by P&R containing various aspects of the transitional provisions and the handbook containing the rules 2600 and guidance had changed but that is the point. I was told no, that is not going to happen, now Deputy Trott has just said yes it is going to happen, so again I am a bit confused. However, last week I was told that P&R would no longer issue regulations on the transition and, more importantly, the legislation, which I am actually privileged to have seen because I am on a legislation review panel, states that the majority of the rules and guidance which are to be applied 2605 are no longer to be set in the legislation but will be in the handbook written and produced by the GFSC, so I would like clarity. The Law itself will need to be changed if indeed the regulations introduced by P&R will have the transitional provisions in it.

So, whilst this Assembly is being asked to agree to the changes to the AML framework, the document which contains the majority of the framework will not be seen by us. We will not be 2610 able to amend it if it does not do what we ask and this, for me, raises the most important question of this whole episode; the question of accountability, both of the States in agreeing to the standards and of the GFSC to the States in implementing those standards we approve.

It appears to me that the States are being asked to be accountable for something we are giving to a third party, which whilst according to the GFSC website it is accountable to the States. That accountability may or may not include these rules. It leads me to ask what is the accountability of the GFSC to the States? We review and note their accounts and we appoint the commissioners but can we ensure that they are not only interpreting the international standard but are they also enforcing them appropriately? In the 2014 review of the GFSC's funding mechanism it states in the policy letter accompanying the Propositions that is quite unusual for entities independent of Government, such as the Commission, to have legislative powers, yet they have these powers. The oversight of the GFSC is within the mandate of P&R and with my concerns in mind I ask the Vice-President when summing up if P&R will consider a review of the effectiveness of the GFSC and its accountability to the States with any recommendations as to change to be referred back to this Assembly. I have been told such a request was rejected in the 2000s, due to the cost being in the region of half a million pounds. I could not find the reference in *Hansard* so forgive me if that is incorrect. But if the case was over funding we do know, of course, the GFSC has plenty of funds in its coffers and may cover such cost.

To summarise, I am being asked to agree to update the AML framework to adhere to standards I am somewhat at odds with, that I actually have no say over and which may be a nightmare to put in practice. Thank goodness that I spend more than 90% of my working life as a Deputy and not as a compliance officer.

So, sir, in order for us to adhere to international standards and maintain our finance industry and to comply with the short timetable to do so I ask this Assembly, wholeheartedly to approve these Propositions but to join with me in continuing to put on the pressure to ensure that what we agree today is indeed what is implemented by the GFSC. To ensure that they will work with business, be it through excellent communication, listening to concerns and amending the rules and guidance where necessary, to ask P&R to review the GFSC, all of which is aimed at giving back the certainty business needs and the proportionate and appropriate regulation which is not, and must not be platinum plated but which will see the Bailiwick thrive.

Thank you, sir.

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

As a member of the Committee for Home Affairs, I am aware that the Policy & Resources Committee, the GFSC, the Alderney Gambling Control Commission, Law Enforcement and the Law Officers have all played an important part in the significant efforts needed to keep the day-to-day requirements for businesses of the Bailiwick's anti-money laundering and countering of terrorism financing framework up to date with the revised AML and CFT standards of the financial action taskforce, as outlined by Deputy Trott.

It will come as no surprise to Members of the States that I support this policy letter. We must do everything we can to meet international standards which are designed to keep dirty money out of our Bailiwick and importantly to detect criminal funds, should criminals manage to breach our defences. That is what the Financial Action Task Force, the International Monetary Fund and Moneyval, who evaluate us, expect us to do – as does our finance industry and the vast majority of the public.

But it is only through collaborative working, through adopting policy but supporting operational authorities, that we will achieve these outcomes and do so in a way that addresses our risks – these are explained in section 5 of the Report. I am pleased to note from the policy letter that the revised framework proposed in this policy letter will place much more emphasis on considering and addressing risk, and shows collaborative working by those authorities. The proposals are important to Guernsey and I look forward to the legislation being presented to this Assembly in due course.

I note Deputy Tindall's comments as I know she has a keen interest in these matters. However, I derive comfort from the words of sections 7.1-7.4. I will not read them all out, but simply say they refer to extensive consultation, feedback, thematics, drop-ins and presentations with industry. I shall only quote the last sentence of 7.4, which concludes:

Every comment and piece of feedback, from both the consultation and the extensive engagement with industry, has been given careful consideration and has assisted the formulation of the revised framework.

I urge all Members to support this policy letter.
Thank you, sir.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, yes, I will be relatively brief.

I just really want to focus on the provisions on PEPs being extended to States' Members, because it gives quite a cause for concern. I would have understood it if this was a provision which would be extended from June 2020 – *(Interjection)*

I will give way.

The Bailiff: Giving way to Deputy Tindall.

Deputy Tindall: I thank Deputy Soulsby for giving way.

I really wanted just to give a little bit of information which may assist, in that we are all potentially politically exposed persons (PEPs). We always have been because the banks are based elsewhere; so for everybody we are foreign PEPs to, say, HSBC based in the UK. The differentiation will be that for Guernsey-resident banks – Guernsey-resident businesses – we will also now be treated as PEPs, which is as a domestic PEP.

There is a third point which was not mentioned, which I am hoping will actually be clarified in the national risk assessment, that actually we are not even PEPs, because a PEP is someone who is high up in the hierarchy of politics, who has the ability to write out cheques, in effect, and has the control of funds. And with that control of funds, because we are, in effect, at the behest of P&R and other controls, we may not actually be considered PEPs at all, foreign or domestic. Our national risk assessment might actually clarify that point. I know it is complicated and I hope that it helps but actually the Propositions are actually helping the present position for those of us who have to implement it, to actually clarify it. I hope that did help of some sorts.

The Bailiff: Deputy Soulsby.

A Member: Not at all.

Deputy Soulsby: I am sorry, Deputy Tindall, it did not help me at all – *(Laughter)* because it might help compliance officers but it does not help me. I entered the States in a certain position and now I find that whoever it is, this requirement is extended on me *and my children* – forever! And it is retrospective so it is not just those in the Assembly now, it is for those who have been previously in the Assembly. So are they going to get any support? I would really like to know that, and why it has to be retrospective and why it could not start from June 2020. And if we are PEPs, Deputy Le Clerc says can we have a bodyguard? *(Laughter)*

The Bailiff: Deputy Gollop.

Deputy Gollop: Yes, thank you sir.

I certainly have never been, fortunately, an expert on laundered money or dirty money or anything like that, unless you count whether sometimes I have found pound notes that have gone round the washing machine in my trousers. *(Laughter)* But never mind.

2715 No, but this is a useful piece of work and I too, like Deputy Soulsby, am concerned about the politically exposed persons. I do accept Deputy Tindall's view that we have been PEPs for some time; in fact that has been standard practice in the finance sector if you are applying for changes of accounts and so on. And of course from time to time I have had a phone call from somebody saying, 'Why did you deposit £50 in your account?' And I say, 'That's a present from a relative'.

2720 I think they are concerned, dare I say it, that the politicians could be receiving funds from somewhere or other and of course it is nothing to do with Guernsey, it perhaps reflects the situation in other countries around the world that have seen issues.

2725 I think it is regrettable because the matter actually came up at the Douzaine meeting at St Peter Port the other day and Deputy Tindall explained the points. But the way Deputy Tindall put it across is very informed and nuanced, but it does not entirely reflect what appears to be in the policy letter. The policy letter does give a rather generic view that unless you are absolutely out of it for half a century you do have political exposure and you are seen as a politically exposed person. I do regret that; I think it is another deterrent for office.

2730 I think that in reality we could be perceived as having control of significant budgets even if we do not directly sign cheques, because we are running organisations which might be spending £100 million a year, or more, on top of investment funds or whatever. I do not know whether this applies actually to Douzaine members as well, or non-States' members on States' boards – there are lots of issues with that. I do not think we have much of a choice but to implement this legislation and policies today, but Deputy Tindall has certainly woken me up and worried me a little bit because even Deputy Trott referred to, effectively, the guide book of the Financial Services Commission, the book of procedures, being used as a legislative function.

2735 Now, are we giving away, are we divesting our parliamentary responsibilities as a democratically elected Assembly to an unelected body? How arms-length is the GFSC from us? And perhaps the implications of the Edwards Report, which was nearly 20 years ago, have been taken too literally and we do need a greater degree of political accountability and oversight of the GFSC because they do have their own message to put out. They rightly see regulation as a selling argument for Guernsey because we attract the best business rather than questionable business, but at the same time they are reliant on, as Deputy Roffey alluded to earlier perhaps, Guernsey having a low-tax environment as well.

2745 I think we do need probably more political leadership here and greater clarity of whether financial regulation fits in to Economic Development or Policy & Resources. I also have always had concerns that the smallest consumers on the Island, say people who wish to rehabilitate from a time in prison or people without assets, have enormous difficulty getting bank accounts and I think that is a by-product of what can be a rather zealous GFSC regime. I do not feel that high standards in international finance should be used against local citizens with ordinary lives to lead.

2750 **(A Member:** Hear, hear.)

So I do wish to see frankly more of a political authority over financial regulation, whilst supporting appropriate and coherent regulation.

The Bailiff: Deputy Trott will reply to the debate.

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Deputy Trott: Let's start with the issue of PEPs though because I thought that might focus on Members in this Assembly's minds, and I think Deputy Tindall's intervention was useful.

2760 At the last election, internationally, all of us who stood again were already PEPs; and all of you who stood and were elected for the first time became PEPs internationally. What has been changed here is under the enhanced due diligence process, certain prescribed people will become PEPs domestically. That will not include all of you. You will all be international PEPs, but domestically only the holders of significant office on the list that we have currently seen will be so

prescribed. So for instance Deputy Soulsby, who is President of a high-spending Committee, will be a domestic PEP, and so will all five Members of the Policy & Resources Committee and indeed the Bailiff for that matter; but Deputy Kuttelwascher, despite his elevation this afternoon to the significant office of membership of the STSB will not, as I currently understand it. (*Interjection*)

I would not fret though because – and I will give way in a moment – knowing you all as well as I do, all of you will I am sure pass enhanced client due diligence. (**A Member:** Hear, hear.) (*Laughter*) You are all people of the highest standing and none of you have ever, I think, been involved in any funny business to my knowledge. (*Laughter*)

No, seriously, this is not something that you need to fear. The problem of course is that from an international perspective your legal partners, your siblings and indeed your offspring are already so designated under the international regulations.

I now give way to Deputy Tindall.

Deputy Tindall: I thank Deputy Trott for giving way.

I just wanted to reiterate that actually we may no longer be international PEPs either, because the national risk assessment is intended for use by other countries in order to ascertain whether or not certain parliamentarians and other functionaries are actually PEPs. So it might actually take away the ‘pepitude’ as we like to call it. Also too the fact is that, as I understand it, the ‘once a PEP, always a PEP’ is going to be restricted, so those who are no longer in any of those roles – as set out in the national risk assessment – will cease to be a PEP after a certain amount of time. And these are very good elements of the change in the framework.

Thank you.

Deputy Trott: Yes, the – I will give way.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Yes, sir, I understand Her Majesty’s Procurer has looked at the policy letter and is happy it fulfils requirements, but are we absolutely sure that this is human rights compliant? I wonder if Her Majesty’s Comptroller could comment.

The Comptroller: Sir, it was not a question I was expecting to have to deal with, but I am sure if Her Majesty’s Procurer has looked at the draft paper and is satisfied that the standards being proposed are human rights compliant, then it is. I certainly see nothing in there that is not HR compliant. It seems to me that policy is designed to enable the Bailiwick to comply with international standards as it has always so strived to do in the past and currently strives to do.

The Bailiff: Deputy Trott.

Deputy Trott: And with what happens throughout Europe, I admit there is no guarantee that it is necessarily compliant with the European Court. No, seriously, I am sure it has had all the relevant tests.

So moving on, I was grateful to Deputy Tindall not only for her significant contribution throughout this process, but also for the courtesy she extended to me in giving me advance notice of the question, which I am grateful for, because it has enabled me over the course of the last hour or so to think this through. Her question was around whether it was time to have an extensive review of the GFSC and in particular how the GFSC is accountable to the States. Deputy Gollop touched upon this as well.

In some respects she almost answered her own question in the sense that as regards accountability and governance *per se*, we as an Assembly do consider the merits of its board of directors – we call them commissioners. But we have the final say as to their appropriateness – we have extensive CVs appended to that decision and it is up to us to consider that matter carefully.

2815 But key to the effectiveness of the GFSC is the jurisdictional risk appetite, and she referred to the national risk register and the manner that the GFSC operates under that umbrella.

Now, work is expected to be completed, as she said, within the next few months in this complex area of work, and it is complex – I have told colleagues before that it is very challenging to get this right. But we are hopeful that piece of work will be complete, if not by the end of this year then early next. But more substantially I think, she really asked questions around the correlation between the principal layers of legislation and the GFSC handbooks and really how they must be co-aligned. I can give her complete reassurance that if they were not aligned then the Policy & Resources Committee would seek to remedy that quickly, which I think should ensure there is a greater level of scrutiny because of the marriage between the legislation and the day-to-day work of compliance officers and MLROs and the like as a result of this. So I would be happy to give way if she wishes, but I am pleased that she has some –

I give way then!

Deputy Tindall: I thank Deputy Trott for giving me the opportunity again!

2830 My review of this begs the question of how having a chat with the commissioners or the chair or the directors is one thing, but actually having lines of accountability in a formal structure, is what begs the question in my mind.

2835 **Deputy Trott:** Without wishing to extend this any more than the Assembly's patience will allow, there is a very difficult conundrum and that is the manner in which any legislature, not just ours, oversees the independence of an independent body like the GFSC. It has to be done often in a delicate way – sometimes somewhat more abruptly, usually somewhere in between. But by and large the regulators do their best to keep us competitive, even if the public opinion may not always support that view. At the end of the day they have an interest in keeping the industry strong because their jobs as regulators depend upon us maintaining, at the very least and arguably growing, this industry. So there is a delicate balance to be struck, it is an issue that occasionally keeps members of P&R awake at night, but we strive to get that balance right.

2840 Sir, I do not think there were any other questions; there were, I think, some strong endorsements of where we are from Deputy Lowe, the President of the Home Affairs Committee, and of course from the Vice-President, both of whom I thank. This is a living document; Deputy Tindall's involvement has, I think, seen some relevant timetable changes, and we will do our best to ensure that we have a better process moving forward than the one that we have right now.

Thank you, sir.

2850 **The Bailiff:** Members, there are three Propositions. I put all three of them to you together. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare them carried.

**VII. States' Assembly and Constitution Committee –
Dates of States' Meetings 2019-2020 –
Proposition 1 carried**

The States are asked to decide:

Whether, after consideration of the policy letter entitled 'Dates of States' Meetings – 2019 – 2020' dated 27th June 2018, they are of the opinion:

1. To agree:

(a) that the dates on which States' Meetings shall be convened in the period from the 1st September, 2019 to the 31st August, 2020 shall be as follows:

4th September

25th September

16th October

5th November (Budget Meeting only)

6th November

27th November

18th December

15th January

5th February

26th February

18th March

22nd April

6th May

(b) in respect of the twelve-month period beginning on the 1st September, 2019 that statements under the provisions of Rules 10(4) and (5) shall be made by the Presidents and, in the case of the States of Alderney, the nominated Alderney Representative according to the following rota:

States' Meeting 2019 – Committee/s/States of Alderney to make Statement

4th September

Policy & Resources Committee

Committee for Economic Development

25th September

Development & Planning Authority

Committee for Education, Sport & Culture

16th October

Committee for Home Affairs

Overseas Aid & Development Commission

5th November

n/a (Budget)

6th November

Committee for the Environment & Infrastructure

Committee for Health & Social Care

27th November

Committee for Employment & Social Security

The States of Alderney

18th December

Scrutiny Management Committee

States' Assembly & Constitution Committee

States' Meeting 2020 Committee/s/States of Alderney to make Statement

15th January

Policy & Resources Committee

5th February

Committee for Economic Development

Committee for Education, Sport & Culture

26th February

Committee for the Environment & Infrastructure

States' Trading Supervisory Board

18th March

Committee for Employment & Social Security

Transport Licensing Authority

22nd April

Committee for Health & Social Care

Committee for Home Affairs

6th May n/a

OR, only if Proposition 1 shall have been defeated,

2. To agree:

(a) that the dates on which States' Meetings shall be convened in the period from the 1st September, 2019 to the 31st August, 2020 shall be as follows:

End of the month

25th September

23rd October

5th November (Budget)

27th November

18th December

29th January

26th February

25th March

29th April

6th May

N/A (General Election)

(b) the following adjournment dates to deal with any unresolved business arising from the States' Meetings convened in the period from the 1st September, 2019 to the 31st August, 2020:

30th September

6th November

2nd December

3rd February

2nd March

30th March

(c) in respect of the twelve-month period beginning on the 1st September, 2019 that statements under the provisions of Rules 10(4) and (5) shall be made by the Presidents and, in the case of the States of Alderney, the nominated Alderney Representative according to the following rota:

States' Meeting 2019 Committee/s/States of Alderney to make Statement

25th September

Policy & Resources Committee

Committee for Economic Development

Development & Planning Authority

23rd October

Committee for Education, Sport & Culture

Committee for Home Affairs

5th November

n/a(Budget)

27th November

Committee for the Environment & Infrastructure

Committee for Health & Social Care

Overseas Aid & Development Commission

18th December

Committee for Employment & Social Security

The States of Alderney States' Meeting 2020 Committee/s/States of Alderney to make Statement

29th January

Policy & Resources Committee

Scrutiny Management Committee

States' Assembly & Constitution Committee

26th February

Committee for Economic Development

Committee for Education, Sport & Culture

25th March

Committee for the Environment & Infrastructure

States' Trading Supervisory Board

29th April

Committee for Employment & Social Security

Transport Licensing Authority

6th May

Committee for Health & Social Care

Committee for Home Affairs

N/A (General Election)

(d) To amend 6.(3)(c) of the Rules of Procedure of the States of Deliberation and their Committees by deleting the words 'next scheduled date of a Meeting' and substituting them with the words 'first Monday following, unless that day falls on a bank holiday or within school

holidays' and to insert 6.(3)(d) and the words 'thereafter, in accordance with this paragraph, as if the fourth day was the first day of the Meeting'.

The above Propositions have been submitted to Her Majesty's Procureur for advice on any legal or constitutional implications.

2855 **Deputy Greffier:** Article VII, States' Assembly and Constitution Committee – Dates of States' Meetings, 2019-2020.

The Bailiff: Deputy Roffey will open the debate.

Deputy Roffey: Thank you, sir.

2860 Before I get into the substance of my opening could I just say that Rule 1(1) obliges SACC to come here every September and propose a schedule of meetings, not for the following calendar year but for the one after that. Personally, I am not convinced that is necessarily the right way to go about business, I think it may generate an unnecessary number of Groundhog Day debates in the Assembly.

2865 Going forward I would like, when we have got other things off our plates, to discuss with SACC whether we could set a template for a far longer time period only revisiting it if problems occur and we feel it needs to be tweaked. Okay, it is serendipitous: we happen to have hit an Agenda with very little else on today; but I think if we had to discuss this when we had a very long agenda people would be saying, 'Why are debating this every year?' – and I have some sympathy with that. Nevertheless, those are the Rules and SACC is complying with them; because if we do not, who will?

2875 Now, just as it is not SACC's role to decide upon the Rules of Procedure for this Assembly but simply to make recommendations, the same is equally true of States' meetings dates. This, sir, is a grown-up parliament and it is quite capable of regulating itself. So the last thing the States' Assembly and Constitution Committee desires to do is to impose a schedule of meetings on this Assembly which it does not agree with. But it is our job to think about these things and to make a considered proposal, and that is just what we are doing today.

2880 For the first two years of our political term we have been meeting roughly every three weeks. From this meeting onwards for the next year, that will change to monthly – we have not started our monthly meetings yet, we decided about a year ago it will start from today. Today we have to decide on how frequently we should meet for the final year of our existence. How time flies.

2885 Now, when thinking about it there were two obvious options for my Committee to consider – although others could have been considered too. But the two leading options were to stick with the monthly pattern which this Assembly favoured at this time last year and which we are about to embark on, or to revert to the three-weekly pattern that we have actually been following over the last two years. We gave this serious consideration and came to the overwhelming conclusion – with one Member dissenting – that the three-weekly cycle was usually advantageous compared to a monthly cycle; and I will explain why in a minute.

2890 However, we are also fully aware that there was a fair chance that the States, having opted for monthly meetings a year ago, might decide to do so again today. So with that in mind we have included in this policy letter an alternative schedule of meetings based on only one meeting a month, and we think it is the most sensible schedule based on one meeting a month. But crucially we have also included in that schedule a clear set of designated carry-over dates just in case our business is not finished by the end of play on Friday, something which we think is likely to become far more common as the months tick away towards the end of our political term. History tells us that the last year is always the busiest.

2895 So let me give you an overview of how the majority of SACC view this whole question. We fully accept that for the first year of this Assembly's existence the three-weekly cycle of meetings frankly seemed daft – not only did the three-weekly cycle seem daft, a monthly schedule would

2900 have done so too. There was a real hiatus in the flow of policy letters to the floor of this Chamber as new Committees considered their general policy direction, and as a result lots of meetings were over within a day – some even within a morning, I think. So against this backdrop it was hardly surprising when, a year ago, the States decided to move to a monthly meeting schedule even though SACC warned against it for several reasons – well, most of SACC did. I did not; I could not as I was guillotined. But there we go.

2905 Amongst the reasons they were all against it were: that the flow of business was likely to increase significantly as we went deeper into the term; secondly, that it reduced the frequency of things like Question Time and Presidential Statements which we believed were important to hold Committees to account; (**A Member:** Hear, hear.) and thirdly, it militated against a steady and continuous flow of business. Now, over the last year we believe – others may disagree – but we believe that the three-weekly cycle has started to seem rather more sensible than it did a year ago as the volume of business has tended to increase. Judging by recent history we expect that growth in our workload not only to continue, but to significantly accelerate over the next two years.

2910 To be honest, we do actually worry about whether the monthly cycle of meetings with no designated carry-over dates will be able to cope with the likely volume of work over the next year. Now, of course we could, if it does not, just decide on extra meeting days on an *ad hoc* basis, as and when we fail to complete our business we pick another day on which to meet, but that would be very bad governance indeed and would almost certainly lead to many Members being absent for crucial decisions.

2915 Sir, those were the concerns that we put forward a year ago, but we are democrats and we fully accept the decision that was taken at the time. The question before us now is what meeting cycle to use from September 2019 onwards. As I have said, experience tells us that this will be by a country mile the busiest period for this Assembly with many weighty policy letters to consider. Think back to the end of the last Assembly: this House was in session it seemed almost continually for the last few months.

2920 For this reason, and all the others I mentioned a bit earlier, we are convinced that going back to a three-weekly cycle is in the best interest of good governance, and I hope that we can persuade Members of that today. However, if we cannot, then we have got a second option and that retains the monthly pattern of meetings which you agreed a year ago – not you, sir, but which Members agreed a year ago – but recognising that three days a month is actually unlikely to be sufficient in the last year as the workload increases it also designates carry-over dates. But they are different to the historic system of continuing on the second Wednesday following the initial meeting. We are proposing instead, starting again on the Monday immediately after work was completed on the Friday. There are two main reasons for that: the first is that if we are half-way through a really major debate when we close at the end of play on Friday, it just seems perverse and disjointed to wait then for the best part of a fortnight before continuing and picking up the threads of that debate. Frankly, most of what had been said 10 days earlier will have faded from Members' minds.

2930 Secondly, one of the advantages that we thought was being expressed last year about meeting monthly rather than three-weekly, is that it allowed more time between meetings for Members to go off Island either on States' business or for other commitments. Now, if Members blank out the reserve dates in their diaries – and we do hope that they will – and those reserve dates are actually a fortnight later, half way between the monthly meetings, it actually makes the situation worse than a three-weekly meeting as you would have less time between the important dates that you blanked out in your diary to get off Island on important business.

2940 So if you go for monthly meetings, we think the carry-over date the following Monday makes much more sense. And make no mistake: we *do* expect Members to keep the reserve dates free from other commitments. We simply cannot go back to the bad old days when big decisions were made by the States with wholesale absentees, because they had assumed that these were only

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spill-over dates and they were free to make other commitments and put other dates in their diaries on those occasions.

Sir, the choice is entirely with Members, so they should choose whichever option they consider best to fulfil the business of this Assembly in the last year of its existence. All I ask of them is if they do choose the monthly option that they also save those spill-over dates in their diaries. That year is bound to be the busiest by far and I do not think the public of Guernsey would be very amused if important decisions are taken with lots of Members absent.

I look forward to what I know is going to be an interesting, short and focused debate!
(Laughter)

The Bailiff: There is an amendment to be proposed by Deputy Lowe.
Deputy Lowe, do you wish it to be read or will you read it?

Amendment:

In Propositions 1 and 2 delete the date of '18th December' and replace it throughout with '11th December'.

Deputy Lowe: I think I can manage to read it, thank you very much, sir. Thank you for the offer.

This amendment is by myself and it is seconded by Deputy de Lisle, and it states: 'In Propositions 1 and 2 to delete the date of "18th December" and replace it throughout with "11th December".' Thank you, sir.

It is as simple as that, really. It is a very straightforward amendment, there is nothing complicated in it at all. The list that we have got before us stating 18th, that is new; and for almost decades it has always been the second Wednesday in December for the States' meeting. Now, I know that some email exchanges between myself and Deputy Roffey were the case, but that is only a fortnight after the November meeting. That has always been the standard thing as well, that it is a fortnight after the November meeting. It has worked, it is tried and tested.

If the meeting of 11th December in 2019 continues for the three days that would be 13th, and we would finish on 13th. If, however, 18th December remains *in situ* as is being proposed by SACC, that could mean that we finish on 21st December which would be on the Friday then you have the weekend. It would mean one working day to then be able to pick up all the work we have which comes through, which we know – emails, phone calls, letters, constituency work and everything else – on the Monday, because the following day is Christmas Eve and a lot of the places close down at lunch time. So we will be very restricted for that. It is very time-restricted.

So I do not know why they have come up with 18th December. If it is just a case of because they do not like that there was only a fortnight between the two and it has been said, 'Oh, it will only leave 11 days'. Well of course it could leave 11 days that is ... Again, we have had meetings at the end of November where we have used all three days, the difference being now, to many years ago and under the old system right up until 2016, that we did not actually see the Billets. Now everything, as soon as it is produced, goes on the Government website for everybody to be able to see. So you do not even have to wait for the Billets to come out, because you have that to be able to read – as in Members are able to read that in advance. So we have more of an advantage now than we ever had for what is coming forward for the States' Meetings, enabling time to prepare amendments and to ask questions.

So, as I say, it is a straightforward amendment asking members to consider the tried and tested second Wednesday of the month on 11th December instead of the 18th, which SACC are proposing.

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

Deputy de Lisle: Yes, I do, sir.

The Bailiff: Deputy Roffey, do you wish to speak on it at this stage? You do not.

Does anybody else wish to speak on the amendment, or do we go straight –? No. Deputy Gollop.

Deputy Gollop: I support the amendment because it will enable us to have our Christmas lunch earlier and maybe at a more economical price. *(Laughter)*

No, seriously, I support the amendment and I am glad that it is probably the only amendment to this because I actually think I agree with Deputy Roffey – I am doing a U-turn here from the position that we voted for the monthly ... I think we do need, actually, to pursue more frequent States' meetings. I would personally have gone for a fortnightly model or a monthly model with fortnights in the middle, which is more like the Jersey model, because I think the problem with the monthly meetings –

The Bailiff: Are you straying off the amendment and speaking in general debate?

Deputy Gollop: I am speaking generally as well, but my point here is the monthly model ... Actually, we are going to a fortnightly model if we accept Deputy Lowe's amendment as regards December, because it would be a fortnight. And December is always very tight, so I think in the year leading up to the election we really do need to get the business done.

The Bailiff: Does anybody else wish to speak on the amendment? Deputy Tooley.

Deputy Tooley: Yes, sir, I will be very brief.

I am actually quite surprised by this amendment, and the reason I am surprised by it is because my recollection of the crux of the discussion that led to the change back to a monthly pattern was that there were certain Members who felt it was very important that the meetings followed a regular pattern of being on a particular Wednesday every month, and that, it appears to me, is what SACC has proposed here, exactly what the proposer and seconder of that amendment that led to our current position were asking for. They have proposed that the meeting happens on the third Wednesday of the month. It is a normal working day for most people and if we are to subscribe to the theory that we need to keep to a regular pattern – and I confess back when that amendment was proposed I was surprised that if the regular pattern was the thing they had not gone for the first Wednesday in the month, which would, other than January, have required no movement at all beyond that in order to avoid the dates we were trying to avoid. But if the point is that they should be regular, that it should fit in with the Douzaine meetings, which are all the things that were said in the speeches during that debate, then I fail to see why December should be different.

Thank you.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

I do not really care if Deputy Lowe's amendment is successful or not, really – I just do not think it matters whether we meet on 11th or 18th December – but if the amendment is accepted and the States unfortunately reject Proposition 1 and go for what is actually a two-weekly meeting cycle in Proposition 2, then what the amendment will have done is created a seven-week gap between meeting in the middle of December and the end of January.

Now, because of the decision the States made when this was previously discussed and extended the summer holiday by refusing to have a meeting early in September, we have already created something like a 10-week gap in the summer and now this is an attempt to create a seven-week gap at Christmas. I really cannot see, going into the last year of a States' term in particular, that trying to have 17 weeks off from States' debates in the course of a year is very

3050 sensible. I think probably six weeks is long enough to arrange a Christmas holiday, and so I do not think it matters whether we meet on the 11th or the 18th if the States go with the three-weekly meeting cycle, but if the States do not want to meet until the end of January I think probably 18th December is better because it spaces out the business better.

3055 So I do not really know how I will vote on the amendment because I would probably vote on it differently depending on whether the States are going to support Proposition 1 or 2.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

3060 It makes sense to try and evenly distribute our meetings over the year while avoiding the school holidays, which is what the proposal from SACC does. This, by bringing it back from the one week gap, means that there will be a two-week gap between the States' meetings. Perhaps that was all right in the past – and that seems to be the main argument put forward by Deputy Lowe, that that is what we used to do – but we should be looking forward and not looking at what we have done in the past.

3065 If we have an amendment which, for example, wants to be lodged under Rule 24(2), the rule is that it has to be lodged by 1500 on the day preceding the seventh clear day. For a meeting, that means that if Deputy Lowe's amendment were successful, if you had an amendment for the December meeting, it would have to be lodged on the last Friday of the November meeting by 1500, which does not make any sense. As Deputy Roffey said, we are likely to have very heavy business, so Members will be concentrating perhaps on lodging amendments for the December meeting while we are at the November meeting, so it makes no sense. But it makes even less sense because we would not even have decided the agenda for the December meeting yet, because under the Rules the schedule for the next meeting is decided at the previous meeting and the Rules are that it has to be by the end of that meeting, so we could have a full meeting and it could be the last thing on the agenda, so we would be having to put amendments in for December without having yet decided what we are going to debate in December.

3075 So it really does not make any sense under the Rules as they are now to have a two-week gap. A three-week gap makes sense. It gives a gap in between. If, for example, we had a very heavy meeting in November and we went for the monthly meetings, as we currently do, it would mean that we would carry on on the Monday, Tuesday and Wednesday of the next week. It would mean that the actual gap between States' meetings would not be two weeks. We would be finishing on the Wednesday and starting again on the following Wednesday.

3085 Sir, I really do not think it makes any sense going for the two-week gap. We are still within the school holidays. Please stick to the proposal which has been carefully thought out by SACC and leave a three-week gap. The other effect it will have if we went for a two-week gap, because in terms of deciding the agenda for the January meeting, there would only be a two-week gap for policy letters to be lodged, because you would have the November meeting and the December meeting in the two-week gap and at the December meeting we would have to be deciding what we would debate at the January meeting. That means that you would have, again, not an even amount of business, as possibly there would be less business at that January meeting and then you would have a big gap for the meeting following the January meeting, either mid-February or end of February, with a big gap of the long period in which policy letters are lodged.

3090 I know it is a bit complicated, but it has been carefully thought out by SACC and, for the reasons of having the States' meetings evenly distributed – which is what I started with – please do not support this amendment.

Thank you.

The Bailiff: Deputy de Lisle.

3100 **Deputy de Lisle:** Sir, can I try Rule 26(1), please?

The Bailiff: Can we have an indication, by people standing in their places, of those who have not yet spoken who may wish to speak on this amendment. Do you still wish to pursue –?

3105 **Deputy de Lisle:** Yes, please.

The Bailiff: Deputy Roffey has the right to speak anyway in closing. You still wish to pursue it. Those who wish to terminate the debate now: those in favour; those against.

Members voted Pour.

3110 **The Bailiff:** That is carried, so we will go to the closing speeches.
Deputy Roffey first, and then Deputy Lowe.

Deputy Roffey: Thank you, sir.

I am not going to die in the ditches over this, certainly, and as I said in an email to Deputy Lowe, which I think I copied to other Members, I think when we initially discussed it I was the one
3115 Member who actually wanted to go for the second Wednesday in the month. But I have to say that once I got persuaded by my colleagues otherwise I did analyse why I wanted to do that and I think Deputy Lowe and I ... I do not know how much we have in common, but I think we have one fault in common: we both are very drawn to the way we have done things over the years. I think perhaps we have just been in this Assembly for too long over the years, (**A Member:** Hear, hear.)
3120 and that was one of my reasons – (*Laughter and interjections*) You are going to have to put up with us for another year or so at least! That is not always the best reason for doing something, to be honest. (**Two Members:** Hear, hear.)

And let me really fess up: I think there was a little demon at the back of my mind saying, as somebody who likes to go away on holiday over Christmas and New Year, the flights will probably
3125 be a bit cheaper if we have the earlier meeting rather than the last meeting. That is a supremely bad reason for somebody to support something, and the reason it is supremely bad is I do think there is a vision in this Island that says, 'Look at that lot,' – we know it is not really true – 'they don't meet for months over the summer. They take two hours for their lunch. They must have a very ...' – we will get on to that next month, I know – 'and now they want ...' Depending on the
3130 outcome of the May vote between Propositions 1 and 2, Deputy Fallaize is right, we could be creating a several-week winter recess. And not this coming Christmas, but at the Christmas when we are a few months from the General Election and we know we are going to be under an avalanche – some people might say a tsunami; I do not like that word – of policy letters coming at us.

3135 Sir, actually, on reflection, I think I was probably wrong and my Committee were probably right. And Deputy Dorey is right – it will conflate what is happening in that week at the end of November with the meeting at the beginning of December.

Deputy Lowe says it has always been that way and it has always worked. I think she is half right – it has always been that way; I am not sure it has always worked. I actually think there have often
3140 been problems with having two meetings just a fortnight apart.

So, yes, it really is down to the Assembly, but what I would say is if this is passed I then hope that people would vote for proposition 1, because I do not think the Island will be too impressed with a seven-week Christmas break in our busiest year when we are really supposed to be getting down to the spadework. If we are going to go for proposition 1, then it is probably not crucial
3145 which one of these we do, and I will probably get a cheaper air fare, but nevertheless, I think on balance my Committee were right and I am going to vote against this amendment.

The Bailiff: Deputy Lowe.

3150 **Deputy Lowe:** Thank you, sir.

It is interesting, isn't it? It is the good old art of politics where suddenly two weeks is too close. This last year we have had two weeks which were proposed by SACC. We have had two-week meetings then. Did the Earth crash down and the world stop because we had a two-week meeting? No. Did we cope with it? Absolutely. Have we coped with it in the past when it has been the end of January? It has always been the middle of December, second Wednesday in December, and it has always been the end of January, so the seven-week gap is not new – that has always been there. Have we coped with it? Of course we have.

What is more concerning for me here, which I think reflects badly on us, is there were 57 of us at that time in this Assembly. Fifty seven Members. We started at 10 o'clock in the morning and we finished at five with a two-hour break. And here we have got 17 Members fewer and it is panic, panic, panic. We have longer hours – we are 9.30 a.m. now until 5.30 p.m. – and yet we cannot cope with what we have got before us. I question, really, what is happening in the States, because previously people have been able to manage and there were a lot of us. If we had 57 who wanted to speak, they did not necessarily use that time, but there were a lot of us that had that ability and opportunity to stand up and speak, and yet suddenly the world is going to stop because we are talking about having the Christmas date as it has always been.

An interesting thing as well, where Deputy Fallaize – and I had to smile when he said it, because again it goes back to the art of politics and fighting for your cause at that time – mentioned the seven weeks, but he also said about the 10 weeks for July and August. I can remember when Deputy Fallaize was President of SACC and he came to the States to change the meeting dates to being three-weekly and fortnightly, and there was great concern that suddenly we were going to have two whole months off. He stood up and said, 'It's exactly the same time – it's 10 weeks, but it's different dates between that 10 weeks.' So the starting date and the end date were completely different. Where it used to be the end of September – we used to meet at the end of July and then we would meet at the end of September – the dates were changed in the schedule, if I remember rightly. I am sure you will put me right, but actually I also must have a look at that as well in *Hansard*.

Deputy Fallaize: Point of correction, sir.

Deputy Inder: I think you did. I remember that.

Deputy Fallaize: I am afraid Deputy Lowe has not remembered that correctly, because what happened is the July meeting moved forward by a week, if it moved forward at all, and the September meeting moved forward by three weeks because we always would meet at the end of September and we had started meeting in the first or second week of September. So we did actually shorten the summer recess period until Deputy de Lisle's successful amendment gave us this ginormous summer recess that we have had this year.

The Bailiff: Deputy Lowe.

Deputy Lowe: Thank you, Deputy Fallaize.

I must have a look at *Hansard*. I am not doubting you, but I can remember there was great play about the date difference and the same was said down at the Douzaine meeting at the time.

There is also – again, it is quite a weak argument – if we change it by a week and it is going to affect Question Time. Well, of course that does not necessarily mean the case at all, because what we are actually seeing as well is we are, certainly from my point of view, and I am sure others will remember who have been in the States, we do not seem to have the same sort of Rules being used – I will give way in one minute – because in the old days it used to be Rule 5 and Rule 7, which was the Written and the Oral Questions. They are still there but we are not actually seeing where people used to write first to ask a committee and if they were not satisfied with the answers, they asked it then in the States under an Oral Question. We do not seem to be seeing

many Written Questions anymore, so yes, people are using the States where actually sometimes they could ask those questions by going under the Rules and by writing to committees direct.

3205 I am happy to give way to you, Deputy Roffey.

The Bailiff: Deputy Roffey.

3210 **Deputy Roffey:** Will Deputy Lowe accept that my comments about Question Time did not relate to her amendment in any way, shape or form; they were in my opening speech about whether to have three- or four-weekly meetings and had nothing to do with the meeting time at Christmas?

The Bailiff: Deputy Lowe.

3215 **Deputy Lowe:** Thank you, Deputy Roffey.

There were not any questions. It is really down to personal choice, but as I say, I do not think it has got anything to do with ... It was said – and I think that was said to do with the amendment from the beginning of your speech, because I think somebody else said it as well, but if it was to do with your main speech I apologise – about Members missing for big decisions. I think that was to do, actually, with the main debate, so I will hold fire on that one, thinking about it. I will use it for the other one.

3220 If Members would like to support this amendment, that is fine; if they do not, I am not going to die in the trenches on it at all, but I just think it is rather weak to actually say that we will not be able to cope because there will only be a fortnight gap, when all the reports are on the States' website, they are sent to every Member in advance and amendments are able to be prepared beforehand. But it is up to Members: if they want to have it on the 18th I will not die in the trenches about it.

3230 **The Bailiff:** We vote then on the amendment proposed by Deputy Lowe, seconded by Deputy de Lisle, with a recorded vote, and we start, I think, with the Alderney Representatives.

There was a recorded vote.

Carried – Pour 23, Contre 12, Ne vote pas 0, Absent 5

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

The Bailiff: Members, the voting on the amendment proposed by Deputy Lowe and seconded by Deputy de Lisle was 23 in favour with 12 against. I declare it carried.

We continue with general debate. Deputy Ferbrache.

3235

Deputy Ferbrache: It is often said, sir, the proof of the pudding is in the eating. We have had Deputy Fallaize and others say, 'Ooh, it's terrible, we've all this 10-week break since the last States' meeting.' Well, today we are at 10 to five and if we get our skates on we will finish comfortably within a day, and that includes having one and a half hours or thereabouts for Jurats election, 24 Questions being asked and three Statements being made. My goodness me, haven't we been busy. We have worked our socks off. We will go home truly exhausted tonight. We should have really only had an eight-week gap between the meetings, because then we would probably have finished in two hours, 23 minutes and 36 seconds.

3240

Have we got this problem of the tsunami or the upswell of work that will cover the last period of the States? If it does, we have got reserve days. I fully accept what Deputy Roffey says, that we should make sure that those days are fully reserved and we cannot say we are going off to our country estates or we are going off to the workers' paradise meeting in Liverpool. *(Laughter)* We cannot say that. We will not be able to say that. We will have to say no, unless we are ill or something we are due to turn up on whatever day it must be.

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Let's wait and see, but as Deputy Lowe made the point, we can actually exercise a bit of discipline when we make speeches. *(Laughter and interjections)* At least mine sometimes are amusing.

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A Member: They are always amusing.

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Deputy Ferbrache: There are only 40 of us. We do not have to all speak on every particular topic, particularly if we are in agreement with the groundswell of opinion on a particular matter. It is like everything, whether it is gambling or whatever else, exercise a degree of self-discipline and we can get through the business. I actually do not think we will have any problem staying with the four-weekly or monthly cycle, and therefore I ask you to vote for that particular Proposition.

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The Bailiff: Deputy Yerby.

Deputy Yerby: On the basis that no one is going to change their mind, sir, may I move Rule 26(1) again?

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The Bailiff: May I have standing in their places anybody who has not spoken but who would wish to do so.

Do you still wish to move Rule 26(1)? There is only one person standing.

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Deputy Yerby: Yes, sir.

The Bailiff: Okay. I put it to you then that debate be terminated. Those in favour; those against.

Members voted Pour.

3275

The Bailiff: That is carried. Deputy Roffey will reply.

Deputy Roffey: I have not got a lot to reply to, apart from Deputy Ferbrache's clarion call for discipline, which means that no doubt he will not next month spend half an hour giving a speech about how we should not be wasting time discussing the Rules of Procedure, because that would be ill-disciplined and would be wasting our time. *(Laughter)*

3280

Sir, as Deputy Yerby says, I do not think anybody is going to change their mind and I am not going to try and make them change their mind. We will go with whatever the States decides.

The Bailiff: Okay. I will put to you, first, Proposition 1.
Deputy Lester Queripel.

Deputy Lester Queripel: A recorded vote, please, sir.

The Bailiff: A recorded vote. I put to you Proposition 1 as amended by the successful amendment we have just voted on and we will have a recorded vote on Proposition 1, which is the Proposition that replaces basically the three-weekly sequence of meetings.

There was a recorded vote.

Carried – Pour 19, Contre 15, Ne vote pas 1, Absent 5

POUR

Alderney Rep. Roberts
Alderney Rep. Dean
Deputy Brehaut
Deputy Tooley
Deputy Gollop
Deputy Le Clerc
Deputy Merrett
Deputy St Pier
Deputy Fallaize
Deputy Inder
Deputy Hansmann Rouxel
Deputy Green
Deputy Dorey
Deputy Dudley-Owen
Deputy Yerby
Deputy Langlois
Deputy de Sausmarez
Deputy Roffey
Deputy Oliver

CONTRE

Deputy Ferbrache
Deputy Kuttelwascher
Deputy Parkinson
Deputy Lester Queripel
Deputy Mooney
Deputy Trott
Deputy Stephens
Deputy Lowe
Deputy Laurie Queripel
Deputy Smithies
Deputy Paint
Deputy Brouard
Deputy de Lisle
Deputy Soulsby
Deputy Prow

NE VOTE PAS

Deputy Leadbeater

ABSENT

Deputy Tindall
Deputy Le Pelley
Deputy Meerveld
Deputy Graham
Deputy Le Tocq

The Bailiff: Members, the voting on Proposition 1 was 19 in favour, with 15 against and 1 abstention. I declare Proposition 1 carried, which means we do not need to vote on Proposition 2.

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

**VIII. Minor Amendments to Social Security Legislation –
Propositions carried as amended**

Article VIII.

The States are asked to decide:

Whether, after consideration of the Policy Letter entitled 'Minor Amendments to Social Security Legislation', dated 2nd July 2018, they are of the opinion:

1. That the Social Insurance (Guernsey) Law, 1978, as amended, shall be further amended:

a. to ensure that, while pensionable age increases incrementally from 65 to 70 between 2020 and 2049, the pension average period in the calculation of entitlement to old age pension remains at 45 years;

b. to allow a death grant to be paid in respect of a still-born child;

2. To direct the preparation of legislation as necessary to give effect to these proposals.

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

3295 **The Bailiff:** We move on to the next Item, Greffier.

The Deputy Greffier: Article VIII, Committee for Employment & Social Security – Minor amendments to Social Security legislation.

3300 **The Bailiff:** Deputy Le Clerc will open the debate.

Deputy Le Clerc: I have got an amendment to lay – do I open the debate first?

3305 **The Bailiff:** Open the debate first, but you can go straight into the amendment or deal with the two together if you wish – it is up to you.

Deputy Le Clerc: I can deal with both together.

3310 Sir, this policy letter proposes two changes to the Social Security legislation. The first change is of a technical nature and concerns the way in which a yearly average of contributions is calculated for entitlement to an old age pension. At present, the average is taken over 45 years but the figure does not appear in the detail of the legislation; instead, it is described as the number of years between the start of the year in which you become 20 and the end of the year immediately preceding the year in which you reach pension age. So, while pension age remains at 65 years the contribution average was always going to be 45 years. Because of the legislation and how it is worded in this way, as pension age begins to increase from 2020 the pension average period will soon increase from 45 years to 46 years and, unless the legislation is changed, would ultimately be 50 years by 2049 when the pension age will be 70. It was never the intention of the Committee – nor, I believe, its predecessors – that the 45-year pension average should be changed. So, as we say in our policy letter, this is already a high bar for qualification, compared with say the UK, for a full-rate pension and we have no wish to make the qualification more difficult. I trust that you will be able to support this amendment.

3320 The second proposed change in this is to allow a death grant to be paid in respect of a stillborn child. The current legislation prevents this, although soon after this matter was brought to the Committee's attention we did decide to pay the equivalent amount on an ex-statutory basis. The Committee fully supports the case that was put before us by the Ivy Trust, which is a Guernsey charity supporting parents who have lost a child during pregnancy or soon after birth. The availability of a death grant will be a minor but nonetheless important recognition of the

stillborn child and I am confident that you will all think likewise. I therefore ask the States to approve these minor amendments to this legislation.

3330 Sir, on the amendment we have had to lay an amendment proposed by myself and seconded by Deputy Langlois to correct an omission. Since lodging the policy letter we discovered that a similar issue to that concerning old age pensions and the 45-year contribution average also applies to the survivor's benefit and death grant.

3335 The average period for those benefits depend on when the insured person died. For example, if the person died when they were 40 the average period would be 20 years; if they die at 50 the average period would be 30 years, and so on. But currently it could not be more than 45 years. So as explained previously in the case of old age pension, unless we change this legislation the contribution period for survivor's benefit and death grant will also increase in respect of people who die over the age of 65. Therefore there would be unintended consequences of increasing the pension age.

3340 I therefore ask Members to correct this by approving this amendment. I am sorry that is quite wordy. I just hope that you will agree these amendments.

Thank you.

3345 **The Bailiff:** Deputy Langlois, do you formally second the amendments?

Deputy Langlois: I formally second the amendment, sir.

3350 **The Bailiff:** Thank you. I propose that we take the debate on the amendment and on the main Propositions together. Is there any debate?

Deputy Gollop.

Deputy Gollop: Yes, Deputy Ferbrache said we need to exercise self-discipline, and he said something else that is interesting too – I will come on to that in a minute.

3355 I am often quite vociferous in Employment & Social Security about these matters because they are very complicated, as has been explained by Deputy Le Clerc, and are hard to grasp, but because of that I think sometimes the States does not even entertain the concept with any degree of careful thought. For example, Deputy Ferbrache made a point about Liverpool where perhaps a major party conference is taking place, where one of our States' Members is, as is a person supporting option C and a well-known Jersey Senator –

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The Bailiff: Can you not stray.

Deputy Gollop: Well, I mentioned the –

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The Bailiff: We do not want to stray into debate on the Referendum, Deputy Gollop.

A Member: No.

3370 **Deputy Gollop:** No, I mention the Liverpool workers' Paradise though, because my point is maybe the UK is more of a workers' paradise than Guernsey. The reason I say that is Deputy Le Clerc referred to the qualifying period for a full pension in the United Kingdom is 35 years; in Guernsey it is 45 years. This stops the rot for it going to 46 or 47 in certain types of category.

3375 A more interesting question is why is it much higher in Guernsey? The answer of course is pensions are more generous in Guernsey and if we went down to 35 years one of two things would happen: either the pension would drop or contributions would increase or a grant from Policy & Resources. But there is a lot of policy in there and I would like the States to actually think about the implications because we are entering a different world where people are unlikely to work in the same place for 45 years and I suspect there will be much more labour mobility in

3380 future from Guernsey to other places. We do actually in some ways need to rethink the basic fabric of our structure, but as far as things go today I of course support the amendment and I support the compassionate way they have been put across.

The Bailiff: Deputy de Lisle.

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Deputy de Lisle: Yes, sir, I would prefer that it had been reduced to 40 actually, because it seems to me that it is all one way; this way it would make some gesture for the increases in the pension age to 70 and it actually means that much fewer people will ever make it to pick up their pension at 70 rather than at 65. Also it means with young people now going away to university and that sort of thing, at 22, 23, they have difficulty actually in picking up the full 45 years. And I think we are being a little greedy here as a government to young people and to people with respect to the fact that a lot fewer will actually make the pension period; they just will not make 70.

3390
3395 So my point is, yes, keep it at 45 but I would have preferred that some gesture would have been given to bring down that period to 40 rather than 45.

Thank you, sir.

The Bailiff: Does anyone else ...? No.

Alderney Representative Roberts.

3400

Alderney Representative Roberts: Thank you, sir.

Although these are only minor changes we in Alderney think it is an opportune moment to draw the Committee's attention to the growing numbers of elderly independent persons on both of our Islands.

3405 Alderney wishes to attract young people with families. We have nothing against retirees; they pay a lot of tax and they add to our community. It is just that we also need people who are actively participating in growing our economy. I suspect many in Guernsey feel the same way, but our actual Islands, although facing the same problem, are facing them at different levels. The problem on Alderney is really much more acute.

3410 So what about policies that will encourage young incomers, particularly to Alderney? We have lost so many young families and even more are considering a move. I am hopeful for the future because I am an optimist, but I am sure the Committee could do their bit. So I stand here before you today, colleagues, recognising Alderney's problems are not all quite about our depleted transport. There are many issues; we must work together as partners with the same goals.

3415 Thank you.

The Bailiff: Deputy Lester Queripel.

3420 **Deputy Lester Queripel:** Sir, bearing in mind Deputy Ferbrache's request to be exercising discipline – that came from a Member who spoke for an hour and 23 minutes on Education, by the way – I just rise to applaud the department. In respect of 1(b), sir, I rise to applaud them, for the sake of those listening on the radio, to allow a death grant to be paid in respect of a stillborn child.

Thank you, sir.

3425

The Bailiff: Deputy Brouard.

Deputy Brouard: Just a couple of points very quickly, sir.

3430 Just picking up, as Deputy Lester Queripel said, I think it is a good move for stillborn children but also one thing we may have to also look at is that some people do suffer multiple miscarriages and that could also have quite an effect as well. So that is something, I do not know

quite what the answer is but if you are trying to work out where a miscarriage and a stillborn child ... can be very emotional for the parents.

3435 The other thing, just picking up on Deputy de Lisle's point about the 45 years and the time, there is a facility – and it should be more widely known – through Social Security for students returning to the Island; they can purchase back the years that they missed. I think it is within the first six years of returning to the Island and I am not too sure of what the actual price is but there is an opportunity to buy those years that you have been away for education, which may help in many circumstances.

3440 Thank you, sir.

The Bailiff: Deputy Trott.

3445 **Deputy Trott:** I rise briefly just to challenge a comment made by Alderney Representative Roberts. He said retirees pay a lot of tax. Sir, all the evidence would suggest that retirees usually do not pay a lot of tax.

The Bailiff: Deputy Fallaize.

3450 **Deputy Fallaize:** Thank you, sir.

Just to clarify something in relation to Deputy Brouard's point. There is quite a clear distinction between miscarriage and stillbirth, so the proposal is not to bring into the scheme what might commonly be considered miscarriage; it is for children who are stillborn. I think that perhaps will put his mind at rest. There is quite a clear distinction between them.

3455 **The Bailiff:** Deputy Le Clerc, perhaps you had better reply just on the amendment. We will vote on the amendment, then we will come to the full Propositions. Is there anything you wish to say on the amendment?

3460 **Deputy Le Clerc:** I do not think there was anything on the amendment, no.

The Bailiff: No, in that case we will vote on the amendment that was proposed by Deputy Le Clerc, seconded by Deputy Langlois. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried. Now you can reply on the Propositions as amended.

3465 **Deputy Le Clerc:** Thank you, sir.

Deputy Gollop – as Deputy Gollop always does, sir – always throws a curveball. If it is a question of policy he is on Employment & Social Security and he has got every opportunity to bring policy changes through that Committee, so I would ask him in future to do that. *(Laughter)*
3470 Thank you, sir.

Deputy de Lisle asked about reducing the contributions to 40. With extending the pension age people have got more chance to pay the full 45 years' pension contributions to reach that full 45 years, and actually with an ageing demographic – although I think I heard on the news yesterday that for the first time it has actually come down – it is estimated that women will live to
3475 83 years and I think men to about 81 years, so there is every chance that people will reach their full pension age of 70 years going forward.

Alderney Representative Roberts – I think that actually some of the points he raised were probably beyond the Propositions outlined in this paper. I think the Assembly hears what you have to say and I think perhaps that is something that we should be talking with you through

3480 perhaps Economic Development and also through some of our 'get back into work', some of our employment initiatives.

I just would add – it is a bit of an aside – that actually I do not think that the nature of some of the work in Alderney, actually the part-time work, that people are actually making full contributions because if they have got three part-time jobs that are below the insurance threshold they are not actually making that contribution. So I think it is really important that we perhaps have a discussion going forward to ensure that people are making sure they are eligible for entitlement to a full pension when they do retire.

Deputy Queripel, I thank him for his support.

Deputy Brouard, I also thank you for your support. There is a legal definition of what is a stillborn and I think it is on viability and it may be something around 26 weeks (**Deputy Soulsby:** Twenty-four.) or 24, I think Deputy Soulsby is saying. So there is actually a legal definition. With regard, back to the purchase back for students, again that is outlined in the paper and they have the ability in that first six years when they return back to Guernsey to make up those contributions and that contribution shortfall.

3495 I think that is everything, sir. I would just ask everyone to vote Pour.
Thank you.

The Bailiff: We vote then on the Propositions. There are two Propositions; we vote on those as amended. Those in favour; those against.

Members voted Pour.

3500 **The Bailiff:** I declare them carried.

POLICY & RESOURCES COMMITTEE

IX. Schedule for Future States' Business – Approved

Article IX.

The States are asked to decide:

Whether, after consideration of the attached Schedule for future States' business, which sets out items for consideration at the Meeting of the 24th October 2018 and subsequent States' Meetings, they are of opinion to approve the Schedule.

The Deputy Greffier: Article IX, Schedule for Future States' Business.

The Bailiff: Deputy St Pier.

3505 **Deputy St Pier:** Sir, as ever, I believe the schedule is self-explanatory.

I think just to draw Members' attention in particular to the two policy letters this year, for the first time, from the Committee for Employment & Social Security: the contributory report and the non-contributory report, previously referred to as the uprating report.

3510 The other item to draw attention to is the requête which is led by Deputy Kuttelwascher which we are recommending is scheduled for debate next month. The Policy & Resources Committee will be issuing a letter of comment on that in the next couple of weeks. It has been referenced earlier today in the context of the air and sea infrastructure review, sir.

3515 **The Bailiff:** I have not received notice of any amendments so we will go straight to the vote on the Schedule for Future States' Business. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

That concludes the business for this meeting, please Greffier.

The Assembly adjourned at 5.14 p.m.