



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Wednesday, 12th June 2019

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Present:

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

Law Officers

R. M. Titterington, Q.C. (H.M. Comptroller)

People's Deputies

St Peter Port South

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

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 L. B. Queripel, J.C. S. F. Smithies

The Castel

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

The West

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

The South-East

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

Representatives of the Island of Alderney

Alderney Representatives S. Roberts and A. Snowdon

The Clerk to the States of Deliberation

J. Torode (H.M. Greffier)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Procureur); Deputy N. R. Inder (absent d'Ile);
Deputy M. M. Lowe (absent d'Ile); Deputy R. H. Tooley (absent d'Ile);
Deputy P. J. Roffey (indisposé); Deputy V. S. Oliver (indisposé);
Deputy S. T. Hansmann Rouxel (relevé à 9h 43), Deputy M. J. Fallaize (relevé à 9h 47)

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The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The Greffier

EVOCATION

CONVOCATION

The Greffier: Billet d'État X. 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 in the Royal Courthouse on Wednesday, 12th June 2019 at 9.30 a.m. to consider the items listed in this Billet d'État, which have been submitted for debate.

Congratulations to Deputy Oliver

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

I am sure you would all wish to join me in sending our congratulations and best wishes to Deputy Oliver and her husband and her new family. (**Members:** Hear, hear.) Congratulations to you.

10 Those who wish to do so, although it is not the sunniest of summer days, may remove their jackets.

Statements

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

General Update –

Statement by the President of Employment & Social Security

The Bailiff: We will go straight into Statements, with the first to be from the President of the Committee for Employment & Social Security. A general update Statement. Deputy Le Clerc.

Deputy Le Clerc: Thank you, sir.

15 I am pleased to take this opportunity to provide an update on some of the Committee for Employment & Social Security's workstreams. The first thing I would like to talk about is the

progress with disability discrimination legislation for Guernsey. I am pleased to report that we are on target to launch our consultation on the new multi-ground discrimination legislation proposals at the beginning of July.

20 We will be consulting on the basis for legislation which will prohibit discrimination on a number of grounds; for example, disability, race, age, sexual orientation, religion, and a number of others. The legislation will provide protection in a range of fields including employment, goods and services, education and accommodation.

25 We will be engaging with a wide range of stakeholder groups across the different fields and the different grounds of protection. The consultation will run for at least two months until early in the autumn. Following this consultation period, the Committee will analyse the responses received and revise its proposals where necessary. We will return to the States with a policy letter before the end of this States' term, most likely for debate in April 2020. It is difficult to describe the huge effort that has been required of staff in researching and preparing the documentation for the
30 Committee's consideration and decision-making.

In parallel to the legislation piece, the Committee is also developing proposals for an Equality Rights Organisation, or ERO for short. We had hoped to bring forward a policy letter on the ERO before launching the consultation on the legislation. However, because of the extent of effort needed, we have had to prioritise our efforts into the legislation consultation. This is to ensure
35 that we can still meet our target of bringing proposals back to the States, by spring 2020, on both the multi-ground discrimination ordinance and the ERO.

Before closing on this topic, I just want to mention our Disability and Inclusion Strategy highlight reports, which we publish every two months. These reports include detailed information about progress that has been made on the various workstreams set out in the Strategy, with a
40 simple traffic light system showing the status of workstreams. So without having to wade through lots of words, you can see at a glance whether things are on track, or off track.

We do this to be transparent and open. The only trouble is that the red lights, by definition, ring the alarms among our stakeholders and I find myself having to repeatedly answer similar questions in the media. But we will keep the reports going. And I am confident that when we
45 publish our consultation documents next month, and in particular, one of the detailed documents intended for those requiring in-depth details of the Committee's proposals for the new discrimination legislation rather than an overview, the amount of work that has been invested in this project, and our commitment to it, will be obvious.

The next thing I would like to talk about is a successful amendment from Deputy Dorey in
50 2015, which was to investigate whether some, or all, of the Family Allowance budget should be reallocated to specific children's services. This Resolution came soon after the Personal Tax, Pensions and Benefits Review, undertaken jointly by the Treasury & Resources Department and the Social Security Department. The States had noted the view of those departments that Family Allowances should be phased out through gradual reductions in the amount paid, while personal
55 tax allowances increased substantially.

Deputy Dorey's amendment sought to ring-fence the funding on Family Allowance, so that if the allowances were to end as a cash benefit, the funds would still be spent to the benefit of children. We have been investigating some options for how this could work, with the help of
Health & Social Care, Education, Sport & Culture and P&R.

60 We have looked at options including subsidised GP appointments and dental care for children, as well as increasing the provision of free pre-school education, and providing enrichment activities and homework clubs in secondary schools. These were suggestions made in Deputy Dorey's amendment as services that should be considered in place of Family Allowance, if Family Allowance were to be reduced or removed.

65 We will be bringing a policy letter to the States this year, depending upon resources, setting out the background to this piece of work and some possible options. I wanted to mention this today, as I am aware that Education, Sport & Culture will very shortly submit their forthcoming policy letter on implementing last year's States' policy directions on transforming education, and

in that policy letter they will be referring to the Family Allowance budget as a possible source of future funding to offset the costs of an improved programme of enrichment activities in secondary schools, that we understand will be proposed.

Next, I would like to focus on housing. In July 2018, the States agreed the States' Strategic Housing Indicator be set at creating 635 new units of accommodation between 2017 and 2021, with a plus or minus variance of 149 new units to give the flexibility to react to market changes. In addition, for the first time, the States agreed to separate the indicator into affordable housing and private market housing indicators. The affordable housing indicator was set at 178 new units over the next five years, with a plus or minus variance of 32.

The Committee has been working with the GHA and the current development programme looks set to meet the affordable housing indicator up to 2021, which will see almost 200 general needs social rental and partial ownership units developed over the five-year period. While this is very encouraging, the development programme will see all units developed out by February 2021 and no confirmed development beyond this date.

The Island's social rental and partial ownership housing requirements do not cease to exist beyond 2021, so to ensure that a consistent supply of affordable housing occurs to meet the Island's requirements, plans need to be made to acquire sites upon which to develop. Extensive analysis of existing social rental housing requirements has been undertaken and this will help the Committee to determine exactly what should be built to ensure the Island's housing requirements continue to be worked towards.

At present, no units have come to fruition as a result of the Affordable Housing Policy – Policy GP11 – set out in the IDP; so we are looking to secure sites that are either States-owned or privately owned that can be developed as affordable housing. The options for States-owned sites have been limited, or come with relatively long timescales, so we really are having to consider all options available to us. We have to make sure there is no gap in development, or the Island could find itself facing increasing social rental and partial ownership waiting lists, with the housing requirements of low income households not being met in an efficient way.

I would now like to briefly talk about the annual minimum wage process. Last year, the States approved a medium-term plan, based on aligning minimum wage with 60% of median earnings over five years. This sets the direction for employers and employees to know what to expect in the medium-term. One year in, the Committee will not be recommending that we deviate from that recently made plan.

Because of this, we will not be conducting a full consultation with a questionnaire this year, but we will still be writing to the industry groups, to get their views as usual. We will be bringing the policy letter to the States in the Autumn, setting out the proposed minimum wage rates, including accommodation and food offsets, for 2020.

I would like to end on a good news story. We have received two certificates of merit from the International Social Security Association in relation to areas of good practice. We are really pleased to see Guernsey being recognised in this way on an international platform alongside much larger jurisdictions.

The first is the States of Guernsey Uploads App, which was developed in collaboration with ISS, and enables Income Support claimants to submit their wage slips to us through their mobile phones, rather than having to call into the building. Not only does this improve the customer service experience that claimants have, enabling them to submit their wage slip from the comfort of their own home at a time of day that suits them, but it has also had the effect of reducing footfall into Wheadon House.

The second workstream was the Supporting Occupational Health and Wellbeing programme (SOHWELL). This was launched in response to a rising trend in long-term incapacity and recognised the need to transform the way short-term incapacity claims were managed. Phase one resulted in case managers and doctors working in a different way and with a greater focus on occupational health and work rehabilitation.

120 A positive outcome has been the enthusiastic involvement from doctors who welcomed the opportunity to work with the SOHWELL programme, to identify patients who might be able to return to work more quickly. And we are grateful to Primary Care for this important engagement with the programme. Phase three of SOHWELL will be underway soon and aims to be driven by a multi-agency team, which we intend will result in further benefits being delivered through this programme.

125 Sir, this concludes my update Statement. I now welcome any questions.

The Bailiff: Deputy Hansmann Rouxel, do you wish to be relevéd?

130 **Deputy Hansmann Rouxel:** Yes, thank you, sir.

The Bailiff: Questions. Deputy Lester Queripel.

135 **Deputy Lester Queripel:** Sir, as the President said in her Statement, not a single unit of affordable housing has been provided under Policy GP11 since the IDP was implemented in 2016. Seeing as the policy is not working to the benefit of Islanders, does she not agree with me that the current threshold of 20 needs to be reduced to a lesser number?

The Bailiff: Deputy Le Clerc.

140 **Deputy Le Clerc:** I do tend to agree with Deputy Queripel. As I explained, it has not produced any units of affordable housing, so it is definitely ready for a review.

The Bailiff: Deputy Leadbeater.

145 **Deputy Leadbeater:** Thank you, sir.

Just on the issue of GP11 again, as raised by Deputy Lester Queripel, would the President consider working with the new President of the DPA in trying to flesh out a new policy in to replace GP11, not just looking at the arbitrary threshold of the amount of housing?

150 **The Bailiff:** Deputy Le Clerc?

Deputy Le Clerc: I think that would be most welcome and we are currently doing a housing review so I think it could be tied up in that housing review that we are currently undertaking.

155 **The Bailiff:** Deputy Green.

Deputy Green: Sir, thank you.

160 I am grateful to the President for the update Statement she has given. One area she did not touch upon was the issue of secondary pensions and where we are with that. Could she give an update to the Assembly on where her Committee is with the progress on the development of the secondary pensions scheme?

165 **Deputy Le Clerc:** Yes, sir. We are working very hard on the secondary pensions. We have got two preferred bidders and we are looking at those preferred bidders at the current time. We have got a slight hiccough with some of the legislation around pensions and we are working with the regulator on looking at how we resolve that particular issue around pensions, but we are still on track to be bringing a paper back to the States this term.

170 **The Bailiff:** Deputy Prow.

Deputy Prow: Thank you, sir. I also thank the President for her update Statement.

175 Please could I ask the President if she could give any update on whether any progress has been made towards the reciprocal health agreement and any negotiations which might be forthcoming; which would put us in a similar position to Jersey and the Isle of Man?

Thank you, sir.

180 **Deputy Le Clerc:** Sir, I gave a comprehensive update to the Assembly in the last meeting and there has been no change since that time. As I explained at the time, it was very much dependent upon resources and also the UK's stance on whether negotiations could continue and I think, while the Brexit situation is ongoing, that is going to be more difficult because their officers will be tied up with that. We will continue to push when we can with the resources that we have got. Meanwhile we will be working on the insurance-based scheme.

185 **The Bailiff:** Deputy Fallaize, do you wish to be relevéd?

Deputy Fallaize: Yes, please, sir. Thank you.

190 **The Bailiff:** Deputy Merrett.

Deputy Merrett: Thank you, sir.

I thank the President for the update. Deputy Leadbeater remarked on the arbitrary sum of 20; I would be interested to know the President's view on, for example, a cumulative sum, which I believe is an amendment that has previously been passed by this Assembly.

195

The Bailiff: Deputy Le Clerc.

Deputy Le Clerc: Sir, I am sorry, I did not quite catch all of that. Could Deputy Merrett repeat?

200 **Deputy Merrett:** I certainly can, sir.

Accumulative sums – I would like the President of ESS to explain to me what her Committee's feelings are towards cumulative sums in view of policy amendment to GP11.

205 **Deputy Le Clerc:** Sir, I am really sorry. I do not understand.

The Bailiff: Community sums?

210 **Deputy Merrett:** A tariff or a payment in lieu rather than actually giving a property, a cumulative sum, so a cumulative sum would be that you pay a payment towards something – a tariff in lieu rather than the actual property of one in 20.

215 **Deputy Le Clerc:** I cannot commit on behalf of the Committee and I have no views either way at the present time. I would need to look at the case for that and, again, that would come as part of the housing review.

The Bailiff: Deputy de Lisle.

220 **Deputy de Lisle:** Sir, there are concerns, with respect to the over-65's TV licensing, given the announcement of the BBC cutting the free licence to over-75s to many that were already getting it. What measures are to be taken to protect Islanders by ESS with respect to the BBC initiatives?

The Bailiff: Deputy Le Clerc.

Deputy Le Clerc: I expected this to come up; in fact I have got a folder now that is called TV licences, at home. We had been briefed, slightly, by the BBC ahead of time. The States of Guernsey have changed the way that we pay for the TV licences, so we still pay for TV licences for over-75's but gradually over the years that was being taken over by the BBC. So I think we are down, at the moment, to the States of Guernsey pay a third towards those TV licences for over-75s and the BBC picking up two thirds.

With their announcement this week that they are changing that, that is something that we will have to renegotiate with the BBC. But personally I would be pushing that, if those pensioners on low income, that would qualify in the UK, I would hope that some sort of agreement might be reached with the BBC that would provide the same type of scheme for those people on the same income levels. But it is so early in the day, the announcement was only made this week. But that is something that I personally would be pushing for and I suspect our Committee will be involved in future talks. We will be doing everything we can to retain some sort of scheme for those people on low incomes.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

Would the President be able to inform us whether her Committee has any plans for developing housing on the Fontaine Vinery site?

Deputy Le Clerc: I think, yes, we would love to develop on the Fontaine Vinery site and those negotiations are taking place through the Guernsey Housing Association. But my current understanding is that one of the key parts of the Fontaine Vinery is still occupied by a business and I think we have been advised to look at purchasing some land privately, to have access to that site.

As I say, there are ongoing negotiations with STSB, through the GHA, but I referred to it in my update, that is a lengthy time for some of these properties to come on stream and the Fontaine Vinery, along with Leale's Yard, would potentially be two options, but there is a long time span to get them up and running and for us to be able to build on those sites, which is a concern.

The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

A question, again, on the housing issue. One of the reasons why GP11 was put in place was to encourage pepper potting of different social housing and not create big estates of social housing or affordable housing. With the development that the President is looking for, is that still the policy, to try and encourage pepper potting as opposed to developments that are completely affordable housing, or try to pepper pot them with private housing as well?

Deputy Le Clerc: Well I think if you look at the size of the Fontaine Vinery, if you look at the size of Leale's Yard, you would have to have some sort of mixed development and it would have to be a partnership between private developers and either the GHA or the States of Guernsey. If GP11 had worked, then we would have had more affordable housing and, as Deputy Hansmann Rouxel has said, we would have had these pepper potted around the place, but it obviously is not working and we have not had the affordable housing coming through. It is something that the housing review really does need to look at.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

275 At one time I had the good fortune of serving under Deputy Le Clerc, on her Committee, and she will know of my interest in setting up a compensation scheme for sufferers of asbestos-related illness, and I think I am right in saying that it appeared in a policy plan of the Committee, probably in the first iteration of the Policy & Resource Plan in this term. Is she able to advise the State whether her Committee will propose the establishment of a scheme in their Uprating Report
280 this year or will it be necessary for me to lay an amendment to direct the introduction of a scheme?

Deputy Le Clerc: As Deputy Fallaize knows, resources are pretty scarce in Employment & Social Security. We have been working on the Family Allowance Resolution and we have
285 prioritised, through the Policy & Resource Plan, the equality work, the secondary pensions and SLAWS. It is something that we intend doing and we met the gentleman pushing forward the campaign last week and it is something that we would really like to see progressed.

Jersey are hopefully coming back in the Autumn, in October, with a scheme and it may be possible if we look at the Jersey scheme that we may be able to save some time and replicate the
290 Jersey scheme. Interestingly enough, during those discussions last week, some of the compensation received from people in the UK has been as a result of insurance companies putting together a fund and we also need to investigate whether we can have access to that fund for our own people that are suffering. It is a reasonably sized piece of work and it will be as resources allow.

295 **The Bailiff:** Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

All over the Island social housing, whether it be the Bouet, Rue de Grande, Rue Jehannet are
300 back to back with private housing, sometimes the gardens even adjoin or the hedgerows are adjacent. Does she not believe that developers, too, have a responsibility here to create an environment that sees people in private properties living adjacent to and near to people in affordable, what might be described, as social housing? Do developers not have their part to play in delivering? They are as responsible, surely, in any failure of policy as this States' Assembly might
305 be.

The Bailiff: Deputy Le Clerc.

Deputy Le Clerc: I suppose I do agree with what Deputy Brehaut is saying. It is just very
310 unfortunate that we have not seen the size of developments coming forward since the policy has been in place and, again, we just need to work more closely together and I hope that is something that we can do that comes out of the housing review. But there is no reason why the houses cannot be pepper potted through the larger developments.

315 **The Bailiff:** Deputy Tindall.

Deputy Tindall: Thank you, sir.

I would like to thank the President for her update and for setting out the Committee's position on various planning matters, in particular GP11. As the President has indicated in her letter earlier
320 this year on behalf of her Committee, back to the DPA in respect of the 2018 AMR, and she mentioned in her speech and various questions, would the President confirm that the committee as a whole will be consulted, the DPA committee will be consulted generally in respect of the housing review?

Thank you, sir.

325 **The Bailiff:** Deputy Le Clerc.

Deputy Le Clerc: Sir, it is something that is in the hand of officers and I am certain that they will consult with the DPA, but I will go back to them and make sure that they do.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

Would the President agree with me that it is better to develop housing, including social and partial ownership, nearer to the centre of the Bridge, such as Leale's Yard, rather than further away at Fontaine Vinery, so that people are close and within walking distance of the amenities and shops at the Bridge, rather than having to drive?

Deputy Le Clerc: Actually I do not agree with Deputy Dorey. Actually I would like to see perhaps both areas developed with mixed development. Because there will be people on the Fontaine Vinery that would have access to bus services and I think there is need to spread out. What we do not want is an over-concentration of social housing in one particular area, which we have perhaps seen in parts of St Peter Port.

The Committee are very much aware of that and have actually had the opportunity to have a couple of spaces in St Peter Port and we have turned them down because it would just create one big area of social housing. So actually I think to develop both would be a better opportunity. You could have mixed development, different types of housing and, as I say, yes perhaps some of the one-bedroom and two-bedroom who need access to facilities but perhaps some of the families, then, are better off on the Fontaine Vinery, where you have got access to the buses and other amenities closer to the schools. We know that Vauxbelets school is probably going to be rebuilt larger and then they will be in walking distances of the school.

The Bailiff: Deputy Lester Queripel.

Deputy Lester Queripel: Sir, bearing in mind that the cost of electricity is going to increase by almost 10% this year, can the President tell me please whether or not her Committee will be proposing a 10% increase in the Fuel Allowance, for recipients of Income Support, next winter?

The Bailiff: Deputy Le Clerc.

Deputy Le Clerc: The Winter Fuel Allowance is based on a formula and I am afraid, off the top of my head, I cannot recall what the formula is. It is based on an annual formula and we would look at that formula and increase accordingly. We will be coming back with that in our Uprating Report in the autumn.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

Could the President give me some assurance that, with the discrimination legislation, parental discrimination will be covered in that, i.e. the mum and dad will both get treated equally?

Deputy Le Clerc: I do not think that is something that we have specifically looked at. Carers, for example, are included in the discrimination legislation, so if there is a particular issue, perhaps, over children, then that would come under, I expect, the carers legislation that we will be developing on the equality side.

The Bailiff: Deputy Gollop.

380 **Deputy Gollop:** Sir, the President commendably raises the reallocation of Family Allowance and the healthy wellness and living programme. Would the Committee be interested in investigating healthy nutrition and healthy breakfasts for people who do not necessarily have healthy diets, as part of a wider strategy of assisting long-term sickness prevention?

385 **The Bailiff:** Deputy Le Clerc.

390 **Deputy Le Clerc:** I am not sure that particularly comes under the mandate of Employment & Social Security. I think it probably comes under the mandate of Health & Social Care and some of the work that they are doing with their Partnership of Purpose. But if Deputy Gollop wants to take on that workstream and perhaps investigate then, as a Committee Member, I would welcome him to do that!

The Bailiff: I see no one else.

TRANSPORT LICENSING AUTHORITY

General Update – Statement by the President of the Transport Licensing Authority

395 **The Bailiff:** We will move onto the next Statement to be delivered by the President of the Transport Licensing Authority, Deputy Paint.

400 **Deputy Paint:** Sir, in July 2018 a policy letter from the Committee *for* Economic Development, entitled Review of Air Transport Licensing, was considered by the States. The Committee proposed what would amount to a quasi-open-skies policy under which airline operators serving routes, other than the routes designated as lifeline routes, would be exempt from the need to hold a Guernsey air transport licence. This proposal was approved and the States also agreed that the lifeline routes from Guernsey would be Gatwick and Alderney. As a consequence of the adoption of the quasi open-skies policy, the Transport Licensing Authority has had no licence applications to determine since my last statement in June 2018.

405 Members will be aware of ongoing work being undertaken by the Committee *for* Economic Development on a public service obligation for air transport services to Alderney. In the event that an operator being appointed and provided for such service, the role of the Authority is clearly set out in the policy statement approved by the States in 2018. It must grant an air transport licence to the relevant operator.

410 In addition, as part of the *bate*, the States also approved an amendment led by Deputy Yerby and seconded by Deputy Dorey that directed the States' Assembly and Constitution Committee, in consultation with the Committee *for* Economic Development, the Policy & Resources Committee and the Transport Licensing Authority, to review the role and constitution of the Authority and, if it was considered that changes were necessary. This was to return to the States as a proposal no later than the end of 2019. That review is in process and I understand that if it is considered necessary to report to the States, the intention is to submit such a report before the end of this year.

420 Any additional licensing functions in relation to road and maritime transport that might be undertaken by the Authority form part of the review being carried out by SACC. Finally, the Authority was pleased to welcome Alderney Representative Steve Roberts as its latest Member.

Thank you, sir.

The Bailiff: Are there any questions? Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

425 I just want to ask the President of the Transport Licensing Authority how they might deal with an application from an airline to operate the Gatwick-Guernsey route?
Thank you, sir.

The Bailiff: Deputy Paint.

430

Deputy Paint: Sir, I do not think we can give a licence to anybody else, because it is a lifeline route as passed by the States in July 2018.

The Bailiff: Deputy Kuttelwascher.

435

Deputy Kuttelwascher: Sir, can I do a supplementary or another question?

When Aurigny basically were given the sole operating right, for now anyhow, on that route, we changed the policy, in that any application on that route would require to take due consideration of the negative impact it might have on Aurigny's bottom line, if you like, and on the States. But it did not actually, as far as I know, preclude the possibility of someone else actually operating the route as well. It was just something else that had to be taken into consideration. Has something changed?

440

The Bailiff: Deputy Paint.

445

Deputy Paint: Sir, as far as I am concerned this is part of the review so we will have to look at it and see what comes up at the end of this year.

The Bailiff: I see no one else rising.

Questions for Oral Answer

POLICY & RESOURCES COMMITTEE

Civil Service employment remuneration –

Dispute with Unite; arbitration process; Human Resources; recruitment and retention

450 **The Bailiff:** We will move on to Question Time.

The first Questions are to be asked by Deputy Gollop, of the Policy & Resources Committee.
Deputy Gollop.

Deputy Gollop: Thank you very much, sir.

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My first Question is recent media releases from the States have stated that the States wish to take to an arbitration process, or an employment remuneration tribunal, perhaps held in public, the current employment dispute and disagreements with Unite and other employment unions. Will Policy & Resources be consulting relevant Principal Committees at political level before this process is completed?

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The Bailiff: And Deputy Le Tocq will be replying on behalf of the Committee.

Deputy Le Tocq: Thank you, sir.

Pay offers have to reflect prevailing economic conditions, strategic objectives of the States of Guernsey such as aiming to not increase the pay bill and make reductions if and where practical to do so without significantly impacting the delivery of essential and core services. Ultimately, pay has to be affordable to the public purse.

P&R, as employer, will engage with respective offices to seek input. Ultimately the matter of pay settlements is mandated to P&R and therefore is looked at in the round. As a result, where an offer is not satisfactory to a union and it is not willing to move its position, and the employer has exhausted its potential to move nearer to a union's claim, the dispute resolution mechanism is available for either party to access.

This may lead to either voluntary arbitration or an industrial tribunal as a formal mechanism to resolve the dispute, as set out under the Law. P&R, of course, would wish to avoid going to an industrial tribunal if there was deemed to be an alternative solution. However, continued dialogue between the employer representatives and unions will be the ultimate aim of resolving the dispute and operational business areas and Committees will be kept informed of key updates and milestones not confidential to the process.

The Bailiff: Any supplementaries? Deputy Gollop.

Deputy Gollop: My supplementary would be given the exciting nature of the transformation of the public sector and the Civil Service that Policy & Resources have been spearheading for a year now, is it not the case that the nature of senior staff involvement in human resources, generally, should be able to advise Principal Committees about implications including maybe pay increases for improved performance or improved job powers, job enrichment?

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Sir, as I mentioned in the response to the first Question, we always seek to, and will continue to seek with Committees, both at officer level and politically, but over all we need to look at the States' responsibility as an employer in the round. If we left it as it was in the past to be largely conducted by Committees, then we would have wage bill escalation. The States chose wisely years ago not to go down that route, but consultation, particularly in this time of transformation, the ability to move forward on all fronts is key to being able to try to change the way into a fairer system for all; which is our intention.

The Bailiff: Your second Question, Deputy Gollop.

Deputy Gollop: Thank you very much, sir.

Informal communication from staff representatives may suggest they would prefer and be open to further round table negotiations as soon as possible, perhaps with political involvement and intervention. Are Policy & Resources prepared to move this process forward?

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: P&R remain open to further talks; however, Unite the Union are not prepared to move their position and P&R consider the offer on the table is fair and reasonable. The possibility of further talks remains open during the preparation time for the tribunal, under conciliation, and if there is merit in meeting again, of course, this will be arranged.

The Bailiff: Supplementary, Deputy Gollop?

Deputy Gollop: Given the openness of the expression of being open to further dialogue, would that include maybe further secondary issues that could be adapted as part of the negotiation process?

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Sir, under the conciliation process, which I have been involved in for a number of years now, sometimes during that process, with a third party involved, before it gets to the tribunal with the industrial disputes office involved, sometimes in that process other things emerge where they become a catalyst to an agreement and we are still open to that sort of proposition coming forward.

The Bailiff: Your third Question, Deputy Gollop.

Deputy Gollop: My third Question will have a supplementary as well, I think. Given local nursing staff have argued diligently that they are competitively and structurally underpaid, can Policy & Resources Committee assure the States that the merits of both considering nursing professional health service pay, and the general public workers in other work areas, will both be considered on their merits rather than traded off?

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: P&R do have the merits of all pay groups at the centre of all deliberations on pay. It is, however, aiming to manage competing requests for pay awards within a climate of working towards achieving pay equity across all pay groups – following independent reviews of pay in the public sector – and a commitment to manage the pay budget.

The offers P&R have advanced this year have taken all the above into consideration and have sought to award pay increases to all groups in line with end of year inflation levels while meeting a commitment to act on the recommendations of the Royles Review for an above-inflation pay increase for the Agenda for Change pay group. We value the contribution that our employees make in delivering public sector reform and the ongoing transformation projects. All this work is taking place whilst business as usual continues and the workforce strives to maintain high quality services to the Island across our organisation.

The Bailiff: Deputy Gollop.

Deputy Gollop: I thank Deputy Le Tocq and the Committee for their answer, but how does the Committee perhaps deal with the paradoxical dilemma that, whereas in England and Wales the National Health Service is generally the chief pay negotiator with the nursing profession, for example, in Guernsey it is a more general committee that has to weigh up salaries of many other diverse professional specialisms at the same time? Does that potentially put competitiveness of recruitment and retention at a possible disadvantage?

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Sir, I perhaps should have declared an interest: I am married to a nurse, although she is not employed by the States.

I am, I think, personally fully aware of the pressures in that profession but they are not unique to Guernsey. Our sister island where, at some levels, pay is above Guernsey and in other bands actually below Guernsey, has equally difficult recruiting problems. So very often the issues are not as simple as they might seem.

We are seeking to do quite a major review. We have engaged, along with the Committee for Health & Social Care, with the Royles Review. We are agreeing to the recommendations of that review. They will not be able to be implemented all at once, for fairly obvious reasons, but we will seek over time to ensure that all of them are put in place appropriately for Guernsey.

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The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

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Deputy Le Tocq referred quite often in his response to that question of recruitment. Obviously, retention is equally, if not more, important in retaining the relevant people that we need. Could he please answer the same question with regard to retention rather than just recruitment, sir?

The Bailiff: Deputy Le Tocq.

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Deputy Le Tocq: Sir, in my years wearing various hats that were responsible for remuneration we have sought to do that. Obviously, climates change. For example with regard to nursing, a number of years ago a retention bonus was awarded for those staff in place in February. That is a quite substantial amount. If you do not include that amount in comparison with basic pay with other places, then our rate is going to look low. If you include it, actually, our rates look very competitive indeed.

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Some would say that needs to be consolidated; it then ceases to be a retention bonus. It is more complicated than it would first seem. But we are well aware of the issues, particularly with nurses and Agenda for Change staff, where both recruitment and retention are key issues.

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The Bailiff: Deputy Brehaut.

Deputy Brehaut: I need to declare I am also married to a nurse. I hope it is not the same person, otherwise that is a conversation we need to have later on! *(Laughter)*

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With regard to recruitment and retention, does he not recall that we did offer very generous retention bonuses, but people did not stay long enough even to claim those retention bonuses. So retention bonuses in themselves are a mechanism in the past that has proved not to work.

Deputy Le Tocq: Yes, and I can assure Deputy Brehaut that I am not married to the same nurse!

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I would agree with that. Deputy Brehaut remembers our years on the Public Sector Remuneration Committee, where we tried a number of ways of resolving this, particularly with nurses in mind. I think the Royles Review does touch on those things. Obviously there is not a silver bullet that solves all of these issues but we want to work constructively to do our utmost so that both retention and, ultimately, recruitment, which in certain areas is an acute issue, are handled as best as we possibly can bearing in mind the parameters we are working within.

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The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

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I would like to ask Deputy Le Tocq if he has been in conversation, or P&R, with Home Affairs regarding Population Management Law, whether there are any barriers there for retention or indeed recruitment for these key professions?

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Deputy Le Tocq: With regard to the public sector, yes, our officers have been in discussion. In fact some of our officers have worked in that area and so know very well how the system works. As far as I know at the moment the system is working well for the staff that we have been talking about. I think it is something that we need to keep a close eye on because, like the private sector,

things tend to move quite fast and circumstances can change quite considerably. So it is something we have got under our eye.

The Bailiff: I see no one else rising to ask any supplementary questions.

STATES' TRADING SUPERVISORY BOARD

Airport security – Customer concerns; staff and service levels

The Bailiff: We move on to Deputy Gollop's Questions to the President of the States' Trading Supervisory Board.

Deputy Gollop: Thank you very much, sir.

A change of scene and this is directed to Deputy Ferbrache. My first Question is will the senior Airport management and directors of Guernsey Ports be working with the States' Trading Supervisory Board in listening to apparent customer feedback response and complaints about some aspects of the modernised Airport departures security situation?

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, a number of issues concerning the security provisions at Guernsey Airport have been experienced lately, which have given some passengers reasonable cause to complain. These issues have arisen due to a combination of factors, the most significant of which are outside the control of either the Airport management or the contractor providing the security screening, which is G4S.

Nevertheless the Airport Management and Guernsey Ports Board are fully aware that at times the level of service experienced by some passengers has fallen below what they should expect and we apologise to anyone who has been affected. All operational staff and the oversight boards are committed to addressing these issues and improving levels of service. That includes investment in staff resources and training and in equipment to meet more stringent requirements for security screening at Guernsey Airport, which are part and parcel of ensuring that air travel, internationally, is a safe form of travel.

The recent redevelopment of the security area at the Airport has not been a cause of the recent issues. However the larger screening area this has provided offers a potential to upgrade existing equipment with more modern technology. This could reduce the need for body and bag searches and provide other significant improvements for passengers and Airport management has made this a priority.

The Bailiff: Deputy Gollop.

Deputy Gollop: My supplementary is, being a complete lay person in this respect, how true is it that minimum standards of security are demanded by the international airline industry and indeed insurance so that Guernsey cannot fall below a certain level, for example?

Deputy Ferbrache: Sir, there are not minimum requirements, there are stringent requirements so that people can travel safely through airport security, and they have been enhanced recently by international regulations and the regulator itself. That has not been the sole cause of the very reasonable concerns that many members of the public have suffered; but it has been a partial reason.

The Bailiff: Your second Question, Deputy Gollop.

665 **Deputy Gollop:** The second Question is how true, from an STSB perspective, is the allegation and assertion sometimes made that some security screening personnel have been unnecessarily insensitive or overzealous with low risk air passengers?

The Bailiff: Deputy Ferbrache.

670 **Deputy Ferbrache:** Sir, unfortunately, in the context of aviation security, no passenger is considered low-risk. While it may at times seem disproportionate for a community such as ours to maintain a licence to operate the Airport it has to comply with the screening requirements set by national and international aviation regulations. That is simply non-negotiable.

675 All passengers, air crew, ground handling agents, Airport staff and aircraft engineers are therefore subject to the same screening requirements. The issues experienced recently are largely the result of the more stringent compliance monitoring being applied by the regulator. That has been a considerable additional burden for Airport management and for G4S, which has also had to manage staff turnover as a result of the pressures.

680 Nevertheless, whatever the security requirements, all passengers are absolutely entitled to expect courtesy and sensitivity. We are aware that on occasions that needs to improve and steps are being taken to address this. That includes additional customer service training for all G4S personnel, bolstered by follow-up site visits by trainers. Airport management is working with the company to deliver this and in the future replacement of existing equipment with new technology should also assist by reducing the need for physical bag searches and improving the experience of
685 navigating through security.

The Bailiff: Deputy Gollop.

690 **Deputy Gollop:** Two short supplementaries. The first is who specifically is the regulator Deputy Ferbrache refers to? Is it the Civil Aviation Authority (CAA) of Guernsey, Channel Islands?

Deputy Ferbrache: It is the CAA.

695 **Deputy Gollop:** And my second question is the Airport can be commended for its implementation of extra access policies for disabled people and people who wish to carry cards or lanyards but will special provision be made within the security system to further assist those with special needs, disabilities, infirmities or conditions?

700 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: I think it already exists to a large degree, sir, but of course there is always improvement that can be made. If Deputy Gollop or anybody else has suggestions that can be put, they will be put and if they are practical and reasonable they will be followed.

705 **The Bailiff:** Deputy Le Clerc.

Deputy Le Clerc: Sir, Deputy Ferbrache said in his answer to the second Question that in the future, about equipment, could he give us any idea of when that will likely be replaced and estimated cost? This is a really essential thing to the Island and I think we need to look at the
710 budget here. If it is a budget constraint we need to understand what that is because it is the Island's reputation that is at stake here.

Deputy Ferbrache: Sir, I fully accept that. All I can say is everybody knows what a wonderful support I am of the procedures and processes the States have brought in. They have all these wonderful pre-set processes, which means it is like treacle to get anything. But we are giving this as much priority as we can and the equipment that is needed, we need to replace the two X-ray machines and we need to get a body scanner. Because they have moved into this new facility there is room to do that.

I understand, and I stand to be corrected, the cost of all that is somewhere between £1 million and £1.5 million. That is being activated as soon as possible. We have given instructions to our staff because there is talk about procurement and all that, we know that can take from here to my 80th birthday, which is still some years to go, so we are asking for that to be activated.

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir.

Would Deputy Ferbrache agree with me that there are some mitigation areas that could be implemented tomorrow, literally, on the disinvestment area, where you put your clothes into the tray, and we could actually speed that up; rather than one at a time, have two or three people disinvesting at the same time, which would then speed the whole queue up? That could be, literally, implemented quite soon as I understand, from the deputy airport service director. Would Deputy Ferbrache confirm that he would actually look at that immediately?

Deputy Ferbrache: Yes, sir.

Any sensible idea, and that is a sensible idea to activate matters. There are three issues here that are causing the delays and they are completely unacceptable. I am not here to defend them; I am here to explain them and they should be addressed. Firstly, extra stringent requirements imposed by the regulator; secondly, G4S is struggling for staff and if they need to replace their staff they have got to go through a security process which could take up to three months; and, thirdly, the point raised by Deputy Le Clerc, we do not have a body scanner at the moment and our two X-ray machines are of the old vintage and they need to be replaced.

The Bailiff: Deputy Dorey.

Deputy Dorey: Why wasn't this envisaged when the new area was created and the equipment purchased at the same time?

Deputy Ferbrache: Again, sir, it is a matter of priority and looking at it. We can all, with hindsight, say we should have this, we should have done that. I do not think any of us would have envisaged – I do not think anybody could reasonably have been envisaged – that it sometimes takes 45 minutes to an hour to go through security. That has never happened before. It is now happening. There are reasons and I think I have tried to explain what those reasons are.

The Bailiff: Your third Question, Deputy Gollop.

Deputy Gollop: My third Question, and I have a supplementary, is will the STSB at operational level be open to providing additional customer care and disability condition awareness training for all airport and airline ground staff to ensure smoother communications, passenger care and news information updates?

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Thank you, sir.

765 Guernsey Airport has been very proactive in recognising and addressing the needs of travellers who may have additional requirements. All its staff and third party business partners underwent an extensive training programme last year to increase awareness of passengers who may need extra support and that training is now part of its staff induction.

770 As a result the Airport was one of the very first organisations to introduce the sunflower lanyard scheme. It takes its social responsibility very seriously. The Airport management has received considerable input from all the staff and managers in meeting the current significant challenges; but recognises it still has some way to address the impacts. They will continue to work hard to improve the passenger experience and are committed to communicating as best they can to try and ensure the smoothest possible experience to the travelling public.

775 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Actually two supplementaries.

780 The first is one gap that has been identified by some customers and passengers has been the lack of regular, audio or other, news information updates as to why delays are occurring; whether it be to flights or security movements. Would the President wish to encourage the Airport to look at how that could be improved?

The Bailiff: Deputy Ferbrache.

785 **Deputy Ferbrache:** Yes, sir.

Deputy Gollop: And my second supplementary is, given the news and the important information the President has given about the strategic issue of more stringent requirements for security, including screening of clothes, X-ray machines and so on, will some of that be necessary in the short to medium-term for Alderney Airport, given that external flights operate not just to Guernsey but to Southampton and private flights elsewhere?

The Bailiff: Deputy Ferbrache.

795 **Deputy Ferbrache:** Well, sir, the Questions are really centred on Guernsey Airport, and of course Alderney Airport security is also looked at. Its requirements are serious but they are not of the same order as Guernsey. So I would not propose here on the hoof to be able to give a solution in relation to Alderney Airport.

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

Deputy Hansmann Rouxel: Thank you, sir.

805 I thank the President for mentioning the sunflower hidden disabilities lanyard scheme and it is true that the Airport was one of the first to adopt this and has a rigorous element to it. However, the question that Deputy Gollop raises is actually quite important because of the length of the queues, somebody who would not ordinarily have a lanyard or think to ask for special assistance might experience trouble in that long queue. Is the President aware of any extra staff from the Airport being put on who are monitoring those in the queue who might require extra assistance as a result of having to stand there for an extended period?

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The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: A very good question, sir.

815 I cannot say that I can answer it fully. Certainly the point that Deputy Hansmann Rouxel raises is a good one because somebody might think they are going to be in a queue for 10 minutes and

in fact they are in a queue for 40 minutes. Again I would hope that issue is addressed and I will ask my officers.

The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, sir.

Thank you to the President because I have been in correspondence with the President and his Committee over the last few weeks and I have been very grateful for the concise nature of their responses. One response I have not had is in regard to frequent flyer membership, frequent traveller membership, which would help to mitigate some of the delays if a certain group of people were allowed to register on an annual basis – it could also be a revenue raiser. That would also help to mitigate longer queues if there was multiple entry into the security area. Could the President please update me if any consideration has been given to any such scheme?

Thank you.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: I think – if I have misunderstood no doubt Deputy Dudley-Owen will tell me – we know when we go to the big airports you can go through fast in certain circumstances, if you are a business traveller or whatever. Frankly, I know that is being looked into but my view is, in Guernsey, with the level of people that go through airports I think that is going to be difficult and not cost-proportionate, if that is the right word. It would be cost disproportionate. I just do not think it will be achievable. But it is being looked into. Others with far greater perception than I have in relation to such matters may come up with a solution, but I do see the point.

The Bailiff: Deputy Hansmann Rouxel.

Deputy Hansmann Rouxel: Thank you, sir.

Is the President aware of any update monitoring or live monitoring of the length of the queue being updated on the Airport's Twitter feed or on the website, so while there is an issue with the length of the queue, those who are planning to fly have some live idea of how long the queue actually is at that point, as opposed to just randomly deciding, 'I will need to leave two hours'?

The Bailiff: Deputy Ferbrache:

Deputy Ferbrache: I do not, sir, frankly. It seems a good idea to me and if it can be adapted and adapted easily and at no particular cost, of course, it should be followed. But I cannot give an instant answer to that.

The Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

Could the President of the STSB update us on when the new equipment will be in place to help support people with disability? I received a call from a parishioner last night who came in on Aurigny and there was no chair available to disembark and he is wheelchair bound and he could not get off the Aurigny aircraft.

In Gatwick he had a ramp to be able to get on the aircraft. In Guernsey apparently they had three chairs but they did not have extension belts to enable somebody with a larger girth to fit into the chair to get him off the aircraft. Obviously that is unacceptable if people with disability cannot arrive safely on the Island. He had to struggle to crawl down the ramp to get off the aircraft.

Thank you, sir.

Deputy Ferbrache: Sir, I think I am aware of that and I think it was more – it is no excuse – an Aurigny issue than a general Airport issue. But of course it is an issue. Aurigny did not have, as I understand it and I will be corrected if I am wrong by Aurigny or by Deputy Meerveld or somebody else, Aurigny did not have the relevant piece of kit, if I can use that phrase, available and they should have done.

I give way to Deputy Meerveld.

Deputy Meerveld: I was informed by the individual involved that the staff had raised this to management several times and the management have not taken any action on it. Obviously this is a concern and is on the subject we discussed in the morning.

Deputy Ferbrache: Again a very valid point and, if it is correct, I am not saying it is not correct, then management should address it forthwith, because it has been aired publicly now. But I cannot add anything more.

COMMITTEE FOR HOME AFFAIRS

Littering –

Fixed penalty notices; Police campaigns and resourcing; litter warden role

The Bailiff: We move on to the Questions that Deputy de Sausmarez wishes to ask of the Committee for Home Affairs. Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

Seventy-five thousand discarded cigarette butts were collected by members of the public during Pick It Up Guernsey's recent campaign. Dropping cigarette butts is a littering offence that qualifies for a £70 fixed penalty notice. How many fixed penalty notices have been issued for this offence (a) in the last 12 months; and (b) in the last five years?

The Bailiff: The Vice-President will reply, Deputy Prow.

Deputy Prow: Thank you, sir.

I thank Deputy De Sausmarez for her Questions. I am informed that in the last 12 months, that is between the dates of 4th June 2018 and 4th June 2019, seven fixed penalty notices have been issued for littering. In the last five years, 25 fixed penalty notices have been issued for this offence. In both cases the figures relate to FPNs issued for littering; it is not possible to identify whether any of these were in relation to cigarette ends.

The Bailiff: Deputy de Sausmarez.

Deputy de Sausmarez: I have one supplementary, please, sir. I thank Deputy Prow for this and his other answers. How do these figures compare, very roughly, to fixed penalty notices for other offences in the same band; for example breaches of parking Law?

Deputy Prow: Thank you, sir.

I do not have the answer to that readily available; but I will undertake to research that and get back to Deputy de Sausmarez.

Thank you, sir.

The Bailiff: Deputy Gollop, you have a supplementary question?

Deputy Gollop: Sir, I was very nearly the 26th because I was perhaps dropping something in the street but it was not a butt, I am afraid, I think it was ash, and the wind was very strong that day. Would it not be more appropriate not just for uniformed or undercover police to be monitoring this but for parochial officials and volunteers to be perhaps given powers to warn, caution and maybe fine on the spot, in some cases, littering offenders?

The Bailiff: Deputy Prow.

Deputy Prow: Thank you.
My first response to that question is, I think it will be covered later from the Questions from Deputy de Sausmarez. The question of issuing littering tickets is not quite as straightforward as it might be with, say, parking tickets. I think the question of how any policing of this issue could be progressed is a matter for further discussion, possibly between the Committee *for the* Environment & Infrastructure, and the Committee *for* Home Affairs.

The Bailiff: Deputy de Sausmarez, your second Question.

Deputy de Sausmarez: How frequently do the police run campaigns targeting littering and how successful are they?

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.
Policing operations aimed at those who discard cigarette ends have been run in the past, but they are very infrequent and there is currently no planned campaign for the future. It is difficult to define the success of such campaigns when they do take place. Over the years, people have been warned, and issued with fixed penalty notices. However any reduction of litter in an area may only be temporary.

Littering offences are dealt with as part of day-to-day policing, much like most other matters. Many littering offences, where the individual responsible can be identified, are dealt with by means other than the issuing of a fixed notice. There are other outcomes, such as providing advice, giving a warning or caution, and no further action after the litter is removed and disposed of appropriately.

The Bailiff: Deputy Yerby, you have a supplementary question?

Deputy Yerby: Sir, Deputy de Sausmarez's questions have shown how issues of climate change and environmental degradation really do touch the mandate of every Committee but will the Committee *for* Home Affairs be engaging with Police and other services under its mandate in developing part of the response of the States of Guernsey's climate change action plan when it comes forward in the P&R Plan?

The Bailiff: Deputy Prow.

Deputy Prow: I completely agree with Deputy Yerby and the answer to that is yes.

The Bailiff: Deputy de Sausmarez, is this your third Question?

Deputy de Sausmarez: No, I have got two supplementaries please, sir. The first is can the Vice-President please give us some indication of what 'very infrequent' means in numeric terms or tell us how many past campaigns targeting littering that he is aware of?

The Bailiff: Deputy Prow.

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Deputy Prow: Thank you. I have no specific details but very infrequent means very infrequent.

The Bailiff: Deputy de Sausmarez, your second supplementary.

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Deputy de Sausmarez: Thank you, sir.

When the Police run targeted campaigns on any specific issue do they usually record data relating to that campaign and, if so, are there statistics relating to any littering campaigns in the past, for example how many fixed penalty notices were issued, how many people were given verbal advice or warnings or any other relevant measures taken? If this data is not recorded can the Vice-President please give us an indication of why not?

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The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

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I think the answer to the question is I am not aware of what data is actually recorded but I am very happy to go back to the Head of Law Enforcement and ask him. The real answer to the question, though, is about resources and the priority of this sort of work, which would also, if records are taken, impinge on policing resources.

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The Bailiff: Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you, sir, and I am very grateful to Deputy de Sausmarez for raising the issue because, whilst it seems very minor in the scheme of things actually it is an indicator of social attitudes towards waste and how it is becoming increasingly more unacceptable. Therefore I would hope that the Vice-President of Home Affairs would agree with me that it is important to work cross-committee about this issue and work with the Committee *for the Environment & Infrastructure* in order to look at campaigning and wider education about waste. Would the Vice-President answer whether he would be willing to work with the Environment & Infrastructure Committee in order to further widen the campaign about waste reduction in the Island?

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The Bailiff: Deputy Prow.

Deputy Prow: Yes, sir. I completely agree with Deputy Dudley-Owen in every aspect of her question. The Committee will be very willing to work with the Department of Infrastructure, Law Enforcement and indeed anybody else because the Committee does see that this is a problem, and an increasing problem, that needs to be tackled.

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The Bailiff: Your third Question, Deputy de Sausmarez.

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Deputy de Sausmarez: In light of the number of fixed penalty notices issued compared with the sheer scale of the problem illustrated by the Pick It Up Guernsey campaign, is the Committee *for Home Affairs* confident that the Police are adequately resourced to enforce this Law effectively on a day-to-day basis?

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The Bailiff: Deputy Prow.

Deputy Prow: Sir, the Committee oversees a Police Force which keeps the Island safe and secure but it has to do this with finite resources. As such it has no alternative but to remain focused at a strategic level on threat, harm and risk. The Head of Law Enforcement is required to

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manage the resources in an efficient and effective manner to deliver Law Enforcement appropriate to the needs of the Island and the extant legislation.

Financial resources are under severe pressure so the focus has to be on the most important matters, but it is recognised that in the community people have differing, but entirely valid, views on what they consider to be important. Law Enforcement does have a part to play in tackling this issue, however there may be wider, more proportionate, community based initiatives around public education and the provision of an adequate number of bins that also improve behaviour and reduce litter.

The Bailiff: Any supplementaries? Deputy de Sausmarez.

Deputy de Sausmarez: Sir, I have two supplementaries please. I am sympathetic to the resource constraints, of course, but does the Committee *for* Home Affairs acknowledge that, in the same way that hospitals do not just treat heart attacks, stroke and cancer patients, and schools do not just teach English, maths and science, a strategic balance needs to be struck between those aspects considered to be important and those considered perhaps to be more minor. Does the Committee acknowledge the link between visible signs of low-level law-breaking, such as littering, and the incidence of more serious crime?

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

I can assure Deputy de Sausmarez that the Head of Law Enforcement does take into account all levels of crime and policing accordingly but has to work to those priorities and has to work to budget. As I have already said in the answers, some action has been taken. The issue here is the level of resource that the Head of Law Enforcement can put into this type of crime.

Thank you, sir.

The Bailiff: Deputy de Sausmarez, your second supplementary; although you had two questions last time.

Deputy de Sausmarez: This is the second supplementary, sir.

This is something that has actually been touched on in some of the other supplementary questions. Is the Committee aware of the large body of evidence showing that in tackling litter or littering there are three key aspects – education, the provision of bins and services such as street cleaning services, and the enforcement of littering laws – and that indeed a significant segment of people who drop litter are impervious to any factor other than enforcement?

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

I think generally speaking, yes, the Committee is aware. However this is perhaps a matter that the Committee can discuss further and as has already been suggested and I have alluded to, I think the best way to take this forward is at a joint meeting between the Department *for the* Environment & Infrastructure and the Committee *for* Home Affairs.

Thank you, sir.

The Bailiff: Deputy Merrett.

Deputy Merrett: Thank you, sir.

I wonder if Deputy Prow can advise me. Obviously when you put out a cigarette butt there are very few bins in St Peter Port and there are some key areas, to actually put them out. Who is

actually responsible for these bins that you are able to stub your cigarette out and throw them in? Who is responsible for that infrastructure?

1070

The Bailiff: I am not sure that is within the mandate of your Committee, are you able to answer?

Deputy Merrett: I was just asking.

1075

The Bailiff: But you are only allowed to ask questions that relate to the mandate of a Committee, so I think the question is, is it within your mandate?

Deputy Prow: It is not within our mandate.

1080

The Bailiff: Indeed no. Fine.

Deputy Prow: I have an idea but I would not like to mislead the States.

1085

The Bailiff: Good. Deputy de Lisle.

Deputy de Lisle: Can I ask whether more action can be taken on littering on Friday and Saturday nights in Town, for example, and during Seafront Sundays?

Thank you, sir.

1090

The Bailiff: Deputy Prow.

Deputy Prow: I think the question of resourcing and pressure on Law Enforcement resources is a matter I have already touched on. I think that the policing resources are concentrating mainly on other areas of law-breaking and it may well be difficult. Again this is a matter I am very happy to take back to Law Enforcement.

1095

Thank you, sir.

The Bailiff: Deputy Hansmann Rouxel.

1100

Deputy Hansmann Rouxel: Thank you, sir.

In terms of the resources I understand the Committee's balancing act, in terms of adding resources. However I have seen littering happening in front of an officer who is on their normal duties in Town and no action, not even a warning, was taken. The officer simply walked on by. If that is the case where you have the resource already in place, would the Committee consider giving a direction to the chief law officer that this gets ... (*Interjection*) This is a serious issue.

1105

The Bailiff: Deputy Prow.

Deputy Prow: Sir, I think the main value of the legitimate questions from Deputy de Sausmarez are really about raising the profile and educating everybody and making everybody aware how anti-social littering is, whether it is cigarette ends or other forms of littering. I think that is what we need to concentrate on. The Police, I am confident, will do what they can do within the resources and I have already explained that that is not a great deal.

1110

But we need to take this forward as a rounded piece, cross-committee, looking at what we can do, all of us, as a States, to try and reduce this problem, which the Committee *for* Home Affairs completely accepts is a problem and, like everybody else, wants to do as much as it can about it.

1115

Thank you, sir.

1120 **The Bailiff:** Deputy de Sausmarez, your fourth Question.

Deputy de Sausmarez: As revenue would easily cover the cost of employment, does the Committee consider that creating a specific role focused on enforcing the law on littering – from deterring and reducing street litter to investigating the illegal dumping of waste – should be
1125 looked at?

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

1130 First, the Committee does not agree with the assertion that 'revenue would easily cover the cost of employment'. To deliver the type of service being suggested would require additional funding from general revenue. This of course would be most welcome but if such funding was available the Committee is of the firm view that there would be other more critical areas of Law Enforcement within the Bailiwick where it would be wise to focus it and that littering and
1135 dumping, whilst unwelcome and inappropriate behaviour, would not be the priority.

The policing priorities, developed through wide consultation, include tackling violent crime, domestic abuse, economic and cyber-crime, dangerous and drunk driving as well as a range of security matters, none of these are decided upon by determining which areas would generate most revenue.

1140 The Guernsey Police do actively work with other agencies to tackle littering issues such as fly tipping. In targeting resources it is important to set realistic expectations. The reality is that not everyone that litters is likely to either be discovered or face legal punishment. The States simply does not have the resources to gather sufficient evidence to address by way of the criminal law the many issues that arise in relation to litter including cigarette ends, dog fouling and discarded
1145 chewing gum and so on.

The success of the Pick it Up campaign does highlight the extent of the issue and littering affects us all as a community. As I have stressed, the Committee would support further investigation of how the problem may be practically addressed by the Committee *for the* Environment & Infrastructure in the discharging of its responsibilities in relation to street cleaning and coastal litter clearance and waste management policies.
1150

Thank you, sir.

The Bailiff: Deputy de Sausmarez, you have got a supplementary?

1155 **Deputy de Sausmarez:** I have two supplementary questions, thank you, sir.

Most members of the public probably are not interested in the fiscal mechanics and see this in high-level net terms so, unlike increasing the provision of bins and cleaning services, for example, which would obviously be a net cost, a litter warden would, as traffic wardens do, bring in revenue that can at least cover the cost of their employment and is therefore at that high level at least
1160 cost-neutral. So does the Vice-President agree that a litter warden or something of that kind, whose role could, and I would suggest should, incorporate that vital educational aspect too would not be a net cost to the States?

The Bailiff: Deputy Prow.

1165 **Deputy Prow:** Thank you, sir.

I think the question really needs to be answered by looking at it holistically. If the States were to decide out of general revenue to employ somebody with regard to tackling this issue, what their role and function would be. Issuing fixed penalty tickets in a traffic environment is a different prospect because you have a vehicle with a registration number and the fixed penalty system can
1170 operate around that.

In the scenario with an individual, literally you have to identify that individual and it requires more investigative resource than, say, parking tickets. I do not think applying the same logic and enforcement logic to the issuing of parking tickets and cars and a wider enforcement regime are the same.

The Committee believes that the way to tackle this is a much more rounded process of education and providing litter bins and working with the Committee *for the Environment & Infrastructure* to see what more can be done to tackle this problem; and the Committee, as I have said before, does see this as an important issue that needs to be tackled.

Thank you, sir.

The Bailiff: Deputy Brehaut.

Deputy Brehaut: Could I just ask a supplementary on that, sir?

In an email exchange between the Home Department Members and the States collectively, I have raised the issue of the absence, at the moment, of traffic wardens/parking controllers. This is not a ticket-generating exercise, this is not a revenue-raising exercise, but the fact is what they collect in fixed penalties more than adequately covers their salary. So it should not be seen as a resource issue in that regard. The view that littering is minor and that some parking offences are minor I think is something that we should not let develop any further when, clearly, would he not agree with me that people appointed to these roles more than adequately cover their salaries but we acknowledge this is not a ticket-generating exercise?

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

I agree with Deputy Brehaut. The issuance of parking tickets or littering tickets is not a revenue-gathering exercise, it is a function of delivering Law Enforcement at that level and at an appropriate level commensurate to the offence that is being committed. The Committee *for Home Affairs* do not look at it in that light and I repeat what I said before; the question of issuing parking tickets and the cost-effective way that can be delivered and an approach to extending the activity to littering tickets, the logistics of that are quite different.

Thank you, sir.

The Bailiff: Deputy Gollop.

Deputy Gollop: Sir, I have long suggested in the past that, in relation to parking tickets, but also to litter, could Home Affairs not consider franchising out to the private or tertiary sector the right to police such areas, which I think would be a very good business opportunity for people but also raise perhaps significant funds for the public sector as an incentive in order to catch culprits?

The Bailiff: Deputy Prow.

Deputy Prow: Thank you, sir.

I think both the Committee *for Home Affairs* and the Committee *for Environment & Infrastructure* welcome any practical and pragmatic ideas that could be pursued but again I would repeat that I think the way this needs to be tackled is in the round, through education, public awareness and having more bins available to dispose of litter, as well as the enforcement aspect of it.

Thank you, sir.

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

1225 Obviously our beautiful Island should not be strewn with cigarette butts and it should not be
awash with milk cartons, packaging and the like each week, as it currently is in the morning of our
waste collection, which is far more visible and arguably a far more pressing issue. Would the Vice-
President agree with me that responsibility for tackling littering falls on all of us to educate the
1230 younger generations and encourage socially responsible behaviour from all. If, as suggested, we
employ an officer to solely look for those dropping cigarette butts, littering etc. and for that to
generate the cost of that post it would be completely ineffective and a total waste of time and
money?

Thank you.

1235 **The Bailiff:** Deputy Prow.

Deputy Prow: I thank Deputy Leadbeater for his question and I entirely agree with him. The
whole community and the States all need to get together to try and tackle this problem the
Deputy has described. The Deputy referred to cigarettes; of course one great way to reduce the
1240 number of cigarette butts that end up is to promote the resources that are put into the Guernsey
Quitline stop smoking services and perhaps I could plug their Quitline, which is 01481 7233170
and they also have an excellent website, www.gsyquitline.com

Thank you, sir.

1245 **The Bailiff:** Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I do not think anyone is disagreeing that education is one of those three key strands, as I
outlined earlier, along with provision of bins and street-cleaning services and such like.
1250 Interestingly, UK research has shown that one of the most effective education campaign lines is, if
you are caught dropping litter you will be fined £75.

Research also shows that even when there is a very high density of bins, a large majority still
discard cigarette butts on the ground. For example in one study, where there were bins every 24
metres and an average of three and a half in view from any point, 82% of smokers still littered
1255 their cigarette butts on the ground. This is something I can personally testify to, having picked up
a jam jar full within a metre and a half's radius of a cigarette butt bin placed very prominently on
the wall during the Pick It Up campaign.

I agree that education and service provision are hugely important, in conjunction with
enforcement and I welcome Deputy Prow's offer to –

1260 **The Bailiff:** Your minute is up and you have not got to the question yet.
Deputy Dorey, I think you wanted to ask a question.

1265 **Deputy de Sausmarez:** Would he agree that enforcement is –?

The Bailiff: You have had your minute, Deputy de Sausmarez. Deputy Prow, I do not think
there was a question in there but if you wish to reply you may.

1270 **Deputy Prow:** No, thanks.

The Bailiff: No. Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

1275 Has Home Affairs considered employing community support officers – I presume that you
would have to bring legislation for that – who could have responsibility for littering laws and other

minor offences, which would be financed by the reduction in street cleaning costs, the fines that they do and also result in improvements in our community?

The Bailiff: Deputy Prow.

1280

Deputy Prow: Thank you, sir.

I think the question goes beyond the subject that we are talking about. The debate around whether we should follow the UK's lead in employing community officers is a separate debate and something that, if the Committee wanted to pursue that, we would need to speak to at length with the Head of Law Enforcement. But I can tell Deputy Dorey that there are no plans at this time to support community support officers as an initiative.

1285

Thank you, sir.

The Bailiff: Deputy Leadbeater.

1290

Deputy Leadbeater: Thank you, sir.

Would the Vice-President agree with me that the responsibility for keeping our Island's streets clean is the responsibility of Environment & Infrastructure and some of the suggestions that have been put forward by Members today for employing this, that or the other role to tackle the problem and legislate further is complete nonsense?

1295

The Bailiff: Deputy Prow.

Deputy Prow: Sir, I would agree with Deputy Leadbeater around what the responsibilities are. What I can be clear about is the responsibilities for Law Enforcement are simply to enforce the Law around the resources that they have available to them and around the other priorities. That is what I can safely say. I would agree with the Deputy that a lot of the other ideas and initiatives do fall outside the mandate of Home Affairs but the Committee *for* Home Affairs is very willing to talk to the Committee *for the* Environment & Infrastructure and indeed any other Committee because the Committee does recognise this is a problem that the community faces.

1300

1305

Thank you, sir.

The Bailiff: Deputy Le Pelley.

1310

Deputy Le Pelley: Thank you, sir.

I do not know if the Vice-President of Home Affairs is aware but St Sampson's Douzaine recently agreed to use their 'Compte d'Amelioration' (Public Improvement Account) account to place up to 10 dog litter bins around the parish and I wonder if other parishes might be like-minded to do something similar and possibly extend it to include other bins, such as litter bins?

1315

Could I ask him if he would be prepared to engage with the parishes to see if the 'Compte d'Amelioration' accounts could be involved, the Constables and the Douzaines etc. to help rid the Island of this horrible mess?

The Bailiff: Deputy Prow.

1320

Deputy Prow: I can assure Deputy Le Pelley that the Committee *for* Home Affairs will do all it can within its mandate to stop the illegal littering of the Island. I am not sure that the initiative, which sounds an excellent initiative, is something the Committee *for* Home Affairs is able to pursue and whether perhaps it might be more appropriate for Environment & Infrastructure but certainly I very much welcome that sort of initiative and I think this is exactly the way that we need to be tackling this issue, in a rounded, community way. I commend the Constables for their initiative.

1325

Thank you, sir.

1330 **The Bailiff:** That concludes Question Time and we move on.
Greffier.

Billet d'État X

ELECTIONS AND APPOINTMENTS

I. Election of a Member of the Committee *for* Economic Development – Deputy Inder elected

Article I.

The States are asked:

To elect a sitting Member of the States as a Member of the Committee for Economic Development to complete the unexpired term of office, that is to the 30th June 2020, of Deputy D. A. Tindall who has resigned from that office, and whose letter of resignation is appended hereto.

The Greffier: Article I, Election of a Member of the Committee *for* Economic Development.

The Bailiff: Do we have any nominations?

1335 **Deputy Parkinson:** Sir, I rise to nominate Deputy Oliver.

The Bailiff: Deputy Oliver. Is there a seconder for Deputy Oliver?

1340 **Deputy Dudley-Owen:** Yes, sir.

The Bailiff: Deputy Dudley-Owen.
Deputy Le Tocq?

1345 **Deputy Le Tocq:** Sir, I rise to nominate Deputy Neil Inder.

The Bailiff: Deputy Inder. Do we have a seconder for Deputy Inder?

Deputy Trott: Yes, sir, that duty falls to me.

1350 **The Bailiff:** Deputy Trott. Anyone else? No, well we have two candidates so that therefore invokes Rule 16(6) under which the proposer of each candidate can speak for not more than three minutes in respect of each candidate, proposed by that person, and each candidate can speak for not more than three minutes, but as neither of them is present what we will have is just a speech from each of the proposers. I remind you that speech may not exceed three minutes.
1355 Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

1360 Unfortunately Deputy Oliver cannot be with us at this meeting for reasons that all of us will understand. I know she would have wanted to have been present at this meeting if she possibly

could have been, in view of the important subject matter we will be discussing later in terms of the Future Digital Strategy and the importance of that to our digital economy and indeed the wider economic benefits of that element.

But fortunately Deputy Oliver really needs no introduction to Members. She is of course a graduate, professionally qualified as a chartered surveyor, with many years of experience. She is also well-known to our Committee through her work on the Seafront Enhancement Area and the University Working Party. And I think importantly her election will maintain the Committee's links with the Development & Planning Authority, which have been productive relationships in the recent past.

I want to take this opportunity to thank Deputy Tindall for her contribution to the work of the Committee over the last 18 months. The Committee has achieved a very great deal and I think we have, although very disparate characters on the Committee, relatively harmonious relationships and strong support from our staff. I hope Deputy Tindall will reflect with satisfaction on her time on the Economic Development Committee and Members may be interested to know that her role in terms of tourism lead will be taken over by Deputy Mooney, going forward. So we wish Deputy Tindall well in her role as President of the DPA.

We believe Deputy Oliver will contribute equally constructively to the work of the Committee, in parts which she is not already involved, and she will, if elected, add to the capabilities of the Committee and incidentally maintain the gender balance on the Committee. It will be a fact, if she is elected, that the Committee will have had four female Deputies during this term of Government and five male ones.

So I ask the Assembly to support Deputy Oliver's nomination. She is the unanimous choice of the Members of our Committee; we believe she will work with us and with our staff in a harmonious way and that we will be able to constructively move forward for the rest of this term of Government.

Thank you, sir.

The Bailiff: Deputy Le Tocq will now speak in favour of Deputy Inder.

Deputy Le Tocq: Thank you, sir.

Deputy Inder, unfortunately, as has been mentioned, is not present either in the Assembly today, to speak for himself; something which, as we all know, he is very capable of doing. Nevertheless he is fully aware of the risks of his absence today but as I pointed out to him this may prove to be a benefit to his cause! (*Laughter*)

Deputy Inder has spent most of his working life in advertising and marketing. A substantial part of his experience has been in the tourism sector; specifically with regard to website development and online marketing, especially in the latter half of his career. He has also owned and managed self-catering units for the past eight years and plans to continue to invest in the tourism sector.

Recently he has been critical of the performance of Visit Guernsey and maintains that there remains a question mark over the veracity of the data and figures it chooses to use. He has particular concerns over the efficiency of the agency in promoting the Bailiwick to the best audiences. It was Deputy Inder's Rule 14 questions that established that the cost to get staying passengers to Guernsey is around £23 per person, whereas in Jersey it is £12 per staying passenger.

Deputy Inder is of the firm belief that the Visit Guernsey model needs reforming and would hope to take up the cause within the Committee so that the reform occurs as soon as practicable, either in this term or immediately in the next term. So can Deputy Inder work as a constructive Member of the current Committee? Of course he can. Is he likely to be challenging? Of course he will. Would this be a good thing? Well I will leave that for Members to decide.

What he cannot do is spend the last few months of this term seeking to critique and scrutinise a Committee's work and, when the opportunity arises, not put himself forward to fill a vacant seat.

(**Several Members:** Hear, hear.) So here is his chance, which sir, in a manner of speaking, is also our chance.

1415

The Bailiff: Members, you may now vote. For the benefit of those listening elsewhere, this is by secret ballot. There are two candidates: Deputy Oliver, proposed by Deputy Parkinson, seconded by Deputy Dudley-Owen; and Deputy Inder, proposed by Deputy Le Tocq and seconded by Deputy Trott. Deputy Oliver and Deputy Inder.

1420

A ballot took place.

The Bailiff: I can announce the result of the election of a Member of the Committee *for* Economic Development. Deputy Inder received 22 votes and Deputy Oliver 13 votes. I declare Deputy Inder elected as a Member of the Committee *for* Economic Development.

1425

**II. Election of two Members of the Development & Planning Authority –
Deputy Lester Queripel elected –
No other nominations; Item deferred**

Article II.

The States are asked:

To elect, in accordance with Rule 16 of The Rules of Procedure, two members of the Development & Planning Authority to complete the unexpired term of office (that is to the 30th June 2020) of Deputy D. A. Tindall who has been elected as the President of that Committee and that of Deputy M. P. Leadbeater who has resigned and whose letter of resignation is appended hereto.

The Bailiff: Next we have the election of two Members of the Development & Planning Authority. Do we have any candidates?

Deputy Tindall: Sir, I have one candidate and that is Deputy Lester Queripel. Unfortunately no one else who is not prevented or conflicted has volunteered.

1430

The Bailiff: So Deputy Lester Queripel is proposed by Deputy Tindall and is there a seconder?

Deputy Gollop: I will second him.

1435

The Bailiff: Seconded by Deputy Gollop. Do we have any other candidates? No? In that case, we go to the vote, then, on the election of Deputy Lester Queripel, proposed by Deputy Tindall and seconded by Deputy Gollop, as a Member of the Development & Planning Authority. Those in favour; those against.

Members voted Pour.

1440

The Bailiff: I declare Lester Queripel elected.

Deputy Gollop: Sir, can I ask a point of order?

The Bailiff: Deputy Gollop.

1445

Deputy Gollop: What happens to the empty seat? Is that abandoned?

1450 **The Bailiff:** It will be empty. Nobody will sit in it! Of course there are provisions under the Rules, if the authority were to be inquorate at any meeting, there are provisions under the Rules as to how that vacancy will be filled on an *ad hoc* basis from meeting to meeting, while recognising that there are quite a number of people who are conflicted. But the Rules do make provision to ensure that a committee can always achieve a quorum.

1455 **Deputy Dorey:** Sir?

The Bailiff: Deputy Dorey.

1460 **Deputy Dorey:** Would the election of that seat remain on the agenda for future States' meetings, because it has not been filled?

The Bailiff: It could do so. I could issue a Billet or it could be included in the Billet.

1465 **Deputy Tindall:** Sir, may I ask that if there is a willing volunteer who comes forward in later occasions then we notify you and you could request it being placed on the Billet? Or Members from the Assembly also make that request so that therefore it is not a reminder every time?

The Bailiff: In that case, perhaps we will give it some further thought after the meeting. My office will liaise with yours as to the best way of proceeding.

1470 **Deputy Fallaize:** Could it at least be deferred until the end of this meeting so that Deputy Tindall has got some time to twist someone's arm?

The Bailiff: Perhaps Deputy Fallaize is suggesting he is willing! (*Laughter*)

1475 **Deputy Fallaize:** Or someone *in absentia* could be proposed, given what has just happened! Maybe Deputy Inder or Deputy Oliver could be proposed! (*Laughter*)

1480 **The Bailiff:** That does make sense. We can certainly defer it to the end of this meeting and come back to this item at the end of the meeting, if somebody wishes to volunteer at that point. That certainly makes sense.

LEGISLATION LAID BEFORE THE STATES

**The Plant Health (Enabling Provisions) (Guernsey) Law, 2014
(Commencement) Ordinance, 2019;
The Plant Health (Guernsey) Ordinance, 2019;
The Notifiable Animal Diseases Order, 2019;
The Methods of Valuations (Import Duty) Regulations, 2019;
The Customs and Excise (Approved Ports and Customs Declarations)
(Bailiwick of Guernsey) (Amendment) Regulations, 2019;
The Sanctions (Bailiwick of Guernsey) Law, 2018 (Commencement) Regulations, 2019;
The Terrorist Asset Freezing (Designations) (Brexit)
(Bailiwick of Guernsey) Regulations, 2019**

The Bailiff: Greffier.

1485 **The Greffier:** Legislation laid before the States: The Plant Health (Enabling Provisions)
(Guernsey) Law, 2014 (Commencement) Ordinance, 2019; The Plant Health (Guernsey) Ordinance,
2019; The Notifiable Animal Diseases Order, 2019; The Methods of Valuations (Import Duty)
Regulations, 2019; The Customs and Excise (Approved Ports and Customs Declarations) (Bailiwick
of Guernsey) (Amendment) Regulations, 2019; The Sanctions (Bailiwick of Guernsey) Law, 2018
1490 (Commencement) Regulations, 2019; The Terrorist Asset Freezing (Designations) (Brexit)
(Bailiwick of Guernsey) Regulations, 2019.

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

LEGISLATION FOR APPROVAL

POLICY & RESOURCES COMMITTEE

III. The Reform (Guernsey) (Amendment) Law, 2019– Approved

Article III.

The States are asked to decide:

*Whether they are of the opinion to approve the draft Projet de Loi entitled 'The Reform
(Guernsey) (Amendment) Law, 2019', and to authorise the Bailiff to present a most humble
petition to Her Majesty praying for Her Royal Sanction thereto.*

1495 **The Greffier:** Legislation for approval, Policy & Resources Committee – The Reform (Guernsey)
(Amendment) Law, 2019.

The Bailiff: Deputy St Pier.

1500 **Deputy St Pier:** Sir, this is an important piece of legislation so I think it is worth just spending
a few moments to explain it. It obviously follows the decision of the States a couple of months
ago to direct that legislation be prepared to amend the Reform Law and I think the easiest thing is
just to refer Members to sections of the explanatory memorandum in the Billet, in particular that
the new Article 72A of the Reform (Guernsey) Law 1948 requires my Committee to refer to the
Assembly for the States to signify their views on any proposal for a provision of a draft Act of
Parliament to apply directly to Guernsey or the making of an Order in Council extending to

1505 Guernsey a provision of an Act of Parliament; unless Policy & Resources considers that it is not necessary to do so.

Where such a provision or Order in Council has already been made, and is transmitted to the Royal Court for registration, then the Royal Court is required, following this amendment, to refer the matter to the Policy & Resources Committee, but only if it appears to the Court that the States
1510 of Deliberation have not already signified their agreement to the substance of the provision or the Order in Council in question. In that case the Policy & Resources Committee would then refer the matter to the States again, unless we consider it is not necessary to do so.

As set out, the requirement in Article 72A applies to all Orders in Council expressed to have effect in Guernsey. In other words, not just Orders in Council which extend to Guernsey a
1515 provision of an Act of Parliament and that is to ensure that all relevant Orders in Council fall within the requirement.

But a consequence of that extra requirement is that some uncontentious or non-legislative types of Order in Council would have to be placed before the States for their views to be indicated, when perhaps no purpose would be served to do so. That is why, whilst the default is
1520 that such provisions and Orders should be brought to this Assembly, the Article does give discretion to P&R to exclude provisions and Orders in Council when it considers that their submission to the States would be unnecessary.

I think it is worth explaining that in detail, because that was not a matter that was covered in any depth at all in the policy letter or during the debate and I think it helps explain that whilst this
1525 legislation is equivalent to the terms of the Jersey provision, which of course underpinned the policy letter's recommendations to the States, there is this tweak, which has been reflected in the legislation as I have just described and, of course, this, as it is a Reform Law change, does require a certain majority if it is not to be referred back to the States at another date, sir.

1530 **The Bailiff:** Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

Just one question. Does the President of P&R have any idea or has he had any indication of what the Privy Council of the UK government might do if we reject an Order in Council? What sort
1535 of sanctions could be applied? Do we have any idea? To me that is a risk because I am not sure anybody really knows.

Thank you, sir.

The Bailiff: We are simply in debate now, really, rather than questions.
1540 Deputy Gollop.

Deputy Gollop: Sir, we considered this extensively in this Legislation Scrutiny Select Committee part of it and raised some of those questions. One element that worried me is it is quite a convoluted process here because the Royal Court is registering the Law appropriately and
1545 then decides to pass it to Policy & Resources who, it seems to me, in this piece of legislation, are really being identified as a kind of cabinet because they, as the Government, the five distinguished Members on the upper bench, will then decide whether it is appropriate to put to the rest of us and the Assembly as a whole.

That is one point. The second point I would make is, presumably, in opposition to what Deputy
1550 Kuttelwascher says, there could be occasions when, for whatever reason, hopefully very infrequently and not at all, the United Kingdom has legislated for us in one way or another, but we would agree with that decision, based upon either the emergency of the situation or the rationality of it but hopefully that eventuality would never arise. So presumably we, as individual Members, have a flexible response.

1555 **The Bailiff:** Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

I just want to follow on from Deputy Kuttelwascher's query. Is Deputy St Pier aware that perhaps Jersey, at some stage have rejected an Order in Council and what have been the consequences of that? That is the first thing. That might have happened; I do not know. So perhaps that could be answered.

Secondly, going on from Deputy Gollop's point about it would be up to P&R to decide if something comes to the States or not, States' Members might not be necessarily aware that has happened and it might be a borderline case. P&R might think on balance they will not bring it to the Assembly but they might well have done and States' Members might not necessarily be aware of that. So could P&R perhaps notify States' Members, when they have had that kind of discussion, and they have on balance decided not to bring it to the States, so that States' Members can activate some sort of mechanism, if they want it to be brought to the States to be debated.

Thank you, sir.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

On the point that Deputy Laurie Queripel has just made, I think there is a precedent, if that is the right word, because the Policy & Resources Committee has inherited from the Policy Council and its predecessors the responsibilities in relation to the signing of agreements with other jurisdictions, so it has to apply the same judgement about whether they are laid before the States; so I would think it would be relatively easy for P&R to build some criteria of conditions around occasions when legislation of this nature needs to be referred to the States.

I do not think that the powers being proposed are anything new. In relation to the material issue itself, I think it is a good question: would there ever be circumstances when the States would reject an Order in Council of this nature and if Jersey ever has, what have been the consequences? But I think the more relevant point is that if there was a requirement for the Royal Court to register legislation, which the Assembly, the parliament did not want to be extended to Guernsey, I think that would put the Royal Court in an exceptionally difficult position.

It seems to me that this process needs to be politicised. That I think is really the key issue around all of this. The exact mechanism is of secondary importance, I think. The primary issue is that we cannot have a situation, I think, where the Royal Court is being asked or required to register legislation which the insular authorities, in a governmental sense, are unhappy to acquiesce to. I think this legislation probably overcomes that.

I will give way to Deputy Yerby.

Deputy Yerby: I was just trying to get to the nub of Deputy Fallaize's speech and wonder if he would spell it out for me. Is he saying the legislation as written is not fit for purpose, or that it is?

Deputy Fallaize: No, I think the legislation probably does achieve what it sets out to achieve. What it does not do is answer the question of whether we would ever choose not to extend an Order in Council in these circumstances or what the consequences would be and I think that is because we cannot know what the consequences would be. There would be potentially a constitutional stand-off but one does not know how that would end. I do think that the proposal that is before the States would at least politicise, draw the Government into this question of Orders in Council being extended to the Island, and I think that is right.

The Bailiff: Deputy St Pier will reply.

Deputy St Pier: Sir, perhaps dealing with those questions in reverse order, I think Deputy Fallaize has understood the purpose of the legislation and I think that was very much addressed in

the debate on the policy letter. It is precisely to politicise the process and not leave the Royal Court with an unenviable or difficult decision as to whether a particular Order in Council should or should not be registered if the insular authorities have not given it any consideration.

In relation to Deputy Gollop's challenge, this is a pragmatic set of proposals in relation to the discretion that may exist for Policy & Resources. I think the frequency with which this provision is ever likely to be used is highly infrequent, I would suggest, in either way, but I think the mechanisms can be developed to allow Policy & Resources to ensure that the States is kept abreast of any use of that discretion should it be appropriate to do so.

In relation to Deputy Kuttelwascher's and Laurie Queripel's questions, whether Jersey have ever rejected an Order in Council, I am not aware that they have done so in the 10 or so years that they have had the legislation. I think the practical consequence to start at the beginning, with Deputy Kuttelwascher's very pertinent, challenging question, is that this provision is likely to ensure that there is a proper debate and dialogue before we get to that point; and that, I think, has to be the main objective, to ensure that there is a debate across the Channel, with the intention clearly of avoiding this provision ever needing to be deployed or used in anger.

I think if it were to do so and the decision of this Assembly to reject an Order in Council would be a political decision; which is likely to lead, potentially ... I suppose ultimately it would be a matter that would need to be resolved in the courts, no doubt through the Judicial Committee of Privy Council in due course, as one potential outcome. But I am not aware that that has happened in any case in Jersey and I think, as I said, the political objective of this is to ensure that this is the mechanism that avoids that situation ever needing to arise.

The Bailiff: He has sat down, now. You are too late.

Deputy Laurie Queripel: I did ask a question, sir, that was not answered, so I wonder if I could pose that one again.

The Bailiff: He has sat down. As Deputy St Pier has said, we do need to establish whether there is a two-thirds majority for this; involves amendment to the Reform Law. The best way to do that is to do a recorded vote, so we will have a recorded vote.

There was a recorded vote.

Carried – Pour 35, Contre 0, Ne vote pas 0, Absent 5

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Gollop	None	None	Deputy Inder
Deputy Parkinson			Deputy Lowe
Deputy Lester Queripel			Deputy Roffey
Deputy Le Clerc			Deputy Oliver
Deputy Leadbeater			Deputy Tooley
Deputy Mooney			
Deputy Trott			
Deputy Le Pelley			
Deputy Merrett			
Deputy St Pier			
Deputy Stephens			
Deputy Meerveld			
Deputy Fallaize			
Deputy Laurie Queripel			
Deputy Smithies			
Deputy Hansmann Rouxel			
Deputy Graham			
Deputy Green			
Deputy Paint			
Deputy Dorey			

Deputy Le Tocq
Deputy Brouard
Deputy Dudley-Owen
Deputy Yerby
Deputy de Lisle
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Prow
Alderney Rep. Roberts
Alderney Rep. Snowden
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Tindall
Deputy Brehaut

1640 **The Bailiff:** The voting on the Reform (Guernsey) (Amendment) Law, 2019, was 35 in favour with no one against, no abstentions. It was carried unanimously.

STATES' ASSEMBLY & CONSTITUTION COMMITTEE

IV. Amendments to Provisions relating to Special Meetings in the Rules of Procedure of the States of Deliberation and their Committees – Proposition carried

Article IV.

Whether, after consideration of the policy letter entitled 'Amendments to provisions relating to special meetings in the Rules of Procedure of the States of Deliberation and their Committee' dated 16th April, 2019, they are of the opinion:

1. That the Rules of Procedure of the States of Deliberation and their Committees should be amended with immediate effect to reads as follows:

(a) In Rules 1.(2) and 3.(13), immediately after 'the annual Budget of the States' insert 'and the policy letter of the Committee for Employment & Social Security on the uprating of non-contributory benefits',

(b) for Rule 3.(11)(e), substitute:

'(e) any proposals in the annual policy letter of the Committee for Employment & Social Security concerning contributory benefit and contribution rates,'

(c) for Rule 9.(3) substitute:

'(3) The only business at a special Meeting shall be:

a) the Annual Budget of the States and the policy letter of the Committee for Employment & Social Security on the uprating of non-contributory benefits; or

b) the States' Accounts and the Policy & Resource Plan, as the case may be.'

(d) in Rule 30.(1), for the definition of 'special Meeting' substitute:

'special Meeting' means any Meeting of the States convened to consider the Annual Budget of the States and the policy letter of the Committee for Employment & Social Security on the uprating of non-contributory benefits or the States' Accounts and the Policy & Resource Plan;

(e) In Schedule 1, for the entry in the third column relating to 5th November (Tuesday) 2019 substitute '(Budget and uprating of non-contributory benefits Meeting only)'.

The Greffier: Article IV, the States' Assembly & Constitution Committee, amendments to the provisions relating to special meetings in the Rules of Procedure of the States of Deliberation and their Committees.

1645

The Bailiff: In the absence of the President of the Committee, the Vice-President Deputy Merrett will open the debate.

Deputy Merrett: Thank you, sir.

1650

I will be relatively brief. Members, this is hopefully a non-contentious policy paper as all that SACC is doing is fulfilling the will of the States in a timely manner. This is simply to enable the non-contributory benefit rates policy letter to be debated and considered at the same meeting as the States of Guernsey's Annual Budget.

1655

The policy letter and Proposition before us today simply enacts the change to the Rules of Procedure that would enable this. The States have directed SACC and we are fulfilling that States' Resolution. It really could not be simpler than that. I urge Members simply to support the Propositions so we can move on expediently to the other matters before us today.

Thank you, sir.

1660

The Bailiff: Deputy Gollop.

1665

Deputy Gollop: I am pleased to see Deputy Merrett presenting the policy letter very well but I think there are a few issues here. I have to be loyal to Employment & Security and we talked about this issue on many occasions, often in long-winded joint meetings with Policy & Resources and I think we have found a solution here.

1670

I have to point out, ironically enough at the Green conference where there were lots of highlights but the lowlights were probably the never-ending constitutional process debates. But one interesting personality I came across there who is now a political analyst who covers conferences is none other than former long-term Deputy and Conseiller Tony Webber. It was his idea originally to actually merge the Budget and Social Security on the grounds that in the old days the Budget, despite the red box, was not an interesting enough political event and only covered half of the story, which was of course tax and revenue, rather than benefits and endurance.

1675

So in the future we look forward to an integrated Budget and a Budget session. I say yes to that, let us try it; let us see how it works. We do not always use our Budget time as wisely as we could and maybe it will lead to a more holistic and focussed debate about the real costs and benefits of living in Guernsey.

1680

The one downside that I will point out at this stage, that Members have to be aware of, is I would not like to see Social Security benefits that are linked to the Budget, paid for by the Budget, in any way to be undermined by budgetary considerations; because there have been temptations in places elsewhere to be a little bit populist with these things and say, 'Well, if we do not increase benefits and we do not listen to people like Deputy Lester Queripel and others with concerns, we will in fact cut and paste the Budget a little bit.' In reality we do need to consider.

1685

Non-contributory benefits, even more than contributory, are usually targeted, rightly so, at the most vulnerable and least well off in our society and I do not think we would wish to seem an Assembly, which hitherto has generally protected the interests of those people, partly because of timing difficulties, for them to be weakened by budgetary considerations undermining other considerations.

I give way.

1690

Deputy Ferbrache: Only, sir, what has this got to do with this particular debate, which is for the amendment with Rules? It is very interesting but it is not to do, in my view, with the Rules. I just wonder if we are going to be talking about something else that has not got anything to do with this particular policy letter.

1695

Deputy Gollop: You have to ask the question in reverse. Why are we changing the system; what is the merit of changing when we had a perfectly good system of debating uprating in September, or early October? It gave Social Security more time to change the Rules. Now we are moving it backwards, which does not help ESS, necessarily; surely the thinking is to get a bigger understanding for States' Members, all at the same time, so wiser judgements are made on taxation and spending? But a corollary of that is it could lead to more populist considerations, which undermine social consensus. That is only the point I am making.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: I am going to disappoint Deputy Ferbrache because he wants this debate to end as quickly as possibly but I think that Deputy Gollop actually was making a point that was relevant to the debate, because if the proposal does not succeed then the current arrangement will persist in relation to the differences between ESS's Uprating Report and the Budget Report; and what Deputy Gollop is saying is he is concerned that if they are brought together, what he means is the fiscal conservatives on P&R may come to have too much influence on the spendthrifts at the ESS. That is the way that some Members would present it.

But I think Deputy Gollop actually has slightly misled the States because he talked about integrating the Budget and the Committee for Employment & Social Security's Uprating Report and that actually is not the proposal. The proposal, which I think is very sensible, is that there will be one policy letter, in effect it is a policy letter from P&R, the Budget, and one policy letter from Employment & Social Security, which will be debated at the same meeting. But the ownership for the proposals in the Budget will continue to rest with P&R and the ownership for the proposals in the Uprating Report will continue to rest with ESS.

Sometimes the Policy & Resources Committee tries to overreach slightly and gets things wrong, as it has with this daft idea about policy supervisory boards in the Policy & Resource Plan. (*Laughter*) Now that is not relevant to this debate, I concede that to Deputy Ferbrache, but it was important to get that in two weeks before the real debate. But on this particular occasion I think they have slightly rowed back from what was the intent of one or two of their predecessors to try and mash together Employment & Social Security's uprating proposals with the Budget proposals.

Presenting them in one report would have led so that P&R would have then been completely in control of all the proposals, I think that would have led to the kind of undermining of Social Insurance and Social Welfare in the way that Deputy Gollop sets out but actually what is proposed is that there will not be integration; they will remain two separate reports, they will be submitted by the separate Committees but they will just be debated at the same meeting. I think the States should take the opportunity of voting in favour of these Rules while the chance still exists. Because otherwise we might end up in the place where Deputy Gollop wants to avoid being.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

As I recall there was a proposal to have it as one debate and it was amended and the result was this Proposition. At the time I spoke that I still believed the best system is that the non-contributory benefits come before the Budget debate and is considered and once the Assembly has made the decision the Budget can then be amended to effect those changes.

I will not be supporting this because what I believe will happen is the Budget debate will happen first and contributory benefits will happen after, which makes no sense. That is my understanding unless somebody wanted to correct me. So this is better than having one debate; having it as two separate debates and both Committees having ownership of their particular proposals but the best system is as we have had it up to now, is that the contributory and non-contributory benefits are considered before the Budget, at a separate meeting, and they are reflected in the Budget and therefore I urge Members to reject these changes, because I will

The Bailiff: I see no one else. Deputy Merrett will reply.

1750

Deputy Merrett: Thank you, sir.

I think we will just have a really quick little history lesson. The States resolved in November last year, it passed by 31 votes, to direct SACC to act as we have. There were only seven Members against, I assume the other Member was absent. So it really was basic as to enact the will of the Assembly, which was quite rightly, as I think Deputy Dorey said, through an amendment, to the Policy & Resources, who wish to have it debated as one policy paper.

1755

I thank Deputy Gollop for his comments. As always his philosophical view is appreciated; I do agree with many of his comments. But we had that debate in November. That was the time of the debate; SACC have been instructed to go away and come back with this amendment to the Rules, which we have dutifully done. I urge all Members to support it. I think it is a pragmatic resolution to enact the will of the States, as indeed SACC were entitled to do so. So I would urge Members to support it so at least we have made some progress in trying to resolve when we are debating these policy papers.

1760

Lastly sir, Deputy Dorey's question, or alluded to, that we would debate the Budget first and then ESS, that is not determined in this Rule change. It will be determined, if passed today by the Assembly, that it would be at the same meeting, that is all we are actually determining today.

1765

Thank you, sir.

The Bailiff: We vote then on the Proposition. There is only one Proposition, although there is a number of sub-paragraphs; a single Proposition.

1770

Deputy Lester Queripel?

Deputy Lester Queripel: A recorded vote please, sir.

1775

The Bailiff: We will have a recorded vote on the Proposition.

There was a recorded vote.

Carried – Pour 30, Contre 4, Ne vote pas 0, Absent 5

POUR

Deputy Gollop
Deputy Parkinson
Deputy Lester Queripel
Deputy Le Clerc
Deputy Leadbeater
Deputy Mooney
Deputy Trott
Deputy Le Pelley
Deputy Merrett
Deputy St Pier
Deputy Stephens
Deputy Meerveld
Deputy Fallaize
Deputy Laurie Queripel
Deputy Smithies
Deputy Hansmann Rouxel
Deputy Graham
Deputy Le Tocq
Deputy Brouard
Deputy Dudley-Owen
Deputy de Lisle
Deputy Langlois

CONTRE

Deputy Green
Deputy Dorey
Deputy Yerby
Deputy Tindall

NE VOTE PAS

None

ABSENT

Deputy Inder
Deputy Lowe
Deputy Roffey
Deputy Paint
Deputy Oliver
Deputy Tooley

Deputy Soulsby
Deputy de Sausmarez
Deputy Prow
Alderney Rep. Roberts
Alderney Rep. Snowdon
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Brehaut

The Bailiff: The voting on the States' Assembly & Constitution Committee's Proposition was 30 in favour with 4 against. I declare it carried.

POLICY & RESOURCES COMMITTEE

V. The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Regulations, 2019 – Proposition carried

Article V.

The States are asked to decide:

Whether, after consideration of the policy letter entitled The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Regulations, 2019 dated 2nd May 2019, of the Policy & Resources Committee, they are of the opinion to approve, in pursuance of section 54(1A) of the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Regulations, 2019.

The Greffier: Article V, Policy & Resources Committee – The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) (Amendment) Regulations, 2019.

The Bailiff: Debate will be opened by the Vice-President, Deputy Trott.

Deputy Trott: Thank you, sir.

Amendments to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 in December 2018 repealed regulations specifying measures such as customer due diligence to be taken by financial services businesses and other businesses for the purpose of combating money laundering and terrorist financing and incorporated revised provisions in Schedule 3 to the Law.

These revised provisions are part of the Bailiwick of Guernsey's response to ensuring compliance with the current standards of the Financial Action Task Force. Schedule 3 may be revised by regulations made by the Policy & Resources Committee, but any such regulations shall not have effect unless and until approved by Resolution of the States, under Section 54.1(a) of the Law. Now implementation of Schedule 3 by the private sector, together with the release of rules and guidance by the Guernsey Financial Services Commission in a handbook in final draft form and liaison between the Committee and the GFSC have indicated that a few minor amendments should be made to Schedule 3, which will benefit the sector.

They include modifying the definitions of money laundering compliance officer and money laundering reporting officer, for the purposes of consistency. Possibly sir, with greater interest to the majority of the Assembly, introducing a start date prior to which former holders of prominent public functions within the Bailiwick of Guernsey would not be considered domestic politically exposed persons, to reduce the burden on the private sector.

For the avoidance of doubt, whilst reducing the burden the amendment is also appropriate on risk grounds. I was thinking of an example that I could use as to what that means in simple

1805 language and I am sure Deputy Dudley-Owen will not mind me using it here as an example.
Deputy Dudley-Owen would have been a politically exposed person under Guernsey's domestic
assessments of PEPs before she became an elected Member of this Assembly, by virtue of the fact
that her mother held the office of Deputy whilst she was an adult child of hers. So if Deputy
Dudley-Owen was not a Member of this Assembly she would cease to be a PEP for domestic
purposes by virtue of the fact –

1810 **Deputy Tindall:** Point of correction, sir.

The Bailiff: Deputy Tindall.

1815 **Deputy Tindall:** I am just questioning that, sir, because if I am right Deputy Dudley-Owen's
mother was a domestic PEP more than seven years ago and therefore would not be classified
under the new Rules.

1820 **Deputy Trott:** If Deputy Tindall had let me finish, the example is not perfect in that regard! It
was the best example I could think of in order to articulate the difference that this change will
bring about. But, yes, Deputy Tindall is correct, there is a time limitation as she described.

Thank you, sir.

The Bailiff: Deputy Tindall.

1825 **Deputy Tindall:** Thank you, sir.

These Regulations are the first that have been required to be brought back to this Assembly as
a result of a requirement, which is contained in the amendment to the primary legislation
approved in this term. I am pleased to note the contents of these Regulations. As with most
1830 pieces of complicated legislation, there is always a need to elaborate where inconsistencies are
noted or elements need to be elaborated upon.

In particular I understand there has been some confusion in business about whether there was
a requirement for the money laundering reporting officer and the money laundering compliance
officer to be appointed at board level. This has now been clarified, with the inclusion of definitions
1835 of these two roles.

As mentioned by Deputy Trott, I also note the amendment to paragraph 5 of Schedule 3.
Although it does not affect those in this Chamber, due to the interpretation by some banks in
respect of foreign PEPs, those who did not stand or get re-elected in 2016 may heave a sigh of
relief. I support the Proposition.

1840 **The Bailiff:** Do you wish to reply, Deputy Trott?

Deputy Trott: On the grounds that there was nothing to reply to, sir, no.

1845 **The Bailiff:** In that case we go straight to the vote. Those in favour; those against.

Members voted Pour.

The Bailiff: I declare it carried.

POLICY & RESOURCES COMMITTEE

**VI. Future Digital Services –
Debate commenced**

Article VI.

1. To authorise the Policy & Resources Committee to enter into a ten-year contract with Agilisys Guernsey Limited for the delivery of States IT Services as set out in this Policy Letter (the Strategic Partnership) including the provision and maintenance of the States IT infrastructure and support services, technology support for agreed transformation initiatives and delivering a programme of approved economic development initiatives, following the Committee's approval of the Full Business Case.
2. To approve the transfer to a new corporate entity of the contracts of employment of, and to make arrangements for comparable pensions for, such States of Guernsey IT staff as are identified for transfer, by way of an Ordinance made under the Transfer of Undertakings (Protection of Employment) (Guernsey) Law, 2001.
3. To approve the States having a minority 'golden share' shareholding in the corporate entity referred to in Proposition 2 entitling the States, upon termination of the Strategic Partnership, to effect a share transfer of the corporate entity to the States, or to a replacement supplier of IT services to the States, for nominal consideration.
4. To note that the Policy & Resources Committee intends to use its existing delegated authority to approve funding of £1.4m from the Budget Reserve to fund the 2019 cost of the Strategic Partnership.
5. To direct the Policy & Resources Committee to include specific additional funding of £2.0m for the Strategic Partnership in the 2020 recommended Cash Limits, and to take account of the ongoing costs when recommending Cash Limits for subsequent years.
6. To approve funding from the Capital Reserve of a maximum of £26.9m for the improvement of business as usual IT services by the Strategic Partner, including transition, transformation, and major asset investment, and to delegate authority to the Policy & Resources Committee to open capital votes for the individual projects after consideration of the appropriate project business cases.
7. To approve funding from the Capital Reserve of a maximum of £16.7m for a programme of digital transformation, and to delegate authority to the Policy & Resources Committee to open capital votes for the individual projects after consideration of the appropriate project business cases.
8. To direct the preparation of such legislation as may be necessary to give effect to the above Propositions.

The Greffier: Article VI, Policy & Resources Committee – Future Digital Services.

1850 **The Bailiff:** Deputy St Pier.

1855 **Deputy St Pier:** Sir, I should perhaps begin by advising Members that I will be opening the debate and Deputy Le Tocq will be responding to the debate. Deputy Le Tocq has been leading on this matter for this Committee over the last couple of years and has been very closely involved with the procurement process and will consequently be very well placed to respond to any questions that arise in debate; particularly in relation to the procurement process.

1860 The proposed Future Digital Services programme, which is set out in this policy letter is evidence-based, it is essential and it is ambitious. But, critically, also it is achievable. Public service delivery, the transformation of Government services and economic stimulus, these are the three pillars of the Future Digital Services programme over the next 10 years. The States has already recognised the importance of technology in delivering its objectives for maintaining and

improving the public services that Government provides to our community and in maintaining and growing our economy.

Effective and efficient IT services are required for the day-to-day delivery of public service functions, meeting the needs of our community and our economy; not just in the present but of course importantly in the future. We simply cannot afford to stand still. Technology has a crucial role to play in facilitating States' policy, from enabling and informing major policy change to building an environment, which stimulates the Island's economy, developing digital skills and supporting digital services.

Future Digital Services, therefore, means better public service delivery for transformation of Government services and economic stimulus. After a huge amount of work we have concluded that the best way to deliver this is through a long-term strategic partnership. The policy letter is setting out a partnership that will protect the continuity of public service functions –

The Bailiff: Is your microphone on? It is now. I had a message saying you could not be heard.

Deputy St Pier: I am sorry, sir. I will not start again; I must have been projecting sufficiently loud for others not to have noticed.

To protect the continuity of public service functions by mitigating the risks associated with ageing IT systems and complex support arrangements, it will support staff to do the job efficiently by providing reliable access to effective and, importantly, fit-for-purpose technology. It will improve Islanders' experience by enabling the digitisation and the redesign of processes so that they are easier to use; available at any time and tailored to meet individuals' needs.

It will accelerate the delivery of change by providing a flexible foundation to support IT change and by offering ready access to the right resource and expertise necessary to progress change initiatives. This will speed up the ever-important realisation of benefits; for example, by supporting the automation of many transactional type processes, so of course importantly facilitating the release of public service posts, which the Chief Executive has previously identified.

It will stimulate the local digital sector to support the growth and diversification of the Island's economy and, finally, this partnership will ensure greater value for money from States' IT spend, delivering more modern and fit-for-purpose IT services with an average annual cost comparable to the current spend. This will be achieved from making use of economies of scale, reducing duplication and embracing modern technology.

Members of this Assembly are acutely aware that our existing IT services are subject to a number of constraints, which limit the role that IT can play, in meeting the States' strategic goals. The IT infrastructure of the States has been established over many years. It has limited interoperability, a huge amount of duplicated functionality and relies on a good number of ageing and inflexible systems.

In short, it is not fit for purpose. The current Government technology infrastructure is maintained and supported by both an in-house team, Information Systems and Services (ISS) and by an overly complex network of external suppliers and contracts. Within this support structure there is, frankly, limited capacity and expertise to officially resource major IT programmes, to co-ordinate IT development across the States, and to progress without delay the multiple IT-enabled projects prioritised by this States and which support the work of our Committees.

It was in recognition of the limitations in our current IT provision and in recognition of the lack of preparedness for the future that the Future Digital Services programme was born. The project's first step has been to identify a model for future service; one capable of actually delivering the change at a pace that was required and in a cost-effective manner. A model that will be ambitious but achievable. In other words, a strategic partnership.

This approach has been informed, frankly, by lessons from past IT projects, such as the implementation of the States' core business system, SAP, and the replacement of the old Social Security benefits IT system. The objective of this exercise was to design and develop a model that is fit for purpose for our long-term needs and which can meet our changing demands. In other

words, it has the flexibility we need to meet the changing demands not only of the Government but also of the community and our economy. It is not to import a solution but to co-design one that actually works for Guernsey.

Having concluded that process, the Policy & Resources Committee is now seeking the States' endorsement to enter a 10-year strategic partnership for the delivery and improvement of States' IT services. This strategic partnership is the best solution to leverage the full breadth of the States' and the partner skills and experience to transform digital services.

As the strongest performing bidder, the Committee has selected Agilisys Ltd, a UK-based technology company, as the preferred strategic partner. Under the States' direction, the strategic partner will manage an assured network of sub-contractors and suppliers; many of them are either based in Guernsey or with a significant presence here.

The partnership will then enable reinvestment in our economy. Within the partnership the States will – and this is critically important – retain control of IT strategy and standards, and the prioritisation of projects. With the States' approval, Agilisys will be responsible for day-to-day delivery of high quality IT services, including the provision and maintenance of the States' infrastructure and the management of the supply chain.

Agilisys will also be awarded preferred supplier status, to support the IT change needed to achieve our transformational ambitions. Now preferred supplier status in this context means, if you like, first point of call, but is not necessarily the exclusive provider of services.

Let me be clear, when I am talking about the States' transformation ambitions, those are not those of the Policy & Resources Committee alone, nor of individual Committees, but of the States, all of us, and the people we serve, through the services we deliver. In order to achieve the Assembly's objectives, our objectives, agreed in the Policy & Resource Plan, and the objectives of the framework of public service reform, the States has already commissioned multiple large-scale transformation programmes that are now running. These programmes include the transformation of health and care, education and training and revenue services. Long-term projects, whose success is absolutely critical to our community's future.

Absolutely fundamental to successfully delivering these programmes and meeting these objectives is the use of new and improved technology to help change how services are designed, how they are accessed and how they are delivered. This technology ranges from replacement of large-scale bits of kit and boxes to the automation of transactional processes that I referred to earlier, in order to release posts, or to move resources from the back office to the front line.

The support to redesign and operate digital services is critical to achieving our objectives for public service reform, and public service reform will help establish the technology foundation required for offices to introduce common, States-wide customer services and online services; for example, providing a single sign-on service for each customer, so there are not multiple different types of login and password and everything else, as we all try and access different bits of Government.

Public service reform will help to deliver improvements in customer satisfaction and that has clearly been identified as a need, for example, within the revenue service, quite recently. Of course, also help deliver improvements in staff productivity. Public service reform will deliver better services, better Government and better value for money. That is its objective.

Let us be very clear, strategic partnership is not a move to centralisation. It is about providing consistent, comprehensive and resilient support right across the States and not just in one or two areas but to all service areas, all offices and all committees. To reiterate this is a programme that will support all the committees and all of the service areas under their mandate – the whole of Government.

I must also emphasise that it is not just an IT project. Although technological enhancements are a major component, business change and transformation will need to be led by the Committees involved. Successful delivery will require organisational and cultural change well beyond the proposed changes to IT service provision and leadership from both the States and senior public servants.

Whilst the partnership will provide greater access to business transformation and IT change experts and, over time, will help to release resource through the digitisation of services, capacity and support will be required from officers across the States to deliver on the potential of a partnership. I welcome the commitment of the Chief Executive of the States in ensuring that this will be the case.

1970

Embedded within the strategic partnership is an expectation of continuous investment in the local digital sector. Agilisys, working alongside the States' Members and staff, has identified multiple initiatives through which it will deliver this commitment and Members of the Committee for Economic Development and Deputies Parkinson and Dudley-Owen in particular will, I am sure, have much more to say about this when they speak later in the debate.

1975

Very briefly, Agilisys intends to establish medical technology and financial technology innovation hubs in the Island in order to stimulate and nurture local business development. These hubs will be complemented by skills development opportunities, including apprenticeships, aligned to the needs identified by the work of Skills Guernsey.

1980

In addition to that, the partner will also provide infrastructure improvements and Island promotion, including the provision of a States of Guernsey Economic Development Office on the new Imperial College London campus at White City, in west London. The full programme of initiatives is aligned to and will support the delivery of the Economic Development Strategy, which we in this Assembly approved in July last year.

1985

Sir, as the policy letter makes clear, we have considered the risks and the mitigation of them. The proposed relationship with Agilisys recognises the risks associated with the strategic partnership, learns, importantly, from the previous examples of partnership and outsourcing not only in Guernsey but from other jurisdictions as well. The partnership emphasises that there must be strategic alignment and mutual goals and it is intended to evolve and adapt as our own needs change over the period of contract.

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Actively managing a contractual relationship such as the one we now envisage with the strategic partner, is absolutely critical to the success of the contract and it is for this reason that a small expert team will be retained within the States to provide that service assurance and the strategic direction and that team will be responsible for the day-to-day management of the contract, with political oversight and control provided by the Policy & Resources Committee.

1995

The proposed partnership includes detailed performance management regime. It envisages regular reviews and should it be required, in the interest of the States, importantly, a comprehensive set of exit provisions. Agilisys will be granted the right to use the States' assets but they will not be given ownership of them.

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The project has given particular consideration to employee transfer, in order to manage the risk of employees' service continuity, whilst respecting their existing employment rights. The Committee is proposing that all relevant employees are transferred to a new corporate entity by an Ordinance made under the Transfer of States' Undertakings Law, 2001. This entity will be a delivery vehicle for the contract. It will be the employer for any staff spending more than 50% of their time on States' IT delivery and both the States and Agilisys will own shares in the entity but the States will have a golden share.

2005

Control and supervision of Agilisys' provision will be through the contract and not via the golden shareholding. The use of a delivery vehicle will enable equivalent terms and conditions and pension provision to be retained by current staff. The golden share entitles the States to effect a share transfer of the corporate entity to the States or indeed to another replacement supplier for nominal consideration on the termination of the services contract, helping to protect future service continuity and ensuring that we remain in control in the public interest.

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So to reiterate, the proposed partnership will protect the continuity of public service functions by mitigating the risks associated with, frankly, our ageing IT systems and complex – very complex in some cases – support arrangements. It will support staff to do their job efficiently in providing reliable access to effective and fit-for-purpose technology. It will improve Islanders' experience by enabling digitisation and the redesign of services, making them easier to use, available at any

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time, and tailored to our needs. And it will accelerate the delivery of change of transformation, including the automation of processes releasing public service posts, which is envisaged within our organisational redesign.

It will stimulate the local digital sector to support the growth and diversification of the economy, which as I say, others will speak to later in debate. And it will ensure greater value for money from the States' IT spend, delivering more modern, fit for purpose IT services, with an annual cost comparable to the current spend.

The Propositions within this policy letter include a funding request to further support digital transformation projects, which will enable public service reform. While some of this is about investing new money, the significant majority of investment will be the smarter, reinvestment of existing budgets.

Whilst over the life of the partnership the revenue cost is £5.9 million less than the cost of the current baseline, there is a requirement for additional funding of £1.4 million in 2019, £2 million in 2020 and £900,000 in 2021. In respect of 2019, the Committee intends to use its delegated authority to approve funding from the Budget Reserve.

The Policy & Resources Committee is recommending that appropriate allowance is made within the future recommended cash limits, from 2020 onwards, to account for this requirement. This additional allowance will temporarily increase the cash limits allocated. The predicted savings of £5.9 million reflect the difference between Agilisys' offer and the States' current spend on IT services.

This is important, the baseline however is a simplified comparator and does not reflect the increase in IT costs that would very likely occur over this period if we did nothing; in other words, if the operating model that we currently have did not change. If the strategic partnership model was not being pursued, the States' current IT model would need further funding in order to address the increasing demand for data and resource and to continue to manage and maintain increasingly aged systems.

In other words, we are not quite comparing apples with apples in looking at the baseline, because it would cost us more to do nothing. If the baseline costs were increased by, we have assumed, 2% annually, to reflect the predicted cost increases, the overall savings on business as usual IT services would increase from £5.9 million to £19.1 million. In short, doing nothing, standing still, is not an option.

A total of £43.6 million of funding to support funding transition transformation, initial infrastructure investment and digital transformation, is now requested from the Capital Reserve for projects initiated within the current capital portfolio period and this includes £16.7 million for digital transformation projects and £26.9 million for improvements to what we have called business as usual services. Further funding requests will be submitted for infrastructure required in the next capital portfolio period in the next round.

To conclude, effective, reliable and resilient digital services are absolutely critical to the proper functioning of Government. They have the potential to enhance day-to-day functions, enable significant policy change and operational transformation and also to support and stimulate our local economy.

The current delivery model for the States' IT services does not fully leverage the opportunities available to the States. The new partnership model will. This approach is evidence-based, the proposed partner has a strong track record of delivering these programmes. We have not taken that on trust, we have visited and spoken to a number of their other clients – I hasten to add without Agilisys being present. The recommendations today are built on a two-year procurement process, which has enabled both the States and the proposed partner to understand our objectives, challenges and opportunities.

This approach is absolutely essential. This is how we will provide Government IT that is fit for purpose, supports our public services and provides greater value for money. This is how we meet the clear objectives set for Government and the public service. As I said earlier, this approach is

ambitious, this is a new way of working, an ambitious approach that many of us in this Assembly have called for previously and, crucially, it is achievable.

The work we have done to date to make sure that this is an achievable next step in our journey to build a more effective and efficient Government, many Deputies have been involved in this process in different ways and stated their support for this. I would like to take this opportunity to thank them for their hard work and diligence in supporting the procurement process.

This has been the most thorough and complex procurement process in which I have been involved during my seven years in the States and rightly so, given the size and duration of the contract. But I very much hope that the Assembly shares the Policy & Resources Committee's confidence in the process and will now formally support this policy letter so that we can begin to effect the change that we and our community have been calling for, for so long.

I commend this policy letter and all its Propositions to the Assembly and urge Members to support them.

Thank you, sir.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Sir, we are being asked to approve well over £40 million more for digital IT services over 10 years. That is over £4 million a year above the £16 million a year already being spent on digital IT services across the States. Now I recognise the importance of digital services to this economy but I would far prefer that we work within the £16 million a year current funding. We can strive to provide digital services more effectively and efficiently within the current funding level. The States cannot, surely, commit the next States and the one after to this additional expense? It is not right to bring this forward at the end of term, with just a year to go. It could be brought next term for decision; but not at the end of this term.

One has to consider the taxpayer in all this; already over-burdened. Technology has to be used to lighten the burden on the taxpayer and not to add to it. The additional capital funding requirement, this term, of £18.9 million will directly reduce the balance in the Capital Reserve that is available to support 2021 key onward projects, which is mentioned in paragraphs 12-14.

Then there are a number of financial risks for which provision has not been made, estimated at £2 million to £3 million across the 10-year contract period. Certainty in politics is never a given. We are asked to approve also a long-term strategic partnership and transfer of Guernsey IT staff to a new corporate entity. Could we not buy-in the expertise required as needed, upgrade staff within, deal with duplication and ageing of the system within, rather than committing to the wholesale transfer of IT staff out of the States to a new corporate legal entity, whatever that is, and the need for a legal Ordinance to transfer staff to the new entity?

There will be uncertainty for staff; huge adjustment to private sector working and prospects of redundancy based dismissal. We must avoid planning a legacy of projects before the next election we cannot afford, rather than initiatives driven by immediate financial necessity; particularly with the unknown consequences of Brexit in the wings.

Let us be reminded, P&R issued the warning in its update to the Policy & Resource Plan, the States could end up in the red this year, as the proposed £4.6 million of savings for 2019 are behind schedule, given pressures being faced, including pay awards and it was proving challenging to identify sources of additional income.

To quote P&R, the 2019 financial position is 'delicately poised' and there are multiple risks faced in all areas – income, expenditure and delivery of savings. The budgeted surplus for 2019 was £1 million and the crystallisation of risks will most likely lead to a deficit position. The starting position next year will be a net deficit of £4 million.

As a result of this situation P&R were cautious about adding new priorities and prospects with public finances seen being much tighter from 2020 onwards. They even say the financial position is likely to reverse into a deficit, which could then grow progressively larger. This is all disturbing in that many thought we had turned the corner out of deficit. This project will only add to fiscal

concerns for the future. I cannot support additional funding at this time and I call on Members to consider this very critically at this time, before the next election.

Thank you, sir.

2125 **The Bailiff:** Deputy Stephens.

Deputy Stephens: Thank you, sir.

2130 I want to deal with the question of who is going to benefit from this project and suggest that those benefits cannot be delayed, as Deputy de Lisle is suggesting. I am going to begin my remarks by assuming the point of view of a customer or a comment of the States of Guernsey and say that this project has been designed with me in mind, to give me a much better experience in all aspects of my partnership with the States.

2135 If Members consider for a moment the processes and services they know from a personal point of view all that their committees or boards deliver, then pretty much what happens now is what has happened for a long time, in the way that it has always happened, the States of Guernsey has multiple points of contact with Islanders, many offices with customer staff and many of our services are only available in work hours.

2140 Where appropriate, this project will adopt a digital by design principle, where services that can be provided online will be provided online and available whenever Islanders want to access them. Now at present Islanders have to provide their details many times to many different areas and this project will create a personalised digital front of house where, over time, all individuals' interactions with the States are in one place.

2145 We will all be able to manage our personal details in one place. We will be able to see all the bills in one place. We will be able to book appointments in one place and ask questions in one place. This will be designed around Islanders and not around States of Guernsey processes.

In what I have just said, I have made a deliberate error to give me a lead into a very important point. I have said we will all be able to manage our interactions digitally but, of course, some Islanders will not want to engage with the States of Guernsey in digital ways. This project recognises that fact.

2150 Reasons for avoiding digital interaction may vary, there may be many. But I ask Members to bear in mind that some people, like myself, when attending what in those days was called a mixed infants school, learned to read and write, copying letters onto a slate with a piece of chalk. In my case, looking forward to the afternoon when I could learn to knit with a ball of string that I had to bring into school from home.

2155 Deputy Ferbrache may have similar memories, although I guess his afternoons were spent designing internal domestic plumbing systems from *papier mache*. My point is that I have been very fortunate in my opportunities to learn sufficient skills to operate digitally in an admittedly limited way. Others have not had the same opportunities.

2160 So for reassurance to those who will not wish to engage through digital means, either through lack of opportunity to learn – and this will not purely be a generationally based issue – or through lack of access to equipment, I am assured that this project, although designed for the majority, will not forget the needs of the minority who wish to interact in person or by paper.

2165 I am also told that, in relation to FDS, the device of choice for many is the iPad. This is often driven by the ease of use for those with lower digital confidence. So for those that do not have a desktop or a laptop at home, or access to a printer to print out digital forms to complete by hand, the proposal will benefit them in many different ways. This is a significant change in technology profile from comparison to 10 years ago and therefore this drives the need for Government to build new digital services, which reflect new device and behavioural choice.

2170 However there is a growing willingness to engage digitally and this can be seen by the fact the courses provided by the Digital Greenhouse are often over-subscribed and there is a variety of support available for those who want to improve their skills. But I guess Deputy Dudley-Owen will have a far better understanding of the suite of support available, than I do.

2175 So future services will be designed around Islanders and will provide a single digital front of house. It will better secure Islanders' data to give secure access to public services and there will be a single view of individual Islanders, which will reduce red tape through customer relationship management and corporate data management systems. All this is described in Section 1.13 in the policy letter, where Members can read about the intention to improve customer experience.

2180 This project, whilst helping individual Islanders, will also support politicians and staff to enable the wider States of Guernsey transformation, and the scale of ambition of the policy and transformation is significant. This project is not just for P&R, it is to enable the entire States' agenda. To reiterate comment already made by Deputy St Pier, these are States' transformation ambitions that we need to achieve not just for those at the Policy & Resources Committee alone, nor of individual Committees, but of the States, all of us, and the people we serve through the services we deliver.

2185 What this project does not do is centralise control over projects away from the political committees. It does not tread on anyone's political toes. One current challenge to meet is there is not enough capability and capacity, across the States, to run a large number of transformation projects simultaneously. But it is important to emphasise that political committees will retain control over transformation or other project initiatives within their mandate. The FDS partner will increase committees' ready access to resources and help to establish a cost-effective and flexible IT platform on which committees can build new systems or to which old systems can be transferred.

2190 Finally, I want to emphasise that this project helps Members and all involved in policy making and prioritisation of action by setting control firmly in the hands of the States of Guernsey. So in summary and conclusion, I want to remind Members that the benefits of this project will be better service to Islanders; it will provide more capacity to deliver multiple policy initiatives and transformation programmes simultaneously; and it will meet the expectations of Members of this Assembly; and the States of Guernsey will retain control over what we prioritise to be delivered. So I commend the project to the Assembly and I do ask for Members' support.

2200 Thank you, sir.

The Bailiff: Does anyone else wish to speak; can we wind up the debate now?
Deputy Paint.

2205 **Deputy Paint:** I will not be speaking long but there is something that really bothers me about this and it is about an email I received the other day, which has been responded to by a senior civil servant. What really bothers me: is there any truth in what is actually said in this email? There are quite a few items into it. The other thing that really bothers me is the way it was sent.

2210 It came under the title info@gov.gg and that is the third one I have had like that. The first one I thought it was Government business but it was not, it was somebody else promoting themselves. So I am concerned that Government is being got at through these types of emails. That is really all I would like to say but I would like to have some answers to these questions.

Thank you.

2215 **The Bailiff:** Deputy Lester Queripel.

2220 **Deputy Lester Queripel:** Sir, on page three, paragraph 1.10, we are told that the partner will provide infrastructure improvements and Island promotion, including provision of a States of Guernsey Economic Development Office on the new Imperial College London campus at White City. In relation to that I am wondering what the staff in that office will actually be doing on a day-to-day basis. I am very much hoping that Deputy Le Tocq can tell me what exactly the staff will be doing on a day-to-day basis, because I very much appreciate we are told in the paragraph that the partner will provide Island promotion but I am needing an explanation on how they would be doing that. Also why in White City exclusively?

2225 Sir, I am sure there is a perfectly good and valid reason for setting up an office on the new Imperial College campus at White City and I look forward to hearing that reason from Deputy Le Tocq when he responds.

One of the questions on page 58 reads as follows:

How does this relate to a change in public telecoms networks from 4G to 5G technologies?

And the answer reads as follows:

Considerations around any movement to 5G are separate from the FDS project.

2230 I am somewhat confused by that and I apologise for my lack of knowledge. From my extremely limited understanding of technology I thought they would have been linked together and viewed together holistically rather than separately. So once again I am in need of clarification on that, sir, please.

Thank you.

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The Bailiff: Deputy Prow.

Deputy Prow: Thank you, Mr Bailiff.

2240 Sir, I shall first respond on behalf of the Committee *for* Home Affairs. The Committee *for* Home Affairs understands the need and fully appreciates all the effort that has gone into this policy letter. The IT support for the services of Home Affairs is critical in ensuring the effective and efficient delivery of frontline services. In particular, I refer to section 1.8 on page three:

The change is needed to address technology shortcomings.

2245 As was abundantly clear from last year's report from HMIC the IT within Home Affairs was some of the worst they had seen. An IT recovery plan has been in place for over a year and it has another year to run. This has been implemented with the assistance of Information System Services (ISS) and the Chief Information Officer.

2250 Good progress is being made in this respect to bring Home Affairs to a stable place of business. This is an essential prerequisite of the IT service, before anyone starts rushing off to seek new or grandiose IT schemes. This does not however mean that we should not focus on the future as much as the present. On the contrary, it is imperative that we extract full value out of the new partner.

2255 From the Home Affairs perspective, we recognise the 2020 Election as an opportunity for the FDS partner to assist in the development and the underpinning of the Electoral Roll, as well as providing expertise and input to ensure the count at the end of the process is automated, if at all possible. Also in the years ahead we know that front line delivery of Law Enforcement is set to become increasingly technology dependent, where we fervently hope the knowledge of an experienced partner in the area of digital services will be particularly important.

2260 I would therefore like to thank, on behalf of the Committee, the diligent ISS staff who have worked on the Home Affairs IT recovery plan and we are looking forward to their ongoing support, albeit potentially through a new organisation.

I would now like to add some brief comment of my own on this policy letter. This is undoubtedly a bold and ambitious undertaking for which this States is really being asked to take a leap of faith, with the eye-watering, highly complex funding arrangements, as set out in Section 11, pages 39-45.

2265 Section 12.3 alarmingly explains that the Capital Projects Reserve is substantially exhausted. Large IT projects always contain risk and there have been some high profile examples in the UK of catastrophic failures. That said, the challenges are well outlined in the executive summary and in

section two, as well as explaining the opportunities. An historic lack of investment in IT during the FTP days has left this States with no option but to progress a Future Digital Services project.

2270 I would suggest that one of those risks is that the strategic partnership is also highly complex and is described in three different diagrams: figures 5.1 on page 16, 10.1 on page 34 and 10.2 on page 37. The legislation, if this policy letter is approved, will be enacted to create a new corporate entity 'separate and distinct from Agilisys and from the States'. This entity will act only as the employer; however the new entity is absent from figure 10.1, which describes the strategic
2275 governance structure.

Please could I ask the President of Policy & Resources, or I understand it will be Deputy Le Tocq, how a separate and distinct employer will provide performance management, staff development and support to the entity's personnel; as it will not have ownership of the delivery model, mentioned in the title of Section 11 but not really fully outlined beyond the diagram at
2280 10.2, which does not include the employing entity. I ask what exactly do the dotted line connections to the new corporate entity, in figure 5.1, mean in reality?

Finally, please could I ask the Member of P&R closing to expand upon section 10.8 regarding the establishment of a retained IT function. Will this team's role be limited to the assurance of delivery of project and change activities and not replicate the roles provided by Agilisys, as I note
2285 in section 3.2 there are some exceptions to the current contract, which will be transferred to Agilisys?

Thank you, sir.

The Bailiff: We will rise now, resume at 2.30 p.m.

*The Assembly adjourned at 12.33 p.m.
and resumed at 2.30 p.m.*

**Future Digital Services –
Debate continued –
Propositions carried**

2290 **The Greffier:** Future Digital Services – continuation of debate.

The Bailiff: Deputy Parkinson.

Deputy Parkinson: Thank you, sir.

2295 The FDS project is primarily of course about improving the States' IT systems and assisting the States' public sector transformation programme. These are the core elements and the economic benefits that may flow from the relationship with Agilisys are incidental. If you like, the economic benefits are the icing on the cake or perhaps even the cherry on the icing on the cake. But
2300 nevertheless it is the economic benefits which most directly concern the Committee for Economic Development, and it is on these aspects that my speech will concentrate. I believe these economic benefits can potentially be really significant for Guernsey.

Firstly, the work through the strategic partnership with Agilisys will help us to maintain and grow our finance sector. The commitment to establishing a FinTech hub will support the implementation of the finance sector strategy. One of the more cynical members of the finance
2305 sector said to Economic Development, 'Well, we do not really need a strategic partner to put in place a FinTech hub.' My response to them is that no one, until this process, has brought such a practical, compelling, ambitious and deliverable plan to the table to establish a FinTech hub, and I welcome the approach and ambition of Agilisys to do that.

Agilisys will bring investment, the expertise and the risk management. In the Economic Development Strategy the Committee for Economic Development said that it wanted to work in partnership with the private sector and to use its expertise as well as its understandably less cautious approach to innovations and investment. This is an example of that, of the States stopping trying to put a big Government footprint everywhere and instead working in partnership with outside experts who have a track record in the field.

The work through the strategic partnership with Agilisys will also enable us to diversify and grow. The Economic Development Strategy set out our ambition to establish a much stronger and clearer MedTech offer in Guernsey in order to demonstrate we are an innovate economy. Again Agilisys has brought forward a compelling, tested, ambitious and deliverable offer to work with the States in order to do that.

The link-up with Imperial College in London is potentially one of enormous value. Imperial College is a top 10 global university and our digital economy and their digital hub will now be linked – a huge opportunity for Guernsey.

Moreover, the strategic partnership will support the further development of the States' ambition set out in the Economic Development Strategy to establish an international university presence in Guernsey; developing a stronger FinTech and MedTech offer is right at the heart of what an international university presence in Guernsey would do.

The strategic partnership demonstrates that we are open for business in a number of ways. (A Member: Hear, hear.) Last year the committee for Economic Development pledged £1 million of funding through to the end of 2021 to build on the success of the Digital Greenhouse. The strategic partnership will also invest in and help grow that offer. This will demonstrate to tech businesses on and off Island that we are investing in their sector, that we are open for business.

Working with the strategic partners to establish an incubator, an investment mechanism for start-up and scale-up business also demonstrates that we want to invest in entrepreneurialism and innovation, and the commitment to developing a workforce for the future through enhancing Guernsey's digital skills base shows that we are open for business.

Sir, the economic development pillar of the FDS programme is an important step in continuing to take forward the States' Economic Development Strategy but the whole programme supports our long-term competitiveness too.

The drive of the overall FDS programme to make Government more efficient, more effective and more flexible is to be welcomed. Moving services online and reducing processes in Government will be good for businesses big and small; reducing the size of Government will help keep public spending under control. Keeping Government lean will help keep taxes low and it will also free up staff to work in the private sector.

Business costs will be constrained helping Guernsey maintain its position as an attractive and competitive place to do business. The digitalisation of Government will be supported by many of the businesses in our economy, some of whom are already in partnership with Agilisys. The overall impact on the economy will be positive and the overall impact on Government we believe will be positive.

That was certainly the view of the Lord Mayor of London when Deputy St Pier, the Chief Executive of the States and I met him in London on 31st May. The Corporation of London being one of the public bodies already in a similar strategic partnership with Agilisys.

As an Assembly we often talk about the importance of doing things differently, of making the most of opportunities to have a positive impact on Government, the economy and therefore the community. FDS is one of those rare opportunities and I hope the States will support the proposals in this policy letter and seize this opportunity.

Thank you.

The Bailiff: Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

As Deputy Paint has already mentioned this morning, very early yesterday morning and it was technically morning, it was 12 minutes past midnight I think, Deputies received an email expressing several concerns and providing what I thought was a number of seemingly informed observations re this Future Digital Services project. I know a very good attempt has been made to respond to those issues and concerns raised in that email on behalf of P&R and that was, as I say, a good attempt because it was very late in the day when that email was provided. But I still think that a number of the issues raised in that email are valid. That email ended with a question or a challenge to Deputies and it said: 'Are you as a Deputy content you have enough assurances that this half a billion pound project is worthwhile?' At this stage, sir, and pending other speeches by supporters of this project and the response from Deputy le Tocq, my answer is probably not.

Sir, there are several reasons why I am hesitant to support these Propositions. Some had occurred to me upon my own reading of this report and others have been relayed to me via members of our community, the email I have just referenced, sir, and other people that have contacted me.

Now the first point, sir, is perhaps a more general one but I think it is very relevant to this report from P&R. It is about the content and quality of this policy letter or perhaps to some extent the lack of such.

Sir, it is becoming a bit of a trend, and it is a worrying trend as far as I am concerned, for Billet reports to more resemble a sales or PR brochure. There seems to be far more reliance now on presentations, and I have not got a problem with presentations but the only people who can access them are States' Members, and business cases being made available to Deputies on request, so you have to express an interest in seeing the business case. I think you have to speak to or see a particular officer, I think there might even be some sort of password involved, something like that.

That process, sir, if we are not careful will render Billet reports and debates in public as token efforts, a gesture. I accept if it can be justified that some information is of a sensitive nature and needs to be kept confidential, but the problem is we are in danger of the most meaningful debate taking place, the most relevant and searching questions being asked and answered behind, in effect, closed doors. I think that goes against the spirit of something that we are all apparently very keen on and keen to promote, the spirit of openness and transparency. Disclosure should be the default approach.

I ask how will the media and, more importantly, the public be able to get a good grasp of all the issues at play in regard to a policy letter and a debate and perhaps communicate their concerns and views to us if they do not really know or have not really got the detail in regard to that policy letter and that debate.

Sir, all the pertinent, meaningful, substantial information and detail that can be should be included in a Billet report. If that means a policy letter has to be another 50, 80 or 100 pages long then so be it. (**A Member:** Hear, hear.) It should include a condensed version of the business case, it should not be a case of getting the policy letter and then a week or so later getting the business case and going to a presentation. Sometimes you end up with all the information you need just a few days or a week before debate; to me that it is not a good process. You need to be as informed as possible from the very start, and I do not think that is happening at the moment in regard to these debates and policy letters, generally speaking.

I think a good example, sir, of providing all the information or pretty much all the information we need at an early stage was the debate we had a while ago in regard to the proposals to purchase the ATR aircraft. At a very early stage we had the policy letter and we were provided – fair enough there were some redactions but that was because there was commercially sensitive information in that business case – but we were provided with a policy letter and a business case from very early on and I think from my opinion that made for a very interesting and wide-ranging and in-depth debate on the issue of the purchase of the ATRs.

Sir, in my opinion all the information that can be should be provided to Members at an early stage all at once, ideally in a Billet report.

2415 This policy letter, sir, is 63 pages long for a long-life project, 10 years and expenditure of over £200 million. I do not think that is good enough. In addition, I think again by default – and I have to stress, sir, I am not speaking on behalf of the Scrutiny Management Committee, this is my opinion – when it comes to significant projects, significant policy projects, significant expenditure projects, I think the business case, the contracts, all the relevant information should be available to the Scrutiny Management Committee and Office in a default way at the earliest possible stage. (Several Members: Hear, hear.) As far as I understand it, even now the Scrutiny Management Committee Office has not received the business case or any other pertinent information and I think as a default approach, even without that should be an automatic part of the process, business cases and all the other pertinent information should go to the Scrutiny Management Committee Office at the earliest possible opportunity.

2425 Sir, I want to stress this is not about a lack of trust or faith in the Policy & Resources Committee or their officers. I accept that they are all intelligent and capable people, but exercising trust and faith is not our job, that is not our duty, our duty on behalf of the public is to question, query and scrutinise (A Member: Hear, hear.) and nothing should be excluded from that, nothing should be taboo or off limits. As far as I am concerned, testing proposals will either prove them or reveal their shortcomings – either way it is a good thing.

2430 Now, sir, I want to turn to the elements or the oversight of this project. The oversight that is going to be provided, and I am going to page 4, and 1.11 – it starts about a third of the way down – tells us that:

A small expert team will be retained within the States to provide service assurance and strategic direction. The team will be responsible for the day to day management of the contract, with political oversight and control provided by the Policy & Resources Committee.

2435 Now I know that the policy letter has tried to do this but can absolute assurance be provided that this retained team will in a technical sense on every occasion be able to hold Agilisys to account, bearing in mind that in 1.2 of the policy letter we are told, and I quote:

... there is limited capacity and expertise to ...

This is within the States:

... there is limited capacity and expertise to efficiently resource major IT programmes, to coordinate IT development across the organisation and to progress, without delay, the multiple IT-enabled projects prioritised by the States.

2440 If that is the case, sir, if there is a lack of capacity in regard to conducting or carrying out these projects how can we be absolutely sure that there is the capacity within the States within that retained team to understand everything that is being done to be assured that it is being done the right way and being done in a cost effective manner? If we have not got the capacity within the States to carry out the project how can we have the capacity to properly scrutinise it and hold the provider to account? So I think that needs to be addressed in more detail, sir.

2445 In regard to the political oversight being provided by the P&R Committee, sir, Policy & Resources, I think what we have to bear in mind is this project is very much their baby, they are converts, they are believers in this project. We have already heard from Deputy St Pier; we have heard from Deputy Stephens. It seems to me unless we hear something different from another P&R Member these are five people that are very invested in this project. As I say, they are converts. Will they be able to bring to bear that cold, clinical impartial eye, sir, in regard to this project? I was more or less going to say detached eye, but that does not paint a very nice picture! 2450 But will they be able to bring that to bear, sir, bearing in mind they believe in this project and bearing in mind, sir, that the States have not got a very good record in regard to bringing IT projects in on time or within budget, and bearing in mind that generally speaking IT projects are notorious for being complex and for going wrong and for being very expensive.

2455 So I just think in regard to oversight I understand the process; there will be sort of two levels of oversight and two levels of holding to account but I am not sure if it is sufficient.

Sir, then I want to come to costs or revenue costs. On page 6 of the policy letter in 1.15 we are told:

... the revenue cost is £5.9m less than the cost of the current baseline, there is a requirement for additional funding of £1.4m in 2019, £2.0m in 2020, and £0.9m [so £900,000] in 2021.

2460 So a possible saving of £5.9 million. Now I just wanted to know, just a little query before I get into other points on this: is that by today's values or will that be in projected value in 10 years' time? That might be explained somewhere, but I have not seen that, so is that £5.9 million today's values or what will be perceived to be the value –?

Sorry, I will give way to Deputy Le Tocq.

2465 **Deputy Le Tocq:** Just to clarify for Deputy Laurie Queripel – and I thank him for giving way – on that issue it is all at today's values, that is how it is worked out.

Deputy Laurie Queripel: Thank you.

2470 Sir, bearing in mind that this is a 10-year project worth £200 million plus, and I know that £5.9 million is a lot of money, but bearing in mind what I think are the considerable risks associated with this project, some people might think that is a comparatively modest saving. If we look at some of the charts we have been provided with since we received the policy letter in recent days, actually we will not get into a cumulative saving position until 2026, so that is seven years down the line. I think a lot can happen in seven years and so I think that is another risk as well. So it is 2026 before we start to see some savings in regard to this project and that is near the back end of the project actually bearing in mind it is only 10 years, so I think it is a lot of risk involved to achieve what might be considered to be moderate or limited savings.

2475 But then in addition to that, sir, I think it is in 12.6 of the policy letter ... yes, in 12.6 of the policy letter on page 46 we are told from the start:

There are a number of financial risks for which provision has not been made within the contracted price. The total [minimum] value of these risks [minimum value of these risks] is estimated to be £2-3m across the ten year contract period.

2480 So actually to me it does say minimum and when I think about States' projects and the sort of kind of contingency – because in effect that is a contingency – the contingency that is put aside, that is quite stingy actually when I think about the sort of figures that we normally associate with contingencies for projects. But take – I know it is the worst-case scenario – but if those minimum financial risks are realised that takes £2 million or £3 million away –

2485 I will give way to Deputy Smithies.

Deputy Smithies: Can I just seek some clarification – in my copy it says maximum value of these risks, Deputy Queripel has used the word minimum (**Deputy Laurie Queripel:** Sorry, maximum.) three times.

2490 **Deputy Laurie Queripel:** Yes, maximum. That helps me make my point actually because contingencies normally are quite liberal, they are quite large figures. Now what they are saying here is the maximum contingency in effect is £2 million-£3 million. I think that is on the optimistic side personally. So if things go awry you could take at least £2 million or £3 million away from the expected or predicted savings of £5.9 million so that takes the savings down to an even more modest amount, and as I say, for a long-term project that comes with an enormous price tag. I think there is a lot of risk there.

2495 Now I appreciate, sir, at the end of 1.16 on page 4 it says at the end of 1.16:

... if the baseline costs were increased by 2% annually to reflect the projected cost increases, the overall savings on business as usual IT services would increase from £5.9m to £19.1m.

Well to me it is as optimistic as saying that the maximum risk with this project is probably £2 million-£3 million – nobody can predict that that kind of figure will be realised.

2500 Now, sir, on to the issue of the risk. In 10.1 of the policy letter on page 33, it tells us this just about a third of the way down of 10.1:

The partner relationship has been designed to minimise these risks and ensure that the States retains control when and where it matters.

2505 Now, sir, it sounds as if everything has been thought of and it is all very neatly wrapped up in a bow and there is very little risk, everything has been considered, and there are conditions put in place so the onus has been put on Agilisys and things, but I imagine if there is any sort of dispute Agilisys in reality will not just lay down and accept responsibility and liability, they will make strenuous efforts to defend themselves and their position.

2510 Now in different scenarios the States have been in similar situations before with third parties, as a supplier of goods and services and sometimes matters have gone to court; and the States have not really got a very good record when it comes to cases going to court, when it comes down to legal matters and claims and counterclaims. Now I know I am painting the worst-case scenario but of course we have seen these things happen before, and I say when things go awry between the States and a provider sometimes at worst it goes to court and the States have not always come off very well. So I think there is a risk to be at least considered there by P&R.

2515 Now, sir, before we even received comment from members of the public I interpreted this project as more of an outsourcing than a partnership. So I am not keen on outsourcing, I have to admit, and there is much evidence to show from the UK and beyond that it does not improve services, not in every case; that it does not bring about efficiencies and it does not provide value for governments and the public purse. In fact it quite often ends badly and despite – and I am sure the UK government in the past have been confident they had the right agreements in place
2520 with contracts and conditions – despite that in some cases services have suffered and the public purse more often than not picks up the tab.

I can think of a number of recent examples. They are on a different scale of course but Carillion, there was another one I think called Uniserve or Interserve. Recently it was reported on the *BBC News* that the UK Prison Probation Services which have been outsourced for a number of
2525 years have been taken back in-house at a cost of £500 million to the public purse.

So I am very wary of – I can understand working with the third sector and working with outside providers but I am very wary of outsourcing and I think this is outsourcing by another name.

2530 Also, sir, going back to the email that we received, I think we need some further explanation, and I know it has been done via an email in response to that one but I think it needs to be spoken about publicly because this is the kind of thing I am talking about, these are the kind of issues that need to be spoken about and debated in public and they have not been. I think we need some fuller explanation as to why the so-called alternative internal improvement model was not further investigated. So I think we need some answers on that, public answers, answers in the public domain not behind closed doors.

2535 Now the other thing I wanted to mention, sir, have the costs of pay rises for the retained team over the 10 years, including the pension arrangements, been factored into the expenditure for this? I think there is a six-person team there, and the salaries are laid out; of course those salaries will go up year on year. Have the increases, have the inflationary effects of the increases in the salaries and pension arrangements been factored into the figures? That is just a small question
2540 but I would like that one answered too.

Now, sir, there are lots of other questions that could –

Sorry, I give way to Deputy Le Tocq.

2545 **Deputy Le Tocq:** As it is a small question I will answer it straight away, so that it is not repeated, and the answer is yes.

Deputy Laurie Queripel: Thank you. I do not think that was made clear in any information that I have seen but perhaps I missed it.

2550 Sir, there are lots of other questions that could be asked about the financials in regard to this project also but I have concerns about data sensitivity bearing in mind there is going to be a third party dealing with data, I just do not believe that that can be totally dismissed.

I just want to comment on and query a few more things. On page 30, 8.26 – actually 8.26 starts on page 29 but this is on page 30 – and it is just after the start of the second paragraph, it says:

Agilisys intends to lead the creation of a Blenheim Chalcot presence in Guernsey, focussed around a MedTech Innovation Centre and a FinTech Innovation Hub.

The last sentence in that section says:

... Blenheim Chalcot intends to use its own network and connections to encourage global and UK technology providers to start their new ventures or conduct their product test and rollout in Guernsey.

2555 Now, sir, that concerns me. The prospect that Guernsey could be being used as an outdoor or open air laboratory with Islanders, the Island being used as test subjects or test specimens, that concerns me bearing in mind there are concerns being raised about the effects on the environment and on human health of various technologies. Now just say in a blasé way that they are going to do that and we are going to go along with it without any sort of due diligence checks, if you like, in regard to the possible effects on the environment and on Islanders' health is a great concern to me. That would probably be enough for me alone to vote against this policy letter, to read that and how casually that is put in and then just left open ended. (**A Member:** Hear, hear.)

2560 Now, sir, on page 23, 8.8 we are told the provider:

... intends to migrate the States' systems onto two modern, industry standard on-island data centres, augmented by cloud-based services for less sensitive data.

2565 Now, sir, I will just quote a few lines, I read some research recently carried out by professors at the McMaster University in Hamilton and just a few lines from it, they said this in their report:

In the study, the ICT 'universe' includes computers, phones and laptops; telecommunications structures, such as satellite dishes and routers; and, crucially, data centres, the backbone of the internet.

And further down that report it says:

Data can seem invisible to us — especially if you're on an unlimited plan — but every email, tweet and video lives on a server. With all the servers humming away in data centres, those giant buildings need to be cooled — and the emissions are through the roof.

It goes on to say that what needs to change is the way we are running our data centres. The study recommends that data centres are run exclusively on renewable energy.

2570 So, sir, if we are really concerned about our carbon footprint, about producing carbon, we have to make sure if those data centres are going to be provided here that they are run on renewable energy. If they are run on any kind of energy even if it is nuclear, which I do not consider to be a clean or green energy, then we have a problem, so I do not know if that has been really thought about in regard to what we are trying to achieve environmentally, these data centres.

2575 Now, sir, on page 48 in 12.18 we are told this:

Any requests for funding for projects which are part of the mandated responsibility of the [P&R] Committee follow the same processes and procedures, and are subject to at least the same level of officer and political review and challenge, as those requests submitted by other States Committees. In addition, these projects will benefit from independent

challenge and scrutiny in the same way as those led by other Committees and States' bodies, as is the role of the Scrutiny Management Committee ...

Now we discussed this, sir, at the last SMC meeting and it is a reasonable thing and I think I speak on behalf of the Committee when I say we are prepared to accept that task. But there is a *caveat* because the record shows whenever the SMC looks to flex its muscles, and I can perhaps highlight the In-work Poverty debate as an example, P&R always kicks back. They always kick back when the SMC try to flex its muscles. So if – *if* – the Scrutiny Management Committee are going to carry out that task and do it to the best of their ability we will need the assistance and the full co-operation of the Policy & Resources Committee. Those words in a way are sort of shifting the onus really on to the SMC, but as I say we accept that task but those words need to be backed up by actions. If we are going to scrutinise in a proper way, in a good way, in a meaningful way we will need the assistance and the co-operation of P&R.

Finally, sir, I have to admit, and I am sure this has come across now and in previous times, I am a bit of a cynic, a bit of a nonbeliever when it comes to the idea of the brave new digital world, digital future being a bright one, whether it is orange or not. I appreciate it is the way that things are going and there is no stopping it, but for me it has a sense of the Emperor's new clothes about it. I am not convinced it is going to make things more efficient, convenient or less costly for individuals, businesses or Government. There is a need for constant upgrades, replacements, updating of cybersecurity measures, and I think that last one in particular, sir, the policing and cybersecurity measures will be an increasing and costly issue as times go by.

Cybersecurity measures may get better and smarter but so will hackers and the tools that they use. So you only have to take notice of the news to realise that hacking, accessing data, business and government systems being sabotaged, these things are a regular occurrence. Only recently the British Transport Police's website was hacked, which was hosted, by the way, by an external provider, which caused them all sort of problems. A recent example, the Baltimore, the civil government could not fight off a ransom ware attack and it crippled their services and their system. There are all sorts of examples you could give in regard to systems and services being attacked and hacked, and I think that is only going to continue so that is why I am quite cynical about ... I understand why some people including many Members in this Assembly think this digital world is the way to go, but I think we are also going to be presented with all sorts of problems and challenges and they are going to be expensive to address.

So, sir, I am probably going to vote against these proposals and I probably will be in a very small minority and I have been there before so it does not bother me, because the majority of my colleagues will probably think I am seeing gremlins and demons when there are none, and they might be right, but so be it. I just wanted to share my concerns and get them on record.

Simply, I have not got sufficient faith in this way of working to believe that it is the right thing for our community and for the States.

Thank you, sir.

The Bailiff: Deputy Soulsby.

Deputy Soulsby: Sir, thank you.

Before I begin I need to declare an interest – my husband is a finance director and part owner of a company that provides IT support to States of Guernsey, but I should point out that I am the IT department in our house. (*Laughter*)

I have to say the amount of time and effort that has gone into the project so far has been truly astonishing. The fact it has taken two years to get to this stage, which even the bidders have said has been a process like nothing they have experienced before, should give us considerable reassurance.

Now it appears from just a glance through the 2018 accounts, which I did recently, that it has cost the States at least £1.1 million last year alone and goodness knows what it has cost the

2625 bidders. But this is a major contract after all and absolutely essential. From HSC point of view we desperately need our main software system upgraded, but far more than that for a complete change in the ways of working that investment in technology will enable us to make.

For additional by default such as sending text messages and emails rather than thousands of letters from telehealth and telecare to enable people to have continual monitoring of their conditions to the development of the care passbook and use of robotics, the opportunities in the health and social care arena are massive and they will directly benefit the people in our community which hopefully will give some assurance to Deputy Laurie Queripel.

Now I am thankful for the effort that has been put in up to now to replace the LAN which will be a real enabler and the recently successful implementation of the Mosaic system for children's services. So what I am about to say next needs to be seen in that context. As HSC President I met both the finalists once on the same day, I think it was one after the other, I cannot remember now, it seems a while ago. They had different strengths and weaknesses but I came away thinking either would have been partners we could have worked with. So to that extent I am quite comfortable with how the process was conducted.

But I suppose my concern is less with who we partner and more to do with the States' role in the partnership and what it is we think we will get out of it. I guess what started the niggling doubt is over costs. For me the cost of projections do not really add up, and I do not mean that literally, but metaphorically. We are told savings will be made but it would appear from page 41 not until year seven. Now the problem for P&R is the Medium Term Financial Plan savings have to be made to the bottom line but it is clear as crystal, at least to me, that reform dividend is far from guaranteed, (**A Member:** Hear, hear.) the system can be more effective and efficient but will the overall cost really go down?

How can they, when you see what the partnership is meant to deliver: improve service support; provision of online and integrated data infrastructure; maintain national insurance and security; build digital capability and capacity? Rarely will increased IT provision lead to reduced costs and I do speak as someone who has implemented a few IT programmes, on time and on budget, with the right team around me, admittedly on a smaller scale but a few million pounds none the less.

More often than not IT investment is needed just to stand still. From a business point of view it can lead to increased profits, but rarely if at all does it actually reduce expenditure. Certainly that has been true for the States of Guernsey since its bought its first computer in 1968 and when it was said at the time that it would mean less need to employ more staff, the number of which at that time totalled 2,827 and *The Guernsey Press* at the time was recommending the use of more consultants to prevent the increasing wage bill, so how times have changed.

So moving on to a related issue from what I can work out part of the reason for the increased cost is down to the creation of what is described as a small expert team to provide service assurance for strategic direction, at a cost of £1.4 million, that is quite an expensive small team. It is unclear from the policy letter whether it is existing staff or new posts being created or a bit of both, but given that we are told that there has been little in the way of assurance of strategic direction up to now, I am assuming quite a lot of that is more new posts.

The other linked concern I have is in relation to the governance structure that is shown on page 34, the creation of four new boards on top of three already in existence sitting under P&R. That does concern me. It would appear we will have an awful lot of people tied up in meetings, writing up minutes and producing lots of schedules, being seen to be busy and making progress is not the same as actually doing something. Do not get me wrong, I do believe that a governance structure is required and that there is the right skill set to achieve it.

Previous IT projects have been undertaken on skeleton budgets without the right expertise and have consequently failed, costing the States dearly. However, this is at a time when we are told there are at least 200 posts that can disappear; we have already seen additional senior posts created as part of public sector reform and we will see more under these proposals.

At the same time although we are advised that of the quite considerable oversight structure we do not know individual responsibilities; who is accountable? Clearly P&R from a political point

of view, as all these new boards report through to them, but who at officer level? We are all talking about the biggest programme ever taken on by the States after all. Nowhere in this policy letter are individual accountability roles and responsibilities set out other than on page 57 in relation to when the online payment system goes wrong, but this is after the event. Who actually are the Partnership Board, Delivery Board, Technology Failure Group and Technical Service Management Board? There are a lot of people involved but where does the buck stop?

This debate is not the place to talk about individuals who cannot speak here, but I would like Deputy Le Tocq, speaking on behalf of P&R, at the end to confirm that he will be happy to provide Members with such information after today.

The final area I would like to focus on is MedTech and I can see real synergies with the finance industry as a relatively low risk investment compared to Biotech, for instance. However, other than this buzzword being used here and there, there is little to no detail of what the intention is, which is an incredibly broad and wide-ranging area, but also a highly competitive industry.

What I would welcome is that HSC is kept informed in relation to the work on MedTech, we are under our new model of care committed to innovation, the desire to take part in clinical trials, for example, is there and the need to do so will, I believe, grow as we seek to ensure adopting the latest technology is not only to support future sustainability but also provide the best care to the people of Guernsey.

So, sir, in summary I can say that a shakeup of the IT provision in the States is long overdue, the lack of proper focus on it over the last decades, at least the last 20 years, has been shameful. Quite frankly, this has reflected a lack of appreciation that you need an effective and efficient back office to get fully customer focussed front line services.

This policy letter does represent a step change in thought processes as far as that is concerned – where the key measurement of success cannot be savings to the bottom line. If it is it will fail like all other programmes before it. No, we have to be open and honest with ourselves and understand that if what we want is for the public sector to be run effectively and efficiently as possible on the back of the latest technology it will cost more. How much more will depend on how well the programme is managed, with P&R really needing to step up to the plate to properly scrutinise and ensure that all the promises being made will actually become a reality as well as working closely with the Principal Committees.

Sir, I am happy to support this policy letter but I will be taking considerable interest in progress not just from an HSC point of view but for the whole of the States of Guernsey.

The Bailiff: Deputy Brouard.

Deputy Brouard: Thank you, sir.

This is a very complex contract. It is also a key driver of the Civil Service reforms and a key in its own right to put in a solid credible spine for the digital services provided across the States' *piste*.

Now the full business case was available to Deputies some six weeks ago and I think four Members of the Assembly took up that offer to have a look at the business case.

Some of my starting positions were very much similar to those of Deputy Laurie Queripel and I have much sympathy for the critique, but I have been fortunate enough to move on and have followed the journey and I hope perhaps through some of my comments it would perhaps give him some of the reassurance that he may be seeking.

We may not agree on Agilisys, or even how to pronounce it, we may not agree on line 58 of the contract, we may not agree on the length of the contract, or its size or its colour, but what I am sure we will all agree on is that the present position is untenable. We do need to change, and that change will need to be substantial to be fit for the 21st century. You can stay in the treacle for as long as you like but it is time to stop and step out. For some we will never have enough information to make a decision. Now that is not a safe position either. Doing nothing is not a safe harbour.

One of the issues for me, and it has been crucial as this project has progressed, is to ensure that the States retain control of the partnership, whoever it is with – so to ensure that it is our strategy, our priorities and our decisions. My fear was that we would lose control of a vital area of States' infrastructure. That we may be wooed in the early years and then eventually be held to ransom with no genuine exit strategy and a partner with a licence to print money in a similar way to some PFIs, as we have seen in the UK have been played out – at that point no ability to bring back matters in-house.

I have laboured as part of our team on these issues and I hope they will be addressed. I draw Members' attention to section 5.4 outlining the agreement and in section 10 which deals with the risk generated by this proposal model and how they will be mitigated. Some of the mitigation is that the Committee intends to establish retained IT function to manage the relationship with Agilisys keeping some expertise in-house.

We also have to be very mindful of our staff moving to the new partnership vehicle and much work has been done to protect our staff in this transfer and ordinances will be needed to be passed in this respect to protect them.

Another part of my concern was the ownership of assets. Those assets that are created by this partnership, or those assets used in the IT provision and again these will rest with the States and not Agilisys who are the enabler but not the holder of the infrastructure.

The other mitigating resource is that highlighted in Proposition 3 and I think if I just read that one that would be quite helpful because it is one of the key pieces that I have certainly tried to make sure we have in place and that is:

To approve the States having a minority 'golden share' shareholding in the corporate entity referred to in Proposition 2 entitling the States, upon termination of the Strategic Partnership, to effect a share transfer of the corporate entity to the States, or to a replacement supplier of IT services to the States, for nominal consideration.

So with these levers we have the opportunity to move our IT infrastructure forward, gain the skills and ability of Agilisys, a leading player in this field, but we have the ability to have the protection for our staff as they transfer to the new partnership. We continue to have the expertise in-house to monitor and hold to account the new supplier of IT, the assets will continue to be owned by the States of Guernsey and finally we have a credible exit strategy if it is needed – and I repeat, if it is needed – so we are not held to ransom in years to come and this is crystallised in the 'golden share' referred to earlier.

Please support the proposals.

Thank you.

The Bailiff: Deputy Ferbrache.

Deputy Ferbrache: Sir, I was expecting this afternoon to be as thrilling as watching a repeat of *Crossroads* but frankly two speeches have enlivened the afternoon for me and the first was by Deputy Laurie Queripel and I thought a well-balanced, well-researched and well-delivered speech; the second was the equally well-balanced and well-delivered speech by Deputy Soulsby. They overlapped a lot but I think probably came to different conclusions at the end.

Now in relation to that, if we look at where we are the impression I get, and I am probably overdramatising the point, is that our various IT facilities are not fit for purpose and are stuck together figuratively with Sellotape really, and we cannot go forward with that into the foreseeable future.

Indeed sometimes one draws one's breath when one deals with the States' IT projects because even though the people work diligently they are not working with the best of tools, and Deputy Prow highlighted in his equally good speech this morning about the problems with Home Affairs which were mentioned in the report that again he alluded to.

I think it is self-evident that IT is for the future and this is where I diverge from Deputy Laurie Queripel. They are for the future and they are going to be much different in 10 years than they are

now and we cannot foresee, we cannot predict with any degree of real accuracy where they will be in 10 years. So we could do nothing, we could just say we are going to do nothing, we will just hope that things will continue. We are not going to see, as both Deputies Queripel and Soulsby have said, any real economic benefit until the year 2026 or thereabouts, but sometimes you have got say, you have got to do something. Now I know £200 million is a heck of a lot of taxpayers' money to spend but it is not being spent – Deputy Le Tocq or Deputy St Pier are not going to write a cheque and suddenly give it to Agilisys or anybody else tomorrow for £200 million, it is a staged process over a lengthy period of time.

Now I have got no idea and I mean no disrespect to Agilisys, I do not know if I am pronouncing the name right or not, but whether they have the necessary expertise, but those who have researched it and in whom I have confidence say they have the necessary expertise so I will trust their judgement.

Now of course we have all heard lots of stories about national health schemes with IT schemes that have gone completely wrong, completely over budget, completely useless and many hundreds of millions have been spent in that regard. We are not talking about that here; when we analyse it we are talking about a completely different thing.

Now Deputy Le Tocq could not give an absolute guarantee, Agilisys could not give an absolute guarantee that there will not be problems between now and the conclusion of the contract, they cannot do that. But what I look at is the incidental benefits – and Deputy Parkinson also touched upon these, he mentioned about the facility that will exist, a world class university in West London, White City. Now that always conjures up images in my mind because White City was the first place that Britain held an Olympics in 1908 and it even used it for some of the football matches in the 1966 World Cup, so it creates those kind of images and it will give us the opportunity in a world class location with a world class university to have a foothold.

Now I certainly would not agree to a £200 million project on the basis of that alone, but it helps me because it shows it is going to transform – now I think I have heard the word transform, transformation used more times in the last couple of years than I have ever used it in all the years that I have lived before. I would actually like to see some action. I would actually like us to transform our IT services; I would to see us transform our working practices, to transform our economy and to transform the Civil Service (**A Member:** Hear, hear.) now if just one or two of those happen I will be in my even more dotage, I will be a happy person.

But I think with something like this, I know Deputy Kuttelwascher is going to ask some questions soon, he has formulated them, he was thinking about them over lunchtime when we were talking and I will be interested to hear the answer to those questions.

But it does not seem to me that we are taking that much of a risk. We are doing something that is necessary, we are doing it after much research, and we are doing it after we have had the benefit of our leading civil servants, who are versed in this topic, recommending us that this is the best way forward.

So despite, as I say, what I thought was a really excellent speech by Deputy Laurie Queripel and the points he made, I will be supporting the Propositions.

The Bailiff: Deputy Green and then Deputy Kuttelwascher.

Deputy Green: Sir, thank you very much.

I certainly agree with the principle of upgrading our business-as-usual IT systems and using new and better digital services to enable transformation of the public services generally. The question is, though, what is the best way of doing that?

For such a significant policy letter with so much potential investment and risk involved this is a report which does lack detail and clarity on the specifics of how exactly business as usual IT is going to be made better for each major area within the States and similarly with regard to the public transformation programme. I would have expected rather more 'when' and 'how', those sorts of specifics to be set out in this policy letter.

2830 So, sir, on the information currently presented it is hard for me to make a truly informed and definitive appraisal of the merits of these Propositions. It is hard to say that it has been fully demonstrated both by the policy letter and the confidential business case, that I did take the opportunity to see, that this programme genuinely represents the only realistic way of upgrading IT for business and for facilitating wider transformation in the public sphere.

2835 Given the scale of this programme the SMC is willing to provide ongoing involvement and we are prepared to put into place, subject to co-operation and the necessary budget, a mechanism that will ensure some further oversight of the planned programme including if need be at the authorisation level given that the substantial delegated authority set out in Propositions 6 and 7.

Sir, this is potentially an area that may require more than just scrutiny *ex post facto* and subject to the provisos I have given we are minded to do that.

2840 But nonetheless, sir, I do have real concerns about aspects of the programme now. The opening question in all of this is if we kept IT all in-house and invested these sums on upgrading and used additional expertise, external expertise as and when required on the transformation piece, why would that not work and why would that not help to avoid some of the risks that are part and parcel of this approach that we are debating today?

2845 Part of the idea with the States contracting out services in this way is to transfer effectively some of the risk away from the public sector to the partner company. But I cannot see much evidence of any strong financial penalty clauses or similar that will help ensure meaningful sharing of risk if things do not go to plan and if things are not ultimately successful. So it is not immediately clear how risk is being properly shared and transferred with the company.

2850 On the value for money dimension clearly the revenue costs are going to be marginally cheaper than if we kept it all in-house but of course we should not shy away from the fact that that is only in conjunction with the very heavy and substantial capital investment which is being requested here. It does not matter what pot of money it comes from, it is all jam jars at the end of the day, it is taxpayers' money that we are talking about.

2855 Sir, also from having looked at the business case itself, the KPIs in my view seem to require some further development because I am not sure we are going to be able to genuinely, effectively measure success if or when we get to it, and that is always a major concern. How are we going to know when business as usual IT is where it needs to be, and how will we know when digital transformation or services is deemed successful? The metrics need to be very clear and they need to be smart, and I am not sure, from what I have read in the business case, that they necessarily are at this stage.

2860 Moreover, sir, we need to demonstrate sufficiently that the States has learnt the right lessons in full from previous schemes within our public sector, the SAP program, the Social Security IT project and the health care records case. Because we know generally that IT projects on a scale like this are hard to do well, they are complex and they can be renowned for going over budget and for failing to deliver the benefits that are promised.

2865 It is in my view a risky endeavour. Agreeing the policy step today is a relatively easy step but the successful implementation of this will require massive effort, significant resources and, as I say, fairly significant risk is intricately involved with this. We need to have confidence that the risks of failure have been effectively assessed and mitigated against.

2870 Now I know some of that has been dealt with in this business case and Deputy Brouard talked about that just a moment ago, but I am still left with some doubts in relation to those risks.

I do have some specific questions and concerns, sir. I have got a number of them but I will only deal with a few of them. The first of which is in relation to the structure of the contractual arrangements with Agilisys.

2875 Clearly Agilisys appear to be contracting with the States through a new Guernsey shell company and there is obviously concern as to the financial worth of such a vehicle. P&R make reference to the extensive due diligence that they have undertaken of the parent entity but no comment upon the status of the Guernsey entity. What financial backup is given to any performance warranties that may be given by Agilisys Guernsey under the partnership

2880 arrangement? In fact what, if any, performance warranties are contained in the contractual documentation? Is the only remedy for the States the termination of the arrangement?

Another question is what if any direct commitment has been given by Agilisys Ltd to the States of Guernsey to provide qualified or skilled staff or management in Guernsey to Agilisys Guernsey for the duration of the partnership arrangement, or are they relying solely upon the existing staff

2885 of the States of Guernsey who may accept transfer under the TUPE arrangements?

Paragraph 8.19 on page 28 rather boldly and somewhat vaguely says and I quote:

The function will include Agilisys employees as well as States staff.

And it goes on:

Once the function has been stabilised, it is likely that Agilisys' involvement will shift to an advisory role ...

So extra clarification on that may be helpful to me.

Paragraph 7.7 on page 20 makes reference to the fact that Agilisys will lead an organised

2890 network of suppliers as its subcontractors. The question there for me was what, if any, benefit will the States gain from any performance warranties or penalties that may be contained in contracts with such subcontractors?

I do have a concern about the governance and oversight that others have spoken about. Paragraph 10.2 and onwards deals with that, and I have a concern, sir, that the continued

2895 involvement of the States of Guernsey through the element of retaining control as described in paragraph 10.3 and with the various boards involved in the structure as described in paragraph 10.4, is something of a recipe for further dilution of the ability to hold Agilisys Guernsey legally responsible for the performance of its obligations.

This concern is perhaps further amplified in paragraph 10.5 which says that the partnership

2900 board will be, and I quote:

... accountable to the [P&R] Committee for the delivery of IT services in line with the policy and priorities set by the States.

Given that it appears that the majority of the partnership board is made up of States of Guernsey representatives, there will be potentially plenty of opportunity for Agilisys to wriggle out of responsibility.

Sir, in relation to the sections on preferred supplier status paragraphs 10.23 and 10.24 a similar

2905 issue to what I said before, it is perhaps not clear who assumes the risk of preferred supplier failure. The last sentence of paragraph 10.24, for example, suggests that the States might directly engage other suppliers should Agilisys fail to perform adequately in that area. So what impact does the engagement of a body other than Agilisys as preferred supplier have upon the overall responsibility of Agilisys Guernsey to deliver under the partnership arrangement and who

2910 manages the contract with such an alternative supplier?

Finally, sir, in relation to so called exit provisions which are dealt with at paragraph 10.26, whilst we note that the States of Guernsey has extensive termination rights, what, if any, rights does the States have to recover damages from Agilisys Ltd, that is the UK parent, for breach by its wholly owned subsidiary i.e. Agilisys Guernsey? It should be noted that:

Voluntary termination [by the States] would be subject to the payment of appropriate breakage costs.

2915 But what are the scale of those particular costs?

So in conclusion I support the need for upgrading our IT capability and I support the case for upgrading our technology to drive the transformation of public services that we need to secure, but on the evidence of this report, and having seen the business case, I am still left wondering how this is all going to work in terms of specifics. How are we going to measure the success of

2920 this? I am not sure that value for money is necessarily demonstrated fully, and I am not sure that
the States has necessarily proven that we are sharing and transferring the risk sufficiently.
But I remain to be convinced and I will listen carefully to the rest of the debate.

The Bailiff: Deputy Kuttelwascher.

2925

Deputy Kuttelwascher: Thank you, sir.

My thanks to Deputy Ferbrache for bringing me to my feet because I was not sure if I would stand up but there we go.

I want to focus on a number of issues and the first one is due diligence and that relates to the
2930 financial robustness of Agilisys who call themselves Agilisys Professional Services Ltd. I refer to
some statements they made in accounts filed in the UK company accounts – I think the office is in
Cardiff – and it relates to accounts that were filed up to the year ending 31st March last year. It
says: 'Business review and future developments. The company made a loss for the financial year of
£2.465 million.' That was the year ending 31st March last year. But in the previous year they made
2935 a profit of £891,000.

Now what is interesting to me is these sums are not magnificently large sums and are
reflective maybe of a small company or a big company just not doing it right. There was no
dividend paid in the current or prior year. Directors consider the results of the company to be
satisfactory and expect the business to generate profits in future years.

2940 Now I went to a presentation last Friday at Beau Séjour and I talked to the Agilisys
representative and I said, 'What is it looking like to the end of 31st March 2018?' All I got was it is
with the auditors. So I do not know if they are going to be profitable or not, but to me if it is not
or if they are making another loss I would really want to know why, because when you look
further down at Further Notes in 2017 they had a turnover of £3.77 million and in 2018 it had
2945 dropped to £2.821 million. So their actual turnover had taken quite a dip, and turnover for that
year has fallen as a result of a contract coming to an end during the year. Now I do not know if
that was a premature end or a natural end but it was obviously a big contract because it caused
quite a large drop in turnover, and reduction of our activity in cloud services.

I think that is significant because in this report they are talking about bringing in cloud
2950 services. Now it could be that we will own the servers that provide these services, but I want to
know why their business in cloud services contracted not so long ago ... what was the issue, and is
part of what they are doing is for us to provide on-Island servers providing cloud services where
they will be able to sell their services using our equipment? I do not know. I mean that is not a
problem so long as they pay for the use of the servers. But when I see there was a reduction in
2955 that activity I really would like to know why. I think I will leave it at that for just due diligence as to
financial stability of Agilisys.

I want to focus on another thing – procurement. We are told basically that Fujitsu, which is
partnered by a Guernsey company, was quite close to Agilisys and they could both provide the
service. Now I want to know *how* close because when I was on Treasury & Resources – and
2960 Deputy St Pier will remember; we are the only two remaining people in this Assembly who were
on it – and procurement came under our mandate, we introduced a factor, if you like, a weighting,
when it came to giving out contracts to give some advantage to local companies and that
percentage would have varied depending what you want to do. So I want to know how close was
the Fujitsu proposal and what sort of weighting, if any, was applied to that? Because I think that is
2965 important because I somehow feel that I would rather have a Guernsey company partnering with
Fujitsu helping us rather than a completely outside company doing the same thing. I would love
to know if it is possible to divulge how close that was?

What is also interesting when I listened to Deputy Stephens, I listened to Deputy Parkinson and
others who would not want what is the objective. But I agree with Deputy Green: we are sort of
2970 being told that you do nothing and get stuck with what we have got or you do this, but that is not
true but there are other options, and one of the options is something that Deputy Prow I think

touched on when he said, 'Well, I had a media problem with something and it was resolved,' it is not all of their IT but part of it which was identified as being way out of kilter which was resolved from in-house.

2975 That brings me to the last thing: this expert group. I think originally they were going to call it an intelligent group, but intelligence is not really what you are looking for in isolation, you expect people to be intelligent who are in that sort of business, but what you need is detailed knowledge and I am very curious as to whether this expert group is going to or will be populated by actual experts which we may not have in-house and I refer to something – and the Scrutiny Management
2980 Committee will remember this – that was said by the Head of the Civil Service and he said: 'We have lots of people in the wrong place doing the wrong job at the wrong time.' Now doesn't that give you confidence? I mean I do not know who these people are, where they are or what the timing is, but it is a question that needs to be asked. So if you are going to have five or six or seven or 10 people on this team, I want to know what the expertise is that is required to deliver
2985 this sort of amazing project.

Now there is one other thing in closing which, well it is almost light-hearted, but I would describe this as a big bang operation. It is doing everything all at once, and it is interesting when I get to the right bit on my personal digital advisor is that there is a UK expert on government procurement on big bang projects, and the chance of a big bang project failing is very high and
2990 generally they do fail if only in part, but they never deliver quite what is expected.

It comes back almost to what Deputy Soulsby said, I suspect that if this works out as well as it could it will not deliver savings because expenditure will always run way ahead and demands on public services, but you may argue then alright it will not deliver savings but it may not cost us as much as it would if we had not done it.

2995 So it is a difficult one, but I just want some comfort regarding the due diligence that has been applied to Agilisys. I mean Deputy Parkinson told us how he went to London and met with the Mayor of London and talked with somebody who was having a reasonable experience with working with Agilisys but what about the rather large number of councils that have not? I would have talked to them, I would have said, 'What went wrong?' and one of the things when I talked
3000 to the representative from Agilisys I said, 'What goes wrong?' and he says, 'Well, the problem is the customer was not playing ball.' Now I understand that, it is exactly what happened to us when we were implementing SAP. I was on T&R at that time and it was a real struggle and a pain, and do you know what one of the biggest problems was? Let's say generally some staff in some committees were being obstructive and were not playing ball, they did not want to do SAP. So
3005 what do you do? (*Interjection*) What do you do? Well Deputy Gollop just said they should have been made to go. You try it.

In implementing this there is going to be a massive culture education within the whole States, and when somebody says to me, 'Oh, we are not getting rid of staff, we are getting rid of positions,' I think if that is not spin I do not know what is, because if the position is not there you
3010 will not need to staff it, will you? But anyhow, I am not of the view that we do nothing. I know there is a problem. I found out six years ago there was a problem and here we are six years on with this.

But this is not the only option. It is an option, high risk, so ultimately I say if this was my money and this was an investment and my return on investment would be something in seven years' time, would I invest in it, and the answer is, no, I would not. It is far too risky, there are safer
3015 investments. We have to take risk but it has to be proportionately managed.

So give me some comfort that this is the best way to go for this Assembly at this time, because I am really not sure of that at all.

Thank you, sir.

3020

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you very much.

Well, like Deputy Kuttelwascher, I am not entirely sure either, and I have probably done significantly less research, for various reasons, than Deputy Kuttelwascher on this.

But nevertheless one has to try something different. I did attend quite a lot of the Chief Executive Officer and his team's presentations, not specifically on this but on the transformation agenda across the whole of the States, and understood the strengths and the occasional weaknesses of that position.

What I would say is that I, like Deputy Ferbrache, thought the speeches from Deputy Soulsby and Deputy Laurie Queripel were extremely good, and it is quite strange in a way because Deputy Laurie Queripel has often been like not exactly Nostradamus but he has been quite a wise predictor of events. I mean he predicted that we would not entirely succeed in reducing the pay of some of our senior civil servants and the accounts suggest he is right – oops.

I will give way to Deputy Yerby.

Deputy Yerby: Would Deputy Gollop agree with me that perhaps he is more like Cassandra than Nostradamus? *(Laughter)*

Deputy Gollop: Yes, and I think that Cassandra is probably a more gender fair classical allusion as well. He also, like Cassandra in a sense – Cassandra from the Vale, Cassandra of the Common – predicted that we would not resolve the Island-wide elections until we had a referendum but there were disadvantages with that as well. He also had suspicions about the Bond and it has turned out that perhaps the Bond was not quite as wise a financial move as it appeared at the time, but that is a different tune.

But where he is today is questioning the impact upon Guernsey and its staff. Yes, not entirely in jest I say that anybody who was a SAP and refused to operate SAP should have gone, but that is not really the point I was making.

The case was put strongly to me only a few hours ago by somebody with a significant record in public life and administration that we should be protecting the staff who currently work within IT, and I certainly have had good service from many of them over the years especially perhaps in a more insecure but friendly age before we had to clamp down on security a bit and maybe intelligence in that context means cyber intelligence as well as being intelligent in your abilities.

But the very nature of a transitional direction towards a corporate entity employing staff, a little bit like we did with Sure, and in fact legislation, as Deputy Green and Deputy Queripel know, we adapted an old Cable and Wireless Sure Guernsey Telecom piece of legislation for this very purpose. It is a kind of TUPE to transfer of undertakings and part of me would be very unhappy if really able, knowledgeable local members of staff are given poor treatment and find human relations or whatever difficult. But on the other hand the very nature of outsourcing because that is what in a sense it is through a partnership of purpose or whatever means that people will go, not just positions will go, but certain people who for whatever reason do not fit into the framework probably will feel under some obligation to transform their lives whether that will be of benefit to them or not remains to be seen.

Unlike perhaps Deputy Kuttelwascher, after a quick trawl on the internet I did not come across anything overtly negative about Agilisys. Indeed I came across one site which said:

Agilisys is one of the UK's most innovative and fast growing IT and business software and services providers ... Working for both the public and private sector, [they have] a strong reputation and hold deep domain expertise delivering transformational services within local and central government.

Then it gave the game away a bit:

We support our clients through a network of offices and centres of excellence ... employing over 1,700 staff.

Now that is a form of self –

Deputy Kuttelwascher: Sir, I thank Deputy Gollop for giving way.

3070 Could I ask him if he knows who wrote that and if it is true why did their turnover drop by nearly 50% from the last particular set of accounts? So how is that a fast-growing business if its turnover is dropping, or has been dropping?

3075 **Deputy Gollop:** ... on the internet, the wonderful world of the internet, but this comes from a site called 'Indeed' with links to Agilisys website, three stars and it appears to be an in-house website that perhaps supports ...

But the point was there was not anything instant that was saying do not go there when you looked at other sites, but because, as we know, web engines can be manipulated, it is a marketing game, but nevertheless 1,700 staff is more than any States' Department, with exception of Health & Social Care, to give it a perspective – and another perspective is, as far as I know, an employee owned organisation. So whether that makes it a bit like a co-operative or a John Lewis partnership or whatever, I know not, but it might explain, or maybe it does not, why the profits and losses seem to be on the small side.

3080 But then, as we know, information technology, as Deputy Laurie Queripel pointed out and Deputy Soulsby, is not necessarily a way of saving money, it is more, as Deputy Ferbrache pointed out, a must do, a competitive tool that you need to keep up with. It is part of the changing face of the future.

Of course the policy letter is full of all these buzzwords of transformation and partnership and fulfilment of purpose and so on. There are perhaps one or two paradoxes within it; for example, several references are made to the corporate entity in which the 'golden share' or a small shareholding would be had by Policy & Resources, or the States of Guernsey rather ... does not go into the quantum of that and what the proportion would be, whether it was 5% or 40%.

3090 Also the figures mentioned in the text, the business plan part of it, vary from time to time depending on what is included and some of it is capital and some of it is revenue. So as Deputy Laurie Queripel identified, it is quite hard to apportion whether we are paying more or less.

3095 But what is also a little bit curious is that £16.7 million of it is a programme of digital transformation which is probably what we want to see both for our economy and for the States, but £26.9 million, a different sum, is for improvement of business as usual. So effectively we are paying a lot more to stay the same, which reminds one of the Alice Through the Looking Glass quote from the White Queen I think who said that; 'If you want to run anywhere you have to run twice as fast, if you just run at the same speed you will stand still.' So I do not know about that.

I would also like to comment really that we have to make a quantum leap here, there is not a fantastic amount of evidence, but I must admit on balance I have been convinced by the senior leadership team of the States, the senior communications team, and Policy & Resources politically that we do need to change rather than just work with the existing in-house squad of people however able they are, because sometimes the public sector culture is not able to deliver innovation and change at the speed that we need.

3100 Let me give a few examples. This is not the first time the States has had a major IT project. Let's go through a few: there was a Guernsey Grid for Learning just after the Millennium and that spent millions and millions, and yet what did we hear at the Institute of Directors conference year after year? Students and teachers complaining about the delivery within schools. It is a problem. We also had one of Deputy Le Clerc's predecessors at Social Security introduce round about 2005-06 a new IT system but it went way over budget and was not that great. We also had about the same time in the past Health & Social Care an all singing, all dancing system of patient records which never quite worked in the way that was envisaged. SAP has already been mentioned. So we have had a number of attempts at this and there has only been a partial success, we would have to say, and indeed when I attended or sneaked in an employee meeting of civil servants with the senior team, the thing that they were complaining about most was IT connectivity and resourcing that. So I think we do need change.

3120 But one area where I feel probably like the Scrutiny Management Committee that we are underqualified as States' Members is on adjudicating the cost of such transformation. I mean if I went out with the Members of Employment & Social Security, Deputy Le Clerc and other Members to a bacon roll and I sat down and saw it was 50p in a café I would think that is a bargain – better still if it was free; if on the other hand it was £10 for a bacon roll with mustard and ketchup I would think that is a bit steep. So I have an idea, like with a bus ticket or plastic bag, what its value in the market place would be. I do not have that knowledge with information technology. I do not know whether £200 million or £20 million or £2.8 million is good value for money or not. I would argue that most Members of the Assembly are in that position. So to that extent one needs further expertise and one has to take it on trust.

3130 But with quite a few reservations – although I suspect Deputy Laurie Queripel will maybe prove right in the end again, like Cassandra – I am willing to support the package of proposals today.

Also Deputy Dudley-Owen impressed me as to how open minded they were in actually working with technical transformation of our economy as well.

3135 **The Bailiff:** Deputy Dudley-Owen, that is your cue.

Deputy Dudley-Owen: Thank you, sir.

I must apologise in advance if I use too many buzzwords, I have already tried to work hard on finding synonyms but I think have failed and I may be in danger of repetition of certain words.

3140 So I will begin, sir, by expressing my sincere hope and belief that this policy for Future Digital Services will overall deliver a very positive outcome for our Island. But, as importantly, also an excellent working experience internally for staff and externally for the people of Guernsey in dealing with the States in future.

3145 It does, however, go further than just systematic changes to the outward delivery of services, internal organisational culture, or upgrades to computer systems. All of these of course are essential for us to be able to continue the delivery of good quality required public services, but securing an IT partner to help deliver public service reform foresight and vision is clearly demonstrated right from the outset of the project and the result is a preferred partner with relevant experience and current skills which give us the opportunity to catapult Guernsey's current entrepreneurial environment and position to something that I do not believe we would be capable of without significant reprioritisation of human and financial resources as well as policy.

3150 This partnership marks a new era in how we as a States are changing our approach to solving problems. It shows the States to be open and receptive to doing its work in a new way that is collaborative, sharing and seeks at the same time to create opportunities.

3155 This project is a clear demonstration of innovative thinking around the digitisation of process and before any sceptics mumble, 'We have been here, we have done this, we have got the t-shirt from last time around, we have digitised already,' look we write emails now instead of letters, we have scanned our records into the computer, well okay, sir, but for anyone who thinks we have got to grips with digital process because we use computers they are wrong and really need to do much deeper thinking.

3160 Digital process is not about the use of hardware, either computers or the plethora of smart devices around, it is about what you do with the hardware, how you react to the digital tools and the resulting efficiency and that is what counts.

3165 Much of the policy paper that we have in front of us today in respect of the delivery of public services, the transformation of work practises and the work environment has been spoken about and I cannot add anything to what I have heard already other than the States is ripe for organisational change and sorely in need of this IT infrastructure transformation.

3170 If we are to continue to develop ambitious policy then we need to give ourselves the tools and resources to deliver it. As the lead for digital policy for Economic Development, digital is a word that comes up often in my day. It is everywhere and we cannot with credibility expect others to

keep up, to digitise their processes and change their work practices in response to this unless we step up and grasp the nettle ourselves.

By identifying the opportunities that digital brings and leading from the front by embracing our own transformation or change programme, Deputy Ferbrache, we will ensure that we are delivering the most efficient cost effective services and give confidence to other organisations to follow suit, enabling them also to make the most of digital advances and testing whether their organisational models are fit to meet the challenges ahead.

So we have been given a good overview of what to expect in terms of transformation and the benefits that we will see in the delivery of public services by Deputies St Pier, Stephens, Brouard and others.

I would just like to pick up on a point raised by Deputy Stephens earlier today and this is in relation to the very important matter of digital inclusion in our community. This is an area of work which is covered by Action Item 6 of our Digital Strategy by developing best in class digital skills education and training and is also an area where we work in collaboration with other members of the British Isles Council comparing and learning from each other's initiatives and we are, I think, making good progress in this area.

Deputy Parkinson has already outlined how well the third pillar principles align with our economic development ambitions, and I hope to build more colour into what he has said today.

I want to focus, sir, on telling you what I have learned about Blenheim Chalcot and Agilisys and I will also provide more detail on the possibilities that are presented to us working with the organisation.

Agilisys began life as a company called netdecisions.com in the late 1990's and was born out of the dot com boom, one of the few businesses from that time which managed not only to thrive but also survive. The company was comprised of an investment arm and an IT consultancy. Its investment arm became Blenheim Chalcot and the consultancy, Agilisys.

Blenheim Chalcot (BC) has a portfolio of 40 businesses launched since 1998 and 20 of these are current live investments. But, sir, please treat the word investment with caution, because in this instance it is a far broader term which encompasses so much more than just finance. BC state in their literature that they are not venture capitalists, they call themselves venture builders, and I think that this is an apt description and a characteristic in evidence when I visited their offices last week.

We are all familiar with the concept of investing money in order to make money in a business, but BC do so much more than this, they invest in services, time, knowledge, ideas and even infrastructure. So as a fledgling business you might need office space, mentoring, professional services such as IT or legal. This is the sort of helping hand that BC give to businesses that it deems fit for its support. It is precisely this approach that for me is compelling. It is a broader definition of the word investment where Guernsey can draw a lot of benefit.

The initiatives that are on offer to us and will be of advantage to Guernsey are around MedTech which is health technology, as you know, FinTech skills innovation and a Guernsey office of Economic Development at White City London.

Sir, I will now spend a bit of time looking at the specific value that BC add to the opportunities that have been presented to Guernsey, if I have not just moved myself right back to the beginning of my speech, so apologies while I ... My digital has failed me! (*Laughter*) I was advised to print it out and put it on paper but I did not take that advice.

So before I outline these offers it is important to bear in mind that the value of the investment in the third pillar is commensurate with 2.5% of the value of the whole contract. This is investment into skills, digital and innovation locally, and is an extra that is really needed. Please do recall – and I have reminded Members of this many times – that currently we have no funding for skills or digital and what we have delivered so far in Economic Development has been done as part of our business as usual provision along with a health amount of begging, persuading and borrowing on my part and a good deal of goodwill on the part of others.

It is though more than what this amounts to in terms of hard cash, it is about the extra added value of the network connections and experience that BC will bring, and I will now tell you more about that value add.

3225 Beginning with FinTech, Blenheim Chalcot has positioned itself as one of the foremost FinTech investors in the UK with companies such as Clear Score, Sal Refinements and TDX all incubated in-house. They will focus on the Guernsey financial system and identify the best opportunities to develop solutions on Island which will support both the Guernsey economy and if proven could scale up to the UK, and perhaps internationally. We will benefit from the high-level expertise of
3230 individuals with verified track records in the finance technology area such as Rob Devey who has held the most senior positions at the Prudential, HBOS and Lloyds; he is now an advisory partner at Blenheim Chalcot and the Chair of Modulr, a portfolio business which specialises in digital payments.

They will run workshops and sessions on Island to understand the current advantages and
3235 challenges so that future propositions can be developed. We will also have access to an even wider range of contacts and connections that Deputy Parkinson mentioned than we already do, such as Peter Estlin, the Lord Mayor of London and senior advisor to Barclays, who can help create opportunities and initiate connections which will be very useful in meeting our ambitions.

In the MedTech sphere BC is committed to its expansion of this portfolio area, which means
3240 that Guernsey will benefit from this commitment. While senior leaders at Blenheim Chalcot, Kate Newhouse and Rachel Burnham, will bring expertise in MedTech ventures and the NHS. We will have the advantage of their private and public sector experience in improving and disrupting the health care sector. I believe that the work in this area must of course involve the Committee for Health & Social Care. In both sectors Guernsey can leverage from an established approach to
3245 MedTech and FinTech innovation using proven methodology.

So, sir, I hope that I am starting to paint a picture of the potential that BC expertise will bring to Guernsey to help identify, diversify, grow and incubate new Guernsey business ventures in these high value areas.

We also have the ability to build the Guernsey brand in this area, attracting new business to
3250 relocate through the BC connections.

The company brings with it international expertise in the dynamic and fast paced areas of medical and financial technology innovation and the BC provision of a board of internationally recognised industry and research leaders in MedTech and FinTech.

On my recent visit to Agilisys and Blenheim Chalcot, I was lucky enough to squeeze in a visit to
3255 another of their venture build businesses Scale Space. Scale Space provides the infrastructure support I mentioned earlier and strategically places tenants to leverage the best circumstances for developing business relationships. It was here in White City that I was shown the plans and the actual building site for the location which we have been offered for the Guernsey Office of Economic Development in London. This is one of the offers which is the most accessible in terms
3260 of vision as it is a tangible real estate, a physical footprint for Guernsey in the heart of London. From here we have the ability to build the Guernsey brand and communicate our message in the centre of entrepreneurial innovation in London through visible branding, holding events to engage with the wider Scale Space network.

The office will provide a physical base to meet with and broker connections between Guernsey
3265 Economic Development, associated partners and wider government as appropriate; it will act as a physical base for high growth potential Guernsey businesses, coming through Digital Guernsey to undertaking meetings and activity within the Hub accelerating their growth and investment.

The co-location with the Imperial College, Blenheim Chalcot Research and Economic Hub adds value through introductions to the BC partners, investors and advisor networks, all co-located in
3270 the London Scale Space in a regeneration area of White City. It is a fantastic reputational opportunity for Guernsey to be seen as part of the leading innovation space opening in London in 2020 as an innovative and forward thinking jurisdiction.

Furthermore a link with BC provides a strong work offer of working with Imperial College whose business school will be co-located on the site. This has potential to support other States of Guernsey ambitions around tertiary education.

Now Deputy Lester Queripel has asked for extra information from Deputy Le Tocq regarding this office and we had a short chat earlier on during the recess when I told him I would be covering this area. But I hope that I have gone some way to answering some of his questions, but I am sure Deputy Le Tocq will add extra detail if I have missed anything.

Though, sir, Deputy Queripel did ask for details such as staffing arrangements, which at this time is probably a little bit premature. I hope I have outlined that there are many use cases for the facility and I can give assurance that a clear plan will be worked up which provides excellent options for use by Islanders and also the ability to recreate a little bit of our beautiful Island of Guernsey to promote economic development within the heart of London. (**A Member:** Hear, hear.)

Looking at innovation, entrepreneurial support programmes will serve to accelerate local business growth through specialist advisor mentorship. This is the provision of a structured and high-quality assured growth programme for digitally focused entrepreneurs looking to start and scale their businesses on Guernsey. We will be provided with a proven route of support to enable local business to be investment ready and a formal route to access such investment.

Blenheim Chalcot will bring high value expertise through their venture business services mentors and investors programme. This team of 100 plus mentors are industry leaders in the development of successful businesses and have an extremely high investment and scale success rate. This will serve our local businesses very well, enhancing the enterprise services that are currently provided on Island and the confidence level of entrepreneurs wanting to bring their ideas to fruition in the world of business.

The last area of collaboration is around skills and innovation. Digital skills initiatives which are Blenheim Chalcot specific come in the form of apprenticeships, leadership bootcamps and other relevant events.

I was lucky enough last week to meet one of the pioneers behind the digital apprenticeship programme and was taken through the development process. Various global models have been used in the creation of this apprenticeship and establishment of a modern form of digital apprenticeship of this kind would meet the needs of businesses locally and of students looking to gain from a modern digital apprenticeship.

It gives us the ability to connect and build on success locally from the Digital Greenhouse summer internship programme. It would drive more young people to continue with a career in digital, driving up the pool of digitally skilled employees available.

A modern digital apprenticeship programme will also enable greater flexibility of learning and inclusivity for those looking at changing careers or gaining new skills, with BC providing leading new innovative programmes through arch apprentices providing best in class apprenticeship models for digital.

Blenheim Chalcot also provide experience of working directly with leaders in the field such as Google and Facebook building innovation and programmes which have impact.

Their leading EdTech calibre provides greater assurance that programmes will be leading edge and effective in ways of working and relevance for employability skills. It is essential for us to aim for better employability skills in Guernsey. No longer can we continue to require just academic achievement from our students; in fact many businesses I speak to rate skills acquisition as more important for the modern day.

Finally, what can we expect for our entrepreneurs and people in business? Well the provision of leadership bootcamps and events which aim to accelerate digital transformation across the Island for individuals, small and medium sized enterprises and established business leaders, just like we are hoping to do in the States. This will provide the environment for upskilled business leaders, creating faster growth in digital adoption, leading to business growth and innovation.

3325 Blenheim Chalcot brings established methodology in the space of leadership programmes with impact and events which draw a wider range of experts together. The network they provide has the potential to attract a new form of Edu-tourism to the Island bringing off-Island visitors to learn and network through the event and bootcamp series. This is made possible by the high calibre of internationally recognised inspirational speakers and Blenheim Chalcot's own brand reputation.

3330 Sir, the whistle stop tour I have taken today of many opportunities that a relationship with the Blenheim Chalcot organisation is way beyond that of internal IT transformation and enhancing the valuable work that we are currently undertaking in all the areas that I have spoken about.

3335 We need to begin to accept that we require sustainable and credible stability in our economy and I believe that these are the first substantive steps towards an acceptance that things need to be done differently. The creative collaborative approach needs to be mainstream.

3340 We have some serious issues to tackle right now in terms of the climate crisis that we are facing and this will take a wholesale change in approach which starts now. These opportunities do not come often. This has been engineered and there can be no denying the significant *[inaudible]*, the attention to detail in the design and the quality of leadership of the whole project. To pass this up in my view would be sheer folly.

Sir, through you, I urge Members to please support all Propositions today.

Thank you.

The Bailiff: Deputy Trott.

3345 **Deputy Trott:** Thank you.

3350 Sir, I rise for two things. Firstly to compliment Deputy Kuttelwascher on the questions that he asked earlier and to advise him that those were questions that featured regularly throughout the Policy & Resources Committee's consideration of these matters, because, well for two reasons, both the bidders in the final stage I believe spent over a million pounds in putting together their bid and of course the unsuccessful bidder despite a high quality bid is a global behemoth in the sense that they are a long established, instantly recognisable global brand, so clearly it was essential that we understood the financial affairs of the successful bidder in some detail.

3355 Now I am told that Agilisys Ltd is the company that will provide services, and parent of Agilisys Guernsey and they in 2018 managed to turn over £127 million producing an EBITDAR of £10.3 million. That tells us a fair bit, sir: that the margins are reasonable but not excessive, and that is the sort of financial performance I would expect for a firm of this type operating in this market.

3360 But in anticipation of the sensible questions that Deputy Kuttelwascher asked, the Q&A in the policy letter did address this in some detail and I shall read directly from it:

Due diligence has confirmed that the Partner is operationally and financially resilient. The financial due diligence carried out has included analysis of Agilisys' audited accounts and assessment of both its current financial performance and the security held against its assets. This provided confirmation of a positive trading record and the reassurance required on the financial health of the company. As well as a track record of regularly generating profits, net positive cashflows are clearly evident. A key area for reassurance is the terms of the Auditors' report which is confirmed as 'clean'. Another aspect reviewed was the strength of the business to take on the FDS contract. Based on the core element of the contract requirements, it would add in the region of 10% to turnover [of this firm] which does not raise concerns and confirms the company's ability to take on further project related work. Parallel to this, there was an assessment of the credit reports on the bidder's group companies which raised no concerns.

As part of the contract negotiation phase of the Project, a final iteration of due diligence will take place which will consider complementary issues such as any aged or bad debt held on Agilisys' accounts and confirmation of the terms on which they will pay their supply chain.

And importantly, sir, and finally from me:

The contract contains measures which require notification to be provided where the financial standing of key parties alters and includes termination options where financial requirements and notification are not met.

Clearly, sir, Deputy Kuttelwascher can sleep soundly at night.
I give way –

3365 **Deputy Kuttelwascher:** Thank you, sir.

I think there may be some confusion as to whether or not we are talking about the same company, because I was quoting from a return given by Agilisys Professional Services Ltd and the figures that I have which are with the Company Registry in Cardiff are completely different from what has just been said, so I am somewhat confused by this.

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Deputy Trott: Well you need not be because you have been looking into a completely different company than the one to which the States of Guernsey is entering into a contract with. In fact I understand that this company is in the process of being wound up. It is no longer required by this group. So rest assured that the company that we are entering into a contract with, assuming of course the States approves that decision, are as financially sound as I have described.

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The Bailiff: Deputy Yerby.

Deputy Yerby: Thank you, sir.

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I would like to start by reading an excerpt from the Policy & Resource Plan. I hope Members will bear with me. It says:

The E-Government Programme aims to provide the public and local businesses with high quality and relevant services at the time and place and in the format required; allow Committees to provide high quality cost effective services while making best use of available manpower; ensure that States' Committees have access to full and complete information when making plans and policy; support the promotion of the Bailiwick as a centre of excellence for e-commerce; and support the development of ICT awareness and skills within the wider community.

The following principles will underlie the E-Government Strategy: services should be designed to meet the needs of the recipient as well as the provider.

We have heard that before!

E-government should be aligned with the strategic objectives of the States; frontline staff should have access to complete information and the ability to communicate easily with services and business partners as appropriate. Organisations outside the States should be integrated with the business process where possible. States' services should always be available through a front office but should also be available electronically so that users of the service do not have to visit the office in person. Committees must retain responsibility for meeting their mandates, but may deliver their services in partnership with other committees and be supported by a common business framework of technical infrastructure. The corporate business framework must be able to support secure and reliable applications across all Committees, within some or all of an individual Committee, and to selected staff across different Committees. Wherever possible the States will use existing commercial solutions rather than attempting to create another arm of government to deliver these services; and members of the public will be able to opt into any e-system scheme in order to avoid any data protection issues.

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Now, the use of the word 'e-commerce' might have given the game away a bit because of course this was in the Policy & Resource Plan in 2002 when I was 13 years old. *(Laughter)* So do not tell me that we have not been there before and that we have not got the T-shirt!

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Sir, I will note that Deputy Brouard pointed out that only four of us took the opportunity to read the detailed business case. Well I did request the detailed business case but unfortunately, irony of ironies, I was not able to receive it electronically which was a bit of a headache in terms of reading it and keeping it safe.

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Members may have gathered from the tone of my opening remarks that I am a little bit of a cynic when it comes to this policy letter; and the decision that I am facing, sir, is a choice between on your own heads be it or not on your life. Am I going to get out of the way of Policy & Resources and let them get on with what they think is the right thing or am I going to vote against it?

Now when it came to last year's Budget and the decision to set millions of pounds aside for public sector reform I was eventually persuaded to do the former. The Chief Executive thought that he could save so much money from changing the Civil Service. Policy & Resources were convinced that he could, 'Okay, you have made your bed, lie in it,' and if it turns out to be very uncomfortable that is your issue. But I cannot say how much I regret having been persuaded to do that. Although I know that I should not let my judgement on this be clouded by that, there are definitely certain similarities that they share.

Indeed I read a report the other day which suggested that the Revenue Service – and remember how the Revenue Service was sold to us as a transformational project – has seen the delay in the recruitment of two key posts – posts that were central to the improvement of customer experience – twice now; first, because of public sector reform and, second, because of the Future Digital Strategy. So I do have to apply a little bit of cynicism as to the promise this project offers.

In talking about how this States, and its predecessor for that matter, solves problems I want to just tell a little bit of a story. I am going to skip back to 2014 and to the question of developing a Land Registry and I hope I will show you very quickly how it is relevant. Paragraph 1.5 of that policy letter in December 2014 read:

Although the Business Case shows that a Land Registry for Guernsey could be introduced, and would achieve a range of benefits in doing so, the view of the Treasury & Resources Department is that it represents a considerable piece of work, and not one that is risk free to implement or operate. Indeed, in the absence of an agreed Government Service Plan, it would be very difficult to judge the relative importance and overall need for the delivery of a Land Registry versus the many other issues, projects and priorities facing the States. Furthermore, the need to ensure the project adhered to the States-agreed capital prioritisation programme process would require further work ...

Now I remember this, sir, I was not either in the States or in the Civil Service at this time and I remember it because I put my head in my hands and I thought, 'Oh no, here we go again.' We have got a perfectly worthwhile project in front of us, we know how we could achieve it, we know that it would bring benefits, and we are going to put it on ice because there is a bigger global project that we have got to do, the prioritisation of just about everything before we decide to get on with it, and just like that a worthwhile project died.

We do as a States – and it is not just us, it is our predecessors too – have a habit of overlooking small or gradual changes that could make life better for people today or tomorrow in favour of global changes that take much longer, put everything else in suspension while they are being worked through, and ultimately deliver much less, much later than we might have hoped.

We are starting to see it here already. For example, on SACC we have been told that delivering the Electoral Roll and electronic voting falls outside the sphere of the FDS project and, guess what, we are going to have to prepare a business case to convince P&R to let us work with their chosen partner to deliver the absolutely business-critical projects. Already the global solution is starting to look less global and therefore less worth putting everything else on ice for.

Now, sir, I suspect that the reality is that the States does need a strategic partner when it comes to IT. The world of tech moves so far and so fast that I doubt a small in-house team and even if the whole service were in-house it would still be small in comparison to the scope of the wider world and the schedule of demands that tech places upon us. I doubt that an in-house team would have the skills and knowledge to meet the IT challenges of today let alone the future.

Sir, for the record, since we are a year away from an election, one of the things that this parliament and every parliament needs are people who understand tech, not just business with a capital B but computers, the internet, coding, cybercrime, the risks and vulnerabilities that are posed to our citizens' daily life and to our States' sovereignty by the electronic world. If that is not a complete skills gap here it is a substantial one and it is one that is essential that future parliaments fill.

So having said that, having recognised that we probably cannot meet the challenges in relation to IT completely internally, that we probably do need a strategic partner, I suspect my conclusion

is that I will not stand in P&R's way. I doubt very much that I can be persuaded to vote for this project but I probably will not vote against it.

3445 But I do want to finish with a plea going right back to where I started. There are many ways of getting where one is going, we could take a leap, both legs off the ground, everything suspended in the air until we get to the other side, but that of course takes more energy and involves more risk than any other way of moving, so we save it for the times when the ground is otherwise completely impassable. The rest of the time we might run, we might walk, one leg on the ground, a bit of stability and *status quo*, the other one swinging forward into the future. It is slower but it is
3450 safer, it is guaranteed to get you where you are going.

This Assembly and its predecessors has a habit of stopping mid-step and springing into a leap and then leaping again, and sooner or later we are just going to trip over our feet and fall flat on our faces.

3455 Transformation, as Deputy Ferbrache said, can be achieved by determined incremental change, step by step in the right direction, and we really need to get out of the habit of abandoning the little things, putting them on ice, in pursuit of the next big thing. We need to have confidence in what we can do to make the world a little better today rather than putting life on hold while we go in search of the *panacea*.

3460 Sir, if P&R wish to proceed I am not going to stop them, but I hope that they will proceed with caution and think carefully about putting things on hold while they work on the delivery of this.
(Applause)

The Bailiff: Deputy Tindall.

3465 **Deputy Tindall:** Thank you, sir.

The FDS partnership will, in my view, benefit most, if not all, of us in Guernsey. The benefits of the economic development element, which I think will prove an exceptional opportunity, the benefits to other committees especially Health & Social Care, are both clear.

3470 The inclusion of the use of Guernsey's Transfer Undertakings Law (TUPE) to protect current employees is an obvious approach to take, as is the use of the 'golden share' and the protection and possible enhancement of our intellectual property.

The debate so far has clearly, articulately, in particular by Deputy Dudley-Owen, a wide variety of such benefits; but others have also raised concerns which are thought provoking and I look forward to hearing Deputy Le Tocq in summing up.

3475 However, I wish to touch on two points before moving on to the effect of FDS on the Development & Planning Authority – the first made by Deputy Soulsby. Whilst a Member of Economic Development, I had the benefit of several discussions on this potential contract and in particular the MedTech element, so I echo to the core for HSC to be kept informed and consulted in this regard.

3480 The second point is that in respect of the business case, I assumed that this would be made available to us in the same way as have many before now and that is in the States' Members' Room but unfortunately I appear to have misread the email and of course it was not there.

3485 So to the main aspects where the FDS partnership would assist the planning service and the DPA, the introduction of which the team are very much looking forward to. The first is the introduction of the Assure browser-based planning portal in accordance with the Committee's stated service improvement priority in its current business plan.

3490 In summary, when complete this will enable the submission of planning and building control applications electronically and also the publication of submitted plans online, allowing our customers to view applications online at their convenience rather than having to come into the office during working hours to see paper copies. We will also be able to communicate back and forth digitally, but as Deputy Stephens eloquently explained, those who choose not to will not be excluded.

At present this project is proceeding relatively slowly albeit it is paid for through our contract with the supplier and is therefore not costing us anything extra, we are hopeful that through FDS it can be accelerated.

The second is the sharing and receipt of large data files, at present it is extremely difficult to receive or share large data files. They can only be sent using Egress Switch, which is inconvenient, potentially expensive for our clients, and does not permit effective file sharing. Alternative options have been explored and either do not work or are unacceptable to ISS under current protocols e.g. Dropbox etc. This issue currently impacts particularly on the preparation of development frameworks and similar documents and will in any case need to be resolved before the Assure planning portal can be introduced.

The third is digital document management. Officers have made good progress with this through acquiring digital copies of planning and building control applications to ensure that they are not added to our existing extensive paper archives at the end of the job and with back selling conservation and design and forward planning records. However, we need now to roll this approach to digitalisation out over other areas, for example, enforcement and immunity, and in relation to digitalising the current large archive of property files which is held at Northside. On this last point, the DPA will be keeping a keen eye on this to ensure we retain all important historic documents once scanned.

The fourth is the States' website. There is a wealth of planning information and guidance on the States' website, however, the website is far from intuitive and this information can be very difficult for our customers and even the planners to find. It is hoped that FDS will assist with a complete refresh of the website to improve public access to such information.

The fifth is technology for mobile working. The current equipment that has been purchased, issued to assist mobile working e.g. MS Windows mobile phones which are intended to allow staff to access ILAP when on site does not work efficiently or consistently, regular software crashes are experienced when working in the office. These basic issues should be relatively easy to resolve but to date are the main problems which impact our officers' daily work.

Sir, these are just a few examples of how one committee can benefit from FDS. These can be rolled out across all committees, all departments and benefit everyone on this Island and for that reason, sir, I will support all the Propositions.

Thank you.

The Bailiff: Deputy Graham.

Deputy Graham: Thank you, Mr Bailiff.

Members of the States, I think in that speech from Deputy Yerby we had the speech of the day by some margin. **(Severall Members: Hear, hear.)** I am doubly grateful to her because it does save me from making one myself because I do share much of her analysis, and I share much of her, I think, scepticism rather than cynicism in my case, because I think we have seen grand ventures of this sort, certainly I have in my lifetime, that all started with the same level of assurances of ultimate success, which did risk, as Deputy Yerby implied, paralysis along the way of other things that were already perhaps in place to be done.

But I do come to a slightly different conclusion to her, in the sense when I began my term as a Deputy, my one and only term, I did pledge to myself that I would never duck out of a vote and seek refuge in neutrality. I dare not risk this project not happening, so I will support it with my vote.

But I think, rather like Deputy Yerby and I suspect others, in the year that remains to this Assembly and certainly as Vice-President of Education, Sport & Culture and also as a Member of the Home Affairs Committee, I do so in the hope but also the not entirely strong hope that one will begin to see the benefits of this before the end of this term, because the benefits of it are much needed both in the classroom and in various elements of Home Affairs. They are desperately needed.

3545 I shall continue to do that with more than a close vested interest in the next year and I think for a number of years afterwards as I follow the success, I hope, of the project after the General Election next year.

The Bailiff: Deputy Merrett.

3550 **Deputy Merrett:** Thank you, sir.

I will be relatively brief. I rise to apologise to Members and more probably to our community because, through reasons I have not been in control of, I have not been able to give enough time to research and come to a determined position on this policy paper.

3555 So whereas, very similar to Deputy Graham, I appreciate my seat in this Assembly, I was voting for this seat, but on this occasion, sir, I really do not believe that I can make a fully informed, educated decision on this policy paper.

3560 I have got the full business case, I have read the paper, I have many concerns, as articulated I think by mainly Deputy Lester Queripel who appeared to come to one conclusion. I also have a lot of sympathy for what Deputy Soulsby said.

But I have to agree with Deputy Graham and actually Deputy Yerby has articulated why I would probably vote to abstain but I want it on public record that actually the real reason I am abstaining, sir, is that I believe a Deputy should make a fully informed, intelligence based decision, and on this occasion I apologise because I have not been able to do that.

3565 Thank you, sir.

The Bailiff: Deputy Langlois.

Deputy Langlois: Thank you, sir.

3570 I too, as other Deputies have said, chime with a lot of the things that Deputy Yerby said.

It is almost as if people are being too enthusiastic about this project and as people enthused about it and told us more and more how wonderful it is going to be for the economy of the Island etc. my doubts have grown, because nothing can be that good – and I have sat on a few IT project boards so I know what can go wrong.

3575 Also the thing which keeps going through the back of my mind is that a lot of this is about the interface with the public. This Assembly has two main interfaces with the public. There is the interface where we take money off the public and there is the interface where we provide services for the public. That is a slight simplification but it is fairly accurate.

3580 At the moment 80% of the interface where we take the cash off the public is all being dealt with and sorted out through the Revenue Service programme which about just over a year ago we agreed to move to Phase Two of and finance. So we have got what is a £10 million-plus IT based project actually on the go at the moment and it is a very important project.

3585 It just seems illogical given the doubts people have about these sort of projects and the failures there have been both in the UK and to a lesser extent in Guernsey for us to embark on a large IT based project and before we have shown everybody we can do it and it is successful and it delivers cost efficiencies and improved customer services that we embark on an even bigger project. Now there might be a rationale behind that but I do not see it, given the level of doubt there is out there and in my own head about these projects.

3590 As a Member of T&R I was on the project board for the much vilified Tetris Project. I saw how an IT project can go pear shaped and it is not something which happens gradually, what can happen is every week can be producing the goods, you can have ups and downs but on that particular project it was extraordinary that just when everything seemed to be fine there was a slight problem with one of the client representatives, let's say, who were not very enthusiastic about the project and that was extraordinarily unhelpful. It reminded me that an IT project is very similar to a construction project in that it is that client/provider or designer relationship. It is

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absolutely crucial, and it is crucial that the brief is thought through by both parties and agreed before the project starts.

That is true of a construction project and an IT project. The difference is we have been building, we have been involved in construction for thousands of years, we have only been doing
3600 IT for a few decades, and so the level of understanding of what is involved in an IT project is different from a construction project so even more care has to be taken at that briefing stage.

Also the clients, all the clients, have to be on board and somebody else has touched on that earlier, everybody has got to be committed to it and committed to the success of the project. It is a difficult thing to achieve when you have got a big project.

3605 The Tetris project and the Revenue Service project are relatively tightly focussed and even there it is difficult to make sure everybody is actually on board and contributing. So that makes me slightly nervous about this huge all-singing, all-dancing project.

The other thing I learnt on the Tetris project was that the thing goes live suddenly, something out of the blue can happen, which in the Tetris project was it went live and in a world where
3610 everybody is so used to Googling and getting instantaneous results, people were sitting around and having to wait for four minutes for a result of their searches because of the levels of security you needed in a piece of software like that, and I assume the levels of security needed in the FDS will be of a similar level. So in other words –

3615 Sorry, I will give way to Deputy Le Tocq.

Deputy Le Tocq: Sorry to interrupt the Deputy, but just to be clear I think he is referring to the TETRA project not Tetris which is a game (*Laughter*) which he may well play on his electronic device!

3620 **Deputy Langlois:** You are right, Tetris was a well worked out piece of software (*Laughter*) which has entertained millions around the world without any problems at all. TETRA was a much vilified States of Guernsey IT project that has not amused anybody at all! (*Laughter*)

I am trying not to be too cynical about this and I feel, much like Deputy Yerby, I almost want P&R to go ahead with this but I have so many doubts about the sheer size of this project. I am still
3625 not quite sure how I am going to vote on this on the Propositions.

Now I wish I could be more confident but I would be more confident if we had got the Revenue Service project sorted, operating. I would feel a lot more confident that this FDS would not then come in and not necessarily interfere with it, but to start a second large IT project when we have not finished the first just goes counter to my intuition about how we should be sensibly
3630 structuring these initiatives.

So I am not quite sure yet how I am going to vote on it, as I said. If everything that has been promised came to pass obviously it would be a wonderful thing for Guernsey but I have got my doubts that we are not biting off more than we can chew when we should have been looking at this in, what some other people have called, smaller bitesize chunks.

3635 Thank you.

The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

3640 Now seems to be an appropriate time to speak because the recent part of this debate seems to be a sort of sceptics' section and I feel similarly to most of the recent speakers. But I will vote fairly unhesitatingly in favour of the Propositions, although I do not expect the full benefits of the project to be realised, and would not challenge an assertion that large parts of the assumed benefits will not be delivered. Now I will explain why I feel that way.

3645 It is evident to anybody, even a person as unskilled in IT as me, that the IT provision of the States, both externally facing and the platforms which support Government, are wholly inadequate and uncoordinated.

I think there was a report recently carried out for and on behalf of the Committee for Home Affairs. This has, I think, been referred to earlier in this debate, which identified that it was being forced to work with IT equipment that was amongst the worst that the reviewer had ever seen. Those sorts of assessments are quite commonplace from committee to committee and service area to service area. So it is ludicrous for anybody to believe – and I know that no Members have suggested this in debate, but it is ludicrous to believe – that there does not need to be substantial reform and significant investment in IT platforms and provision.

Government IT projects which are inevitably large scale tend to have a habit of if not going badly wrong then, as Deputy Kuttelwascher said, not fully delivering their benefits and costing rather more than was anticipated.

I do not think we can rule out that some years in the future our successors will be trying to explain to each other and to the public why this project in its delivery ended up looking a bit different a few years after the policy letter was debated.

However, this is a very technical area and there may be a few Members – well there will be many Members of the States who are more skilled in IT than I am, but there may be a few Members of the States who are very skilled in some parts of IT, but I would suggest that this kind of debate is the hardest for lay politicians to grasp – not so much the concept but the detailed technical specifications and proposals that are before them, and in those circumstances one does not really have much choice other than to say if you accept the original brief against which the project is designed; if you accept the premise that there needs to be substantial reform; if you accept the principles of the project; if you accept the concept; and if you consider that the business case as presented stacks up, there is not much choice but to accept the advice of the professionals you have employed to put forward some proposals.

Ultimately we collectively are responsible for all of those aspects of the project, for scoping it, for the employment of the staff who have advised on it, for the election of the Members of the committee who are now proposing it to the States, for the investment that is provided, so we have to take responsibility for that, and we are equipped to take responsibility for that.

But I do not think we are particularly equipped – and I cannot remember which Member of the States it was who said this but somebody did – we are not especially equipped to make technical judgements about whether the particular proposals being put forward are better than alternatives.

If you think about when we consider proposals in relation to health policy, or education policy, or social welfare policy, or transport, it is not unusual for proposals to be laid by a committee and for Members to come forward with amendments, sometimes quite far reaching amendments, quite detailed amendments. It is inconceivable that any Member or group of Members would come to the States on this sort of debate with some alternative proposals because of the nature of the subject matter.

So that is why, although I share the scepticism of Deputy Yerby and Deputy Langlois and others who have spoken recently in this debate, I will vote in favour of the proposals, because I think unless I can see a credible alternative I am obliged to vote in favour of the proposals because I recognise that the *status quo* is so unsatisfactory. (**A Member:** hear, hear.)

Sir, I do not really like abstaining, I do not remember abstaining ever in a States' debate, so I sort of share Deputy Graham's view, but even if one was to consider abstaining I think in this particular debate unless one really believes that the detail of the proposals before the States are wrong and that there is some better alternative available, I think that Members should vote in favour because there is clearly a need for substantial reform.

We are collectively responsible for the point which has been reached now and these proposals are before the States because we have had some hand in the people who have helped to design it, and the election of the Members who are proposing it, and the fact that this project was being scoped. Therefore it seems to me the only sensible thing is to vote in favour of it, but I do so recalling Deputy Yerby's words slightly from the perspective of on your head be it, because I do not feel that I could go out publicly and sell the details of these proposals. I do not think it is particularly my role to do that given the decision I am being asked to make today, but it probably

3700 is the role of the Members of the Policy & Resources Committee because they are putting the proposals before the States.

So in a sense what I am saying is, I accept their proposal that this is the best way to resolve the obvious problems which exist with IT in the States.

On that basis, sir, I am prepared to place my responsibility in them and cast a vote in favour of their proposals but I do so sceptically and believing that a good portion of the apparent benefits may very well not be delivered.

The Bailiff: Deputy Hansmann Rouxel.

3710 **Deputy Hansmann Rouxel:** Thank you, sir.

My thoughts lead on quite nicely from Deputy Fallaize in that I find myself in a similar position, although I am a little bit less sceptical, and the 'yes' in me wants to make sure that we actually do give this the opportunity to be what could be a vehicle for substantial change.

However, the point that Deputy Yerby made regarding already entering into road blocks regarding the SACC work for the 2020 Election does give me cause for concern, and one of the phrases that kept coming up through the policy letter ... 8.16 it talks about:

Business change and transformation will need to be led by the Committees involved. Whilst the Partnership will provide greater access to resources to support business transformation and IT change and, over time, will help to release resource through the digitisation of services, capacity will be required from officers across the States in order to deliver on the potential of the Partnership.

This idea, yes, led by the committees, that is great. Then in 13.1:

Whilst the changes generated by the future IT delivery model will be operational, they will have an impact on work carried out under the mandate of each and every Committee. Updates on the progress of the project have been provided through the Chief Executive's annual report appended to the updates on the Policy & Resource Plan and through Statements made by the President of the Committee.

Now yes in theory the information is there and there are processes in place, but what is clearly coming from this Assembly and it comes from the introduction of the changes in the Civil Service that were announced in the Budget debate and it is reaching a point where this operational communication is within the gift of Policy & Resources and actually it is not to do with the policy letter, that is the channels of communication and the way that these changes and how to take advantage of the changes, these communication channels are insufficient, and they have broken down, and we are not going to be able to realise the benefits of this project if those communication channels are not re-established and a proper vehicle for managing the internal transformation is created.

That might be a proper vehicle ... the officers and the Chief Executive might feel that the vehicle has been created on the operational side but it is that interaction and that interface with the political bodies that is not working and the transformational changes that are happening. Speaking from my own viewpoint on Environment & Infrastructure, I have seen so much potential in digital transformation and the potential for the transformation within the Civil Service but it feels like there is a divide, a huge gap, between what is happening on the operational side and then communicated through very light channels but it is not meeting ... we are not actually having a real consensus about this; and that not working together, that is working and pointing at each other and saying, 'Look, we have done what we have done and ticked boxes.' It is not a partnership and that is a problem that this States is experiencing at this moment, and if that continues this project will not realise the benefits.

That is in the gift of P&R to sort out. I do not believe there is an unwillingness, it is just that we have gotten into bad habits.

3740 The other point that I just want to re-raise and I thank Deputy Laurie Queripel for raising the point about data storage and the energy consumption that does take place. Going through the

policy letter it was good to see that there was a rationalisation of the data storage to two data centres as opposed to what is a higgledy-piggledy set up at the moment. There was a note around the cloud services. So in 8.8 it does outline the:

Provision of on-Island integrated data infrastructure ... The States' storage, access and processing of data needs to facilitate joined up and modern working and maintain the necessary levels of security.

3745 It goes on to talk about the:

... two modern, industry standard on-island data centres, [being] augmented by cloud-based services for less sensitive data.

3750 Now cloud based services still need to store the data somewhere, so I am assuming that my interpretation of that is that there are two on-Island storage centres and they would hold the sensitive data and augmented with that we will have the ability for non-sensitive data to be stored off-Island in the cloud, which is stored somewhere else. My concern would be the use of two types of data set and the auditing of what goes where and how you would classify that something is not sensitive and ensure that those classifications are working within the new set up.

3755 My second concern is regarding the data storage on-Island and we should definitely be looking at the energy usage and ensuring that it does utilise renewable energy as far as possible. Of course the energy policy that should be hopefully sometime this year will outline some of those concerns, but in terms of the preparation for this kind of work the policy letter also talks about two different hubs that would be created and they will have access to fast technology and be really connected.

3760 What investigations have been done in terms of planning and strategic land usage. Is there an idea of where these data centres are going to be set up and where these hubs are going to be set up? Just if Deputy Le Tocq can confirm that that kind of investigation over the two years has been done and there is some idea of where these will fit in within the strategic plan of the process.

3765 It is just basically those two points. I do think it is within P&R's gift to actually sort out the communication mismatch and create vehicles for individual committees to actually start to benefit from not just on the big projects but the whole transformation that takes place and can take place with moving towards digital platforms and changing the way that we actually work completely because that is the issue here: that way that technology is enabling change means that we cannot actually envisage what working would be like. It is like talking to somebody in the 1990's about smart phones; they have completely changed the way we interact, pre social media, and all of these things that we cannot predict what the future is going to look like but you can build frameworks to enable you to start access and see the real benefits.

3770 So I will be voting for this but I do hope that P&R can sit down and create some proper working channels so that committees can actually start to benefit from this work.

3775 **The Bailiff:** No one else? Oh, Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

3780 Mention has been made about the Social Security benefit system – I think Deputy Gollop referred to it and it is mentioned in the report I was not on Social Security at the time they contracted the system but my recall of what happened was that they contracted with a software developer and they were failing to deliver against that contract and that was ended and they then basically went out to purchase a package which was modified for them and I recall that part of the project went to plan and delivered against the goals, and as I understand it was a good package.

3785 But the key thing about it which is following on from the point Deputy Hansmann Rouxel made is that that only worked because there had to be substantial user involvement in that package and that was at specification and also at testing, and that user involvement does not stop

just when the package is initially developed, its ongoing versions need to be tested as they come in as modifications happen to a system.

So my question is to Deputy Le Tocq as if you look at 9.2 it goes into detail about how:

Leadership and ongoing commitment will be required from the States, Committees and senior management in order progress enhancements to IT and drive through the business change that new technology will enable.

3790 It goes on to say about capacity will be needed. Has that capacity been budgeted for in the budget? Because the only way, in my view, software projects are successful is if those key people involved in a project are released from their normal duties and they are backfilled in order to have sufficient people who fully understand the system involved in its specification and then subsequent testing.

3795 My one comment perhaps on the debate has been I think there has been too much emphasis on economic benefits in terms of MedTech and FinTech etc. when I think the key thing is digitalisation of States' services. That is the basic thing that we are buying, the economic benefits of those are something on the top and not the key things. So I think in some ways the speeches have lost what the key part of this debate is.

3800 I worked before I became a politician in the IT industry and I probably worked for the largest software house which Guernsey had at that time which was up to 80 people working locally, and we also had an off-Island office, but the world has moved on very much and I am not going to say that I am an expert or have knowledge in terms of the type of development or the type of contracts that are involved. But I have seen that we need the expertise in order for us to move ahead.

3805 So I will have confidence. I think there has been an in depth process which has happened and I do not know enough about it and I do not think without having spent an awful lot of time ... we have to have some confidence that the people involved have worked to produce what is best for Guernsey. So I will give them my confidence and will vote for it, but I would just like my one question answered because I believe that we have to improve our IT services and I think we have 3810 the benefit of external expertise to help us. It will come at some cost but hopefully we can make the best use of our money in order to make our investments and improve ourselves.

Thank you, Mr Bailiff.

3815 **The Bailiff:** Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I do not have very much at all to add to what has already been said.

3820 Certainly in my more optimistic moments I can get excited about potential benefits but I have to say some of the scepticism that has been articulated this afternoon, in particular, has resonated and I certainly went into – well, I came out of reading the policy letter feeling some of those things but as I do not have a better alternative to suggest I found myself stuck between a rock and a bit of a hard place.

3825 So just a couple of points and one is semantic actually. I found the policy letter strangely inaccessible. I just found the language that it used really quite corporate and impenetrable and it was really difficult, and I say this as someone with a literature degree. I found it really difficult to actually get to the crux of what it was trying to say, and that is just a general comment and I would just like it to be borne in mind for future please. But I really did find that was a barrier.

3830 I know Deputy Dudley-Owen quite nicely articulated her problem in trying to avoid buzzwords, which I think actually she did quite well in her speech, but I found the policy letter really suffered from that, the choice of language, I think. I think it could have been written in a much more accessible way and I think that really would have helped, and that is one of the sources of my unease actually about this because I was not really sure exactly what it meant. It uses a lot of very vague and corporate terms without actually managing to pin very much down. I think that

certainly contributed, to me personally, to that sense of unease about what we are really signing up for.

But one thing that was quite clear – and this is just a fairly minor point that I am picking out slightly randomly – it was great to see some of the ... in terms of that sort of supporting the community and the legacy that it will create. It is obviously great to see various mentions of supporting younger people and transferring those skills in digital apprenticeships and all that, but actually it occurred to me that some of the people in greatest need in our community of the bolstering of digital skills are the older people, especially those with the increase in retirement ages who may well need to retrain. So I just wanted to ask P&R to bear that point in mind and if they can be incorporated with equal enthusiasm I would very much appreciate it.

The Bailiff: Deputy Le Tocq will reply to the debate.

Deputy Le Tocq: Thank you, sir.

Well, sir, in the run up to lunchtime I was talking to the Chief Information Officer and saying that I would be quite disappointed if we did not have a fulsome debate on this issue because, as some have pointed out this afternoon, this is one of the most significant, certainly the largest investment and underpins – and I will come back to this later – many of the other aspirations that we have as committees and as a States.

So in terms of the project itself, certainly in my experience since I was first elected in 2000, this is the big one, of the not just IT projects but in terms of delivering many and facilitating many of the other things that we want to do.

It also is, sir – and this touches on a number of the questions that we have had during this afternoon's debate and I do commend Members who spoke and even those who have shared their concerns and inhibitions quite strongly – I think it is important that we have this degree of scrutiny in this Assembly; that is what it is for. Whilst I obviously will be encouraging Members to vote for it, the point I am wanting to underline is that in all my experience of being T&R years ago, being on Education with big projects to do, we have never taken so long and been so thorough in ensuring that we try and achieve what we want and that those who are tendering for these services are properly scrutinised to ensure that when the tenders are made they are addressing all the concerns that have been identified.

In fact the two final tenderers both made that comment to me, that in their experience the degree, the depth, the detail of that scrutiny was unprecedented. That, I think, is a very good thing. Now it will not address everything because if we waited to try and feel that everything was in line things would have moved on and, as Deputy Hansmann Rouxel just said a moment ago, the solutions would have to look different than they are now. We are having to deal with a moving target here.

I got involved in computers and information technology when I was in my teens. I learnt some coding when I was at Elizabeth College in a club. I have always been a technophile, I would not consider myself to be an expert in this, but I always loved it, but I remember when I went to university and part of my first degree was an element of electronic computing to do with music and we had at that time a storage facility for the main computer that we had which was an incredible beast. It did all sorts of things and it was a Winchester hard drive, which was, I think, a one-metre square wooden box and people used to come and just stare at it, because it was one of the largest of its sort in universities in London and they would say, 'Wow, how big is that?' and we used to say 40 megabytes.

Now things have moved on quite significantly, only in, well, the 30 years or so that I was in university (*Interjection*) and there are likely to be – it is 30 years or so – (*Laughter*) they are likely to continue in the future.

Sir, just to address some of the concerns that have just been made by Deputy de Sausmarez, I sympathise with her in terms of the accessibility. It is very difficult to design a policy letter of this sort that addresses all of those sorts of issues. It is like trying to address a mixed audience, some

of whom want greater detail and the others of whom want it in simple terms. In a sense you cannot do both, so what we do is we design by committee, we go for a middle ground, we ostracise both of those parties, but nevertheless I am sure some here would wish more detail on cloud solutions and azure stacks and those sorts of things, and others say, 'I do not really need to know that. I just want to know the objectives are and whether this will achieve it.'

I have tried to explain to some members in our community, sir, who have raised questions and concerns and to use the illustration of a property that my wife and I now own in France through an inheritance that we had. It is over 200 years old and when we first acquired it just over a year ago the electrics in the property I described as Napoleonic. (*Laughter*) There was no ring main. I am assuming everybody understands that here – and basically there were electrics there but everything had been spurred off an initial point that came into the house which was quite ancient in itself. There was some more modern wiring in the garage because the previous owner had not really been interested in domestic things he was more interested in workshops and that sort of thing, but it was not connected, because as soon as you connected it all the fuses went. So although there were more modern wiring facilities there it did not sort of work. You could plug some things in, lights and certain things, but some of the sockets were so old that some of the more modern things could not be plugged in there and in fact it would be quite dangerous and a fire hazard if you did so.

So we had to make a decision and our decision was we need to completely rewire. I am sure many in this Assembly have had to do similar things in properties here in Guernsey, but we chose to do that because we wanted to have a facility that could accommodate, that could facilitate modern appliances and the sorts of things that we want to plug in and use in our property in France.

Sir, the States of Guernsey for many years now, and certainly when I first joined in 2000 I think I was one of only three Members in the 57-Member Assembly at that time that had an email address, but what we have done is piecemeal over a number of years, and we have got, if you like, some Napoleonic wiring in our IT provision and yet the demands from all of us in committees, as individuals, and of our main focus which should be about our community out there is for greater and higher level of facilities and services delivered digitally.

Sir, in order to do that we cannot continue the *status quo*. If we do, certainly the costs that some have barked at here will continue to escalate and to get worse and worse, so continuing the way we have done means that we will have further crises because the infrastructure behind supporting these things is not correct, and secondly, our staff who are not equipped – and some have touched on this – to deal with business as usual and develop new solutions to the problems that we have today, they are already at over capacity. What we need is to partner – and this is why we have taken the long process of determining what that partnership should look like and come with the proposals before the Assembly today.

So, sir, that is where I come from in terms of high level reasons for where we are today. If we want to achieve some of the other agendas – I will not use transformation, maybe I will use metamorphosis because that is a Greek word and I sometimes prefer Greek; or transfiguration, that is a good religious word to use here – we need to have a complete change, a complete metamorphosis of the way in which we deliver digital services to our community and within the States as an organisation.

Sir, there were not actually a lot of questions and some of the questions have already been answered by others of my colleagues, but I will try and address some of those questions in the next few minutes.

Deputy de Lisle opened and he was in favour of delaying until next term. Well, sir, that is really an issue in the sense that we can address and many have in this debate addressed the risks that are before us in this new contract that we are wanting to sign, and there are risks, and I believe we have sought to identify where those risks are as clearly as possible, but the *status quo* has also many risks. The only difference is we are comfortable with it, because it is the devil we know, somebody talked about demons in the potential direction that we are choosing to take; well

actually better the devil you know is not necessarily a good way of moving forward, because there are real problems, there are real cost issues, there are real unseen, unfelt, risks in our current system and we cannot afford to delay.

In fact if we delay until next term already various committees will be knocking on our door and saying what are we going to do about delivering this and we would have to say we cannot do it. This underpins, as I said, so many of our aspirations elsewhere because the digital solution is not an add on, it is not an extra curriculum choice that you make, it is the way in which we do business as usual.

That is why I am really pleased, sir, that the way in which we focused our attention, these three pillars, one was to deliver business as usual in a more effective, more resilient way, one was the transformation agenda to do more things digitally, and the other one was economic development, and to address, I think it was, Deputy Dorey's concerns or somebody's concerns, there is a priority in that.

Obviously business as usual needs to be done better than we are currently doing – and I hope we all agree on that – identifying that that is a problem and we need to do that.

Secondly, the transformation agenda is very important indeed but we want it to include the opportunities for economic development because we are obviously partnering with an organisation that can benefit our community in terms of job creation, in terms of diversification of our economy, and rather than just blindly investing in something to solve our problems, looking at how we might use that in terms of economic opportunity is also a very valid thing. But there is an order to that, certainly in the way in which we scrutinise things as we have moved forward over the last two years.

Deputy Paint and a few others mentioned an email that we had very late in the day yesterday, which came from an unknown source, an anonymous source, and to answer Deputy Paint's question, it came via the contact form on the Government website, that comes directly to all Deputies. There is no staff involvement in that, so we see everything that is there, and sometimes people leave their names, more normally they do. If they do not leave their names my own view is that if they want to be anonymous then I do not treat it with the same weight as someone who actually describes where their sources are coming from. So I think bearing in mind the way it was written, the inaccuracies which have been addressed by the Chief Information Officer and the timing of that, I think we should recognise it for what it is. (**Several Members:** Hear, hear.)

Deputy Lester Queripel's questions about Imperial College and White City, I think, have been answered by Deputy Dudley-Owen. I will not refer to that again.

Deputy Prow asked some questions regarding whether our retained function, the internal senior level team, would duplicate functions that we are partnering with Agilisys for under the contract – and the answer to that is no. We have chosen to do that and it was again through the process of choice that we made so that we have a key interface which is ... an interface is not just political but an interface that understands the issues, understands the digital environment so that when we need to have some degree of moderation or monitoring of things we have expert advice who are employed by the States and understand both us and the potential solutions.

I think he also asked a question about the training of staff, and there is of course a massive training programme that needs to take place of staff as they move forward from where they are into the new vehicle, and that is incorporated within these proposals.

He commented, sir, that there was a complexity within the structures. Yes, it is complex because we are complex. The States of Guernsey seeks to do a number of different things –

I give way.

Deputy Lester Queripel: Sir, I thank Deputy Le Tocq for giving way.

I very much appreciate the information that was provided to me in relation to my questions from Deputy Dudley-Owen, but I am afraid I am still not clear as to what the staff in the office in the UK IT hub will be doing on a day-to-day basis because that information is not provided in the policy letter. So surely the more information Deputy Le Tocq can provide us with the better,

3990 because we are often told unless we are fully informed we cannot make a decision, or we cannot justify a decision unless we are fully informed.

I do not feel fully informed. I do not know what the office staff are going to be doing, so could Deputy Le Tocq relay that information to me and the Assembly please?

3995 **Deputy Le Tocq:** Sir, well, the opportunity is one of economic development, and it will be Economic Development's office staff who will be based there. Of course the university itself is a world class university, so the opportunity to both work within that environment and for our staff to promote the opportunities for business in Guernsey in the future will be far more tangible than they are at the moment. So it is, if you like, a promotional opportunity, but it is also a real business
4000 opportunity; because digital is a growing part of our economy, this helps to spearhead some of that.

Sir, just going back to Deputy Prow's comment, it is a complex project and I think he appreciates that because, sitting where he does as Vice President of Home Affairs, he will know even within that Committee's responsibility there is a diversity of IT need and provision, not just
4005 now in terms of the issues that are facing them, but in the future as well. But he also sits on Health so he will know full well that there is a different set of needs there. What we are seeking to do is to provide the backbone, the infrastructure and the wherewithal so that in the future we are not just putting sticking plasters over individual needs of each committee, but that we are seeking to do something that serves the whole in a cost-effective way.

4010 Figures 10.1 and 10.2, I think, seek to demonstrate – it is complex – but seek to demonstrate the governance, control and the staff transfer issues.

Sir, Deputy Laurie Queripel spoke at quite some length and I appreciate his, one might say, cynicism over the project and I can understand. He has expressed such concerns before, particularly where technology is concerned. I think he would represent some people in our
4015 community who would feel that we should not be spending these sorts of resources and I do not know if it was him but others have said, 'Well, could we not spend this same money internally?'

Well the fact is, sir, we are spending this money already every year, the base line figure on which this is based is on monies both in terms of staffing and capital costs that we spend every year. On top of that there are projects that committees want to do which are, as I said, waiting to
4020 happen and we have not got the capacity at the moment to deal with it.

So, sir, I share the concerns in a sense because we as a Committee and in terms of the governance of this project to get to this place, have gone to lengths to ensure that every opportunity, every issue, every problem, has been properly scrutinised but we have come to this position on the basis that we do not have the option of doing nothing.

4025 I do not know who it was, sir, but I think Deputy Queripel certainly referred to the fact that we have got a situation now where the options available for us if we were just to look at the cost benefits ... and I am certainly convinced that we can see savings here, but this is not a project that is primarily about making savings. If it was that we would be in a totally different position here today. This is not the sort of thing we would be presenting to this Assembly. Making savings is
4030 secondary and this will facilitate savings elsewhere because of the fact that digital services underpin other metamorphosis that we want to see happen in the States as a whole, but it is not primarily about that.

So if you approach it on the basis of it is not going to facilitate the sort of savings that you are saying, I think you are missing the point somewhere. We certainly want to see that happen but
4035 that is not the prime motivation behind this initiative.

Deputy Queripel asked about the retained function. Again, sir, I think some Members have already, some of my colleagues have already answered that, but we along the process have had the tender and the solution properly scrutinised outside by experts, by Socitm which is an external independent computer and digital assurance organisation, so we are not bringing this blindly to
4040 the Assembly, we have had outside information and scrutiny which has helped us get to this point.

He also raised some points, as did others, about the contract itself and we have had for the last six months a senior commercial lawyer employed by the States working full time on this project. So I do not think we could have done much more in terms of ensuring that this contract can deliver and the best opportunity to delivery what it says and that we have got the levers in place should things go wrong and when things go wrong, because in any contract there will be glitches, there will be things that happen where we will need the levers in the right place to be able to persuade and to insist that answers and solutions are found to those problems.

I think my colleagues have answered some of the other questions that Deputy Queripel raised, I will not go over those.

Deputy Soulsby, sir, I think spoke in a very balanced way as someone who is a president of a committee, and our largest spending committee, who desperately needs to see some of these changes come into place.

She of course, as she alluded to, has experience of large IT projects in the private sector and will know that there is no perfect project, there is no perfect solution, but I am sure she would agree as well that if we make no step because we are so cautious it is bit like saying, 'Well, if I aim at nothing I will be sure to hit it.'

We do need to make moves forward and, yes, it is an ambitious project but I am not embarrassed about the ambition that is seen here, because I think it helps us all and it certainly helps our staff and our potential partners to aspire to do the best we possibly can in our jurisdiction here.

Many have said there is a unique opportunity in Guernsey, unlike other places, because we are small and because we have all the ingredients and all the needs of larger governments to do things differently and even to demonstrate alternative solutions to those that have been used by larger jurisdictions.

Deputy Green had lots of detailed questions and I thank him that he was one of the five I think that did actually come to look at a full business case and that provides a huge amount of detail and it was available to all Members here on request. Obviously some of that detail is commercially sensitive and that is why we had to handle it in that way. He spoke about risk transfer. The contract has been looked at in detail by our legal experts and we are as assured as we possibly can, and my colleagues on P&R have asked all the strong and difficult questions I think that could be asked in order to be assured of that.

But having said that, we do as a Committee welcome Scrutiny Management Committee's involvement. We recognise the need and the opportunity that gives us to have another set of eyes looking at how we move forward. This is not the end of something, sir, it is the beginning of something, and whilst it has taken two years to get here, to deal with some of Deputy Kuttelwascher's questions, this is not a big bang at all, it has taken a while to get here. Some of the changes that will take place once, as I hope, we vote this through will take a while to achieve because they involve people, they involve culture change, and they will involve each one of us learning to do things differently and how we manage those who we are responsible for in our various committees and offices.

Deputy Kuttelwascher asked a few questions about the financial state of the company and I believe Deputy Trott has answered that. He was looking at a different company. Whilst it was owned by the parent company, it is the parent company that we are contracting with which is a much bigger operation than the one whose financial details he had looked at.

Sir, I do not think I am going to be able to persuade Deputy Yerby to vote for –
Sorry, I give way to Deputy Kuttelwascher.

Deputy Kuttelwascher: I thank Deputy Le Tocq for giving way.

There was one other question which he has not answered and that was how close were the bids on a scoring basis between Agilisys and if you like Fujitsu. That was something else which I did ask.

Deputy Le Tocq: Well, first of all can I say, sir, that both of the final bidders were consortium bids both of them involved a mix of local companies and companies based outside Guernsey. They were very close but financially they were quite a distance apart, so in terms of value for money the bid that is before us today as preferred bidder is the less expensive of those two.

So Deputy Yerby, coming on to her, I do not think I can persuade her, but what I will say to her is I understand her frustration and I believe she said she would abstain. She was rather critical of P&R but I do not believe we could have done better than what we have done today in bringing this before the Assembly as a Committee, as staff and as those involved – and it has not just been us, we have had Members of Economic Development involved in the process, as Deputy Dudley-Owen alluded to earlier. We have done our utmost to engage with the departments, particularly the key departments that need to see the sorts of transformation take place digitally. So I do not believe we could have done better than we are currently doing.

Deputy Hansmann Rouxel talked about the concerns over reform in general and I would just underline again that this digital transformation agenda is something that helps to see other reforms come about. If we do not see something like this move forward it is going to hinder and put us back quite a long way.

In terms of data centres, yes, it is not just FDS that will need to look at the provision of renewable energy; that affects many businesses here in Guernsey and we are cognisant of that. Obviously at the moment we are not in a position to say where they might be based here on-Island.

In terms of the security issues, I for one was very concerned that we should do our utmost to try and keep our data sovereignty here on Island and the default position will be that data stays on-Island unless it is deemed to be and can be proven to be the sort of data that does not need that degree of security. So it will be a default position from that perspective.

So Deputy Dorey, I think I answered his question earlier but if I did not I am willing to be corrected on it now if he wants to renew –

Deputy Dorey: I asked about whether included in the budget is the users' involvement in terms of developing the proposals and also user testing.

Deputy Le Tocq: Yes, that is right. Well there is a question on capacity and I think that is exactly why we are doing this project. So yes, it is included in that so that we have adequate capacity for the future.

Sir, there are eight Propositions before the Assembly and I encourage all Members to support them.

A Member: Hear, hear.

The Bailiff: I have heard no one ask for any separate votes so I will put all eight Propositions to you together –

Deputy Lester Queripel: Recorded vote please, sir.

The Bailiff: – with a recorded vote. So a recorded vote on all eight Propositions.

There was a recorded vote.

Carried – Pour 27, Contre 3, Ne vote pas 4, Absent 6

POUR

Deputy Gollop
Deputy Parkinson
Deputy Le Clerc
Deputy Leadbeater
Deputy Mooney
Deputy Trott
Deputy St Pier
Deputy Stephens
Deputy Fallaize
Deputy Smithies
Deputy Hansmann Rouxel
Deputy Graham
Deputy Paint
Deputy Dorey
Deputy Le Tocq
Deputy Brouard
Deputy Dudley-Owen
Deputy Langlois
Deputy Soulsby
Deputy de Sausmarez
Deputy Prow
Alderney Rep. Roberts
Alderney Rep. Snowdon
Deputy Ferbrache
Deputy Kuttelwascher
Deputy Tindall
Deputy Brehaut

CONTRE

Deputy Laurie Queripel
Deputy Green
Deputy de Lisle

NE VOTE PAS

Deputy Lester Queripel
Deputy Le Pelley
Deputy Merrett
Deputy Yerby

ABSENT

Deputy Meerveld
Deputy Inder
Deputy Lowe
Deputy Roffey
Deputy Oliver
Deputy Tooley

The Bailiff: Well, the voting on the eight Propositions was 27 in favour, with 3 against and 4 abstentions. I declare them carried.

4140 That concludes the business for this evening. We resume tomorrow morning at 9.30 a.m.

The Assembly adjourned at 5.38 p.m.