



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Thursday, 22nd July 2021

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Present:

R. J. McMahon, Esq., Bailiff and Presiding Officer

Law Officers

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

People's Deputies

S. E. Aldwell	N. R. Inder
C. P. A. Blin	A. Kazantseva-Miller
A. H. Brouard	J. P. Le Tocq
Y. Burford	D. J. Mahoney
T. L. Bury	A. D. S. Matthews
A. Cameron	L. J. McKenna
D. de G. de Lisle	C. P. Meerveld
H. L. de Sausmarez	N. G. Moakes
A. C. Dudley-Owen	R. C. Murray
J. F. Dyke	V. S. Oliver
S. P. Fairclough	C. N. K. Parkinson
S. J. Falla	R. G. Prow
P. T. R. Ferbrache	L. C. Queripel
A. Gabriel	P. J. Roffey
J. A. B. Gollop	H. J. R. Soulsby
S. P. Haskins	G. A. St Pier
M. A. J. Helyar	S. P. J. Vermeulen

Representatives of the Island of Alderney

Alderney Representatives S. Roberts and
E. A. J. Snowdon

The Clerk to the States of Deliberation

S. Ross (States' Greffier)

Absent at the Evocation

R. M. Titterington, Q.C. (H.M. Comptroller); Deputy M. P. Leadbeater (*Relevé à 9h 33*);
Deputies A. W. Taylor (*Relevé à 10h 00*); Deputy L. S. Trott (*Absent l'Île*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF *in the Chair*]

PRAYERS

The States' Greffier

EVOCATION

CONVOCATION

The States' Greffier: Billet d'État XV, the continuation of the debate.

The Bailiff: He missed it by a matter of seconds, but Deputy Leadbeater walked in just after his
5 name had been called.
Deputy Leadbeater, do you wish to be relevéd?

Deputy Leadbeater: Yes, please, sir.

10 **The Bailiff:** Very well. Then we will mark you as present as well.

Billet d'État XV

SPECIAL MEETING

POLICY & RESOURCES COMMITTEE

1. Government Work Plan 2021-25 – Debate continued

The Bailiff: Deputy Falla.

Deputy Falla: Thank you, sir.

15 I am going to support amendment 1 as it retains Proposition 1 of the Review of the Funding of
Drugs, Treatments and Devices which says:

To agree, in principle, that the States of Guernsey should adopt, on a non-statutory basis, a policy of funding drugs and treatments in receipt of a Technology Appraisal from the National Institute for Health and Care Excellence, including those drugs approved for funding from the Cancer Drug Fund.

Now, that Proposition, sir, reflects a worthy aspiration by the States to go beyond the £40,000 ICER level, if and when circumstances allow, and offer the same provision as the NHS. Who here would not want to do that?

20 Amendment 12 limits that aspiration to NICE TAs with an ICER up to £40,000 and even then only after a review.

Deputy Soulsby: Point of correction, sir.

25 **The Bailiff:** Point of correction, Deputy Soulsby.

Deputy Soulsby: The amendment ... neither the policy letter nor the amendment change the underlying Propositions in relation to drugs over £40,000. It does not say stop. I know Members have received an email this morning – I do not know, because I did not get it – but I do know of an email sent saying that this was all ... implying that it was a conspiracy theory and that no drugs
30 would be approved after £40,000. Nothing has changed in relation to drugs over £30,000 or £40,000 in that respect. It is just when the review will take place.

The Bailiff: Deputy Falla to continue, please.

35 **Deputy Falla:** My understanding, sir, is that the Propositions were phased over two years to allow necessary investment in the work around the PEH pharmacy, Bulstrode and laboratory services. Increasing capacity to administer more infusions, including new scheduling and pharmacy management software and staff recruitment allowing HSC to seamlessly move into year two and NICE TAs with an ICER up to £40,000. If we accept amendment 12 why would that investment, that
40 groundwork in anticipation of year two need to take place? It would be far from certain that it would be required. At best, if the new review confirmed the need to move beyond NICE TAs with an ICER up to £30,000 then –

45 **Deputy Soulsby:** Sir, point of correction.

The Bailiff: Point of correction, Deputy Soulsby.

Deputy Soulsby: The review was not to look at the Hospital and what was needed for the Hospital to do it, it was to look at the effectiveness of the drug regime as had happened.
50

The Bailiff: Deputy Falla to continue, please.

55 **Deputy Falla:** By implication if investment in year one is limited or held back due to the uncertainty surrounding the outcome of the new review and the uncertainty of whether the States will actually approve any recommendations coming from it then the estimated costs for year one could be wrong.

Coming to health inflation, raised by Deputy Oliver yesterday. By limiting to only a £30,000 ICER the value of that cap will be materially eroded even over the term of this States. As we heard in an earlier debate, the Government Work Plan is a living document and will come back to the States in
60 June 2022. If HSC cannot deliver Tranche 2, if the economy has not recovered as hoped, if the States cannot raise additional revenues through taxation or if the actual costs of Tranche 1 are materially different from expected, then we can change the plan. Voting for amendment 1 leaves the States and HSC with all its options open to react when necessary for the benefit of as many Islanders as possible.

65 Now, I am going to be personal for a moment, sir. I actually know what it is like to rely on drugs to stay alive. I am an insulin-dependent diabetic, having been diagnosed 17 years ago and I take insulin three or four times a day. Without it, I would not be here. In some countries, such as the

United States, insulin is very expensive, almost \$100 a unit. To put that in perspective, I take around 15 units a day. Insulin is not provided by the health service in the US and people in my condition are deep in debt as a result. Sir, I am lucky in that the Guernsey health system provides me with what I need. There are many people on this Island, sir, living with conditions far worse than mine and in need of expensive medication to improve, lengthen or even save their lives. Let's remain aspirational for them today, sir, and vote for amendment 1.

Thank you.

75

Two Members: Hear, hear.

The Bailiff: Deputy Ferbrache.

80 **Deputy Ferbrache:** Sir, Deputy Falla has made a good speech and I appreciate the points he has made. I would just comment in relation to the interjection by Deputy Soulsby that if there has been an email sent alleging conspiracy (a) I have not seen it, (b) it is a shame it is not sent to everybody and (c) it is nonsense if it is alleging that I or anybody else are involved in conspiracy. (**Two Members:** Hear, hear.) That is just plain silly, immature and inappropriate.

85 But in relation to this situation, let's start where this debate on this topic began, a very powerful and good speech by Deputy Roffey, and he used the thing that we used to use when we used to debate things in the Society at Elizabeth College when I was 16 and 17, a debating tactic and quote against you what you said. I stand by every word that I said at the debate last year, I stand by the principle of supporting and signing that requête and being wholly in favour of it. Also, I have no doubt at all Deputy Soulsby, Deputy Le Tocq and Deputy Brouard are equally committed to the good health of every member of our community as Deputy Roffey and others are. There is no sanctity, sanctimonious in relation to this, there is no right.

90 Now, Deputy Dudley-Owen said in relation to a previous debate that life is finite, and of course it is. One day we are all going to leave this mortal coil, whether it is tomorrow, five years' time, 10 years' time, 50 years' time none of us know, thankfully. So during that passage of time, whether it is from zero to whatever life we have got, we should take such steps as we can to prolong people's life, we should make sure that those who have illnesses that their conditions are eased as best they can be and their life is made as tolerable as it can be by the provision of drugs. Nobody disagrees with that at all and the amendment proposed by Deputy Soulsby, which I second, and I second it in knowledge that she knows far more about this topic than I do, is quite clear. It is saying, as she just said again in her interjection just before, it is not getting rid of anything, it is just having the review and bringing the review forward. Because Deputy Roffey did say you cannot save everybody's life. There will never be enough money for health. It would be great if we could.

100 I am now going to turn, if I just may briefly, because I always enjoy the speeches of Deputy McKenna and I see he is in a different place today, so I cannot actually physically see him – I can now, I am very grateful. But in relation to that he was talking about, because we do get things bandied about in debate that are absolute nonsense and well, he had one of those yesterday. With considerable respect to Deputy McKenna (*Sirens*) – they are not coming to take him away, they are just ... (*Laughter*) I will continue now. When he talked about while they are building ... 'My good friends the Rihoy's', he said, and they are very good builders with a good reputation as we know, they can build all these things down in Admiral Park for £26 million if forgets the fitting out cost and he and I have had a discussion this morning – he heard it at £2 million, I heard it at £4 million, but even if we take it at £3 million that is perhaps £29 million or £30 million.

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115 So what I am going to say to him is this, because I very much respect the quality of the building work that firms like Rihoy's and Falla's do. This is a challenge to Deputy McKenna. He goes out and speaks to them, gets them to agree to do the Hospital for £30 million. Let him go and do that and he can come back in a month's time and say he has managed to achieve that because that is the kind of rhetoric that is Ruritanian economics. I do not know whether the Hospital is overpriced, I do know that we generally in relation to the way that we go out, we are hostage to fortune, really,

120 because if we say we have got £100 million to spend on a school or £70 million to spend on a
Hospital, if you are builder, it would be same if you are a lawyer, you would think, 'Um, that's
£70 million, that's £100 million.' You do not think, 'Well, actually, I could do it for £30-34 million',
you are going to quote very near the asking price. Now, that is the way it works because we are
open and every decision has to be scrutinised to the nth degree when we are dealing with public
125 money. In the private sector you sit down and you negotiate with a builder and you *generally*,
because the simple way is often the best, get a better deal.

So when Deputy McKenna quite rightly puts his heart on his sleeve, my heart is very much on
the same sleeve as Deputy McKenna's. He has got no righteous indignation or righteous comment
and think that he can do better in relation to these matters than I can because I sympathise and I
130 can empathise. I have got no health problems, as far as I am aware, but I very much appreciate the
point that Deputy Falla made that in other jurisdictions the kind of medicine that he has got to take
would be ... he would not be able to afford it, he would be dead.

But Deputy Oliver made a point, I cannot remember the drug – I do not think she named the
drug but she specified it – 70p a few years ago is now £77 for the same thing. Now, if my arithmetic
135 is right, the price of that has gone up, not by 110%, but by 110 times. Drug companies need to be
controlled, we are too small to control them, they do make massive profits, but again they have to,
for every successful drug there are 10 that do not make it past the testing process. So it is not a
matter of saying you make a lot of money on that drug, because they also lose a lot of money on
research.

140 But in connection with all of this, and Deputy Roffey gave the example of a very trite and right
example of four people in a bay that is in Southampton Hospital, there is the English person that is
getting the drug, there is a Jersey person that is getting the drug, there is a Guernsey person who
has got the relevant health insurance who has got the drug and then there is the Guernsey person
who has not who does not. I do not want to do that. I want everybody to get the right drugs, I want
145 everybody to have the same opportunity. I do not like keeping bringing money in to it because I
fully accept the point that Deputy Queripel said: there are some things that are more important
than money and we all exist as human beings, all the other things we do are important, but the
main thing that we are here the propagate is the well-being, in every sense of the word, of the
people of the Bailiwick of Guernsey – every sense of the word, including their health. So I fully accept
150 the point very well made yesterday by Deputy Queripel.

But we have got to face the fact that we have got some degree of responsibility and I am not
saying it in the context that I said it in certain of the other amendments that have been put forward.
We can have a health tax. We are having our fiscal review, we can have a health tax. That is a
euphemism for increasing income tax, and you can dress it up whichever way you want but that is
155 what effectively it is. So if we want that when we come to the fiscal review, which we are going to
come to very shortly, say that, Members of the States, if I can say that, sir, through you. Say that,
Members of the States. Say that openly to the public. Say to the public we are going to increase
your tax burden by 2p, 3p in the pound, whatever it is, we are going to do that because we want to
fund health. I am not saying necessarily I would be against that, I am not saying necessarily I would
160 be in favour of it. I would listen to the arguments at the time and see what the overall position is.
But what I would say is that for every right there is a responsibility and we can all stand up here and
bare our souls and say, 'This is what we should do, this is what we should do', we have also got a
responsibility to act reasonably, prudently, in a balanced way.

Now, Deputy St Pier said, 'Ah, there's been no change since last year.' Well, I do not know
which ... again, somebody was talking about ... Deputy de Sausmarez in a different amendment said
165 she thought she was on a different planet to some of the people that were speaking, I think I must
have been on a different planet to Deputy St Pier when he was saying that, because to me
£100 million in a small community like ours, a small economy like ours, is a lot of money. It is a vast
sum. I am not saying it for any political purpose because I have been President of P&R now for nine
170 months and I did praise, and I still praise, the work done prudently in relation to fiscal matters
before. But coming across my desk, three days out of five, I see things that make me flinch and I

think, why didn't the previous administration do that? Why didn't the administration before that do that? Why didn't the administration before *that* do that? We have been left with a bit of a mess and we are going to have to sort out that – and I am speaking gently – bit of a mess and I do not know
175 how we are going to sort it out. It certainly not going to be sorted out easily because the public do not think we are doing ... they have not thought for ages, really. They are disengaged except for the keyboard warriors, I referred to some of those before. Most people just get on with their lives, they are not interested in politics, they do not give a penny's farthing in relation to what we are doing, they just want to get on with their lives.

180 So our responsibility is to act responsibly. I *very much*, as much as Deputy Roffey, as much as Deputy McKenna, as much as Deputy Falla, as much as Deputy Queripel, all of those people I respect, I very much want the people of Guernsey, the people of the Bailiwick of Guernsey to have the best drugs available, just as much as those who come from Rochdale or wherever else I said it was a year or so ago. I want that, but we have got to act with a degree of responsibility and that is
185 what Deputy Soulsby's amendment is seeking to say.

I do not think we will be successful, because everybody is going to bang their chest and say 'this is the right way to go, we've got to do this or we've got to do that'. I have not seen this email that is only ... a bit like when Deputy Cameron sent his email to just certain people. It would be better, if we are going to be communicative, if we sent it to everybody so we all know what sins were cast
190 against us, we all know what we have got to deal with. I just mention that to my colleagues in the States and those who may be in and around this building who are sending emails just to certain people. Let's act responsibly, please.

The Bailiff: Deputy Matthews.

195

Deputy Matthews: Thank you, sir.

In her introduction to the Government Work Plan, Deputy Soulsby noted that with unlimited resources we could strive for utopia and went on to describe some impossible mathematical problems of the ancient world, such as squaring a circle. Knowing that utopia is often considered
200 an unreachable destination, I wondered if the suggestion was that with infinite resources we might actually get there. However, we do not have infinite resources, we must prioritise them with care. This is what the Government Work Plan attempts to do. My feeling is prioritising all spending and activity in one large document is too large and detailed to offer much in the way of democratic oversight. Despite the process we all went through to input our view to the process, it is difficult to
205 keep track of all the items from different Committees, particularly Committees you are not familiar with, understanding all the workstreams can be quite challenging. Only certain areas stand out and, of course, as a Member of Health & Social Care, the NICE TA treatments are one of them. Amendments that place the priority or not on the NICE TA-approved treatments with an ICER value of £30,000 or £40,000 and higher is one example where choosing priorities is difficult. This is one of
210 the few areas of Government where we are unfortunately having to place a monetary value on life.

On one hand, medical officers advise that were extra budget available for Health & Social Care there are many areas for improvement that they might prioritise above the availability of some of these expensive treatments included on the list. On the other hand it seems fundamentally unfair that residents of Guernsey could be denied treatments available in the NHS or Jersey or other
215 places. We are a wealthy society and it would seem wrong in principle to fail to match the level of care available in neighbouring jurisdictions to which we so frequently compare ourselves.

It is also worth mentioning the mechanics of approving these treatments for use in Guernsey. I think I have previously, maybe during the election, called out Health & Social Care for dragging their feet on getting the NICE TA list approved. Now that I am a Member of Health & Social Care and have a greater appreciation of the work involved and the timescales and a lack of resource, by
220 which I mean people, in this case, to accomplish this, there is a lot of work in getting through the list, starting from the least expensive and working up. So I would like to apologise to Deputy Soulsby and Deputy Prow and former Members of Health & Social Care for calling out on the delay. There

225 is a lot of work but now that the process of approving the list has begun, it will take some time to
get through the list so that the treatments can be approved for use in Guernsey.

It is also worth noting that the list is not static but constantly changing. This does highlight that
whether we approve this amendment or not might not actually make any real difference as it will in
any case take some time to get to the remaining items on the list. If P&R does not find a way to
fund the treatments sustainably there will be pressure to make cutbacks and this will be on the list
230 of items to come back on.

In some ways this amendment is merely a symbolic desire to complete the NICE TA list for all
ICER values which will be subject to continual review in any case, since the rest of the Government
Work Plan has already allocated funds to areas of Government considered essential. So the
availability of these drugs or not is really dependent on the state of Island finances and the fiscal
235 review. The fact that we are debating this amendment at all speaks to the limited income the Island
has available. Deputy Ferbrache and Deputy Helyar and others have reminded us there is little cash
available and this has been attributed to two main causes, firstly our long term demographic decline.
This both decreases our income tax receipts and increases the health care spend. The treatments
on this list are an example of the type of expensive health care costs that increase with an aging
240 population.

Secondly, the effects of COVID, and I cannot let this go by without mentioning the economic
impact of COVID as it is so closely related to the Government Work Plan and this amendment. As
Deputy Soulsby said, we cannot ignore what has happened over the last 18 months. Guernsey has
had an incredible response to the onset of the COVID pandemic. In health terms it has been very
245 successful despite, sadly, some mortality which we must not forget, but at a lower level than many
other countries.

In economic terms it has cost us money, but again, not nearly at the scale some other countries
have suffered. The spend to meet the costs of COVID has mostly been capital met from our rainy
day fund to date, though we have built up a sizeable backlog of waiting lists for off-Island operations
250 that will take some time and money to clear.

I will not hide that I would have favoured a zero COVID approach, not just for health grounds
but for economic reasons. The Government Work Plan already envisages moving to an endemic
position, though I would think it patently obvious that the vast majority of Guernsey citizens would
envisage this meaning endemic but at a low level of incidence. Quite simply, there is a good
255 argument that maintaining low case numbers is not only a health benefit but a wealth benefit too.
The presence of this amendment demonstrates that a successful economy can in turn by a health
benefit. If we generate strong tax receipts we are more easily able to afford to pay for adequate
health-care coverage and the full range of NICE TA treatments.

Conversely, responding to COVID is an expense in itself and can cause delays and disruption in
260 our healthcare system which impacts our spending. The two are intrinsically linked. And to some
extent we are putting the cart before the horse in agreeing NICE TA treatments without a sustainable
income source.

During the first half of the year I was optimistic Guernsey could make a strong economic
recovery. However, the recent CCA decision to open the Blue Channel does cast some doubt. There
265 is a sense that we are moving towards synchronising our pandemic response with the UK. We could
see higher numbers of cases, as Jersey and the Isle of Man have done, this could lose our unique
status and may jeopardise some health and economic benefits we might achieve. It amazes me, to
some extent, that we are discussing this amendment and others and indeed the entire Government
Work Plan when we have had so little debate on our COVID response and the economic impact.

I accept the need for a review in two years and on reflection the one year that P&R propose adds
270 little to the Government Work Plan position of a review in two years. We need to know what we can
afford bearing in mind the upcoming fiscal review. Like Deputy Prow, I am torn on these
amendments, but we should not let the impact of COVID impact our ability to provide adequate
healthcare. We should manage the impact of COVID to minimise the economic impact as well as

275 the health impact. Although, as I said, I find it more of a symbolic amendment, I am minded to support amendment 1.

The Bailiff: Deputy de Sausmarez.

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

Just before I start, I do not know where this suggestion of anyone alleging a conspiracy theory has come from but I would like to put on the record that certainly I am not aware of any such allegation. So I think it would be unfortunate if we danced off down that particular track without any substantiation.

285 I am very grateful for the speeches that have been made so far, particularly by those leading the amendments and also I thought Deputy Brouard's speech was very measured and helpful and I was particularly pleased to hear from another Member of HSC, Deputy Matthews just now, and I would very much welcome further views from the Committee for Health & Social Care. I thought Deputy Brouard's confirmation that HSC ... there is a range of opinion and a 'free vote' as it is known. I think
290 that is really encouraging, I am really glad to see that is the case and I am really looking forward to hearing more from the Members of HSC in particular, as well as any other Members of the Assembly. But I think it has been a useful debate so far.

Obviously, this is a heavy hitter in terms of its potential fiscal impact. So there has been an understandable focus on those fiscal pressures and I think we do need to draw out the difference
295 between systemic fiscal pressures that arise, for example, from the demographic issues that we faced for quite some time and COVID-related fiscal pressures, which hopefully are more short-lived. Significant, yes, absolutely, but I think there is a difference between the two. I think this is a long-term issue, it is something that we need to take into long-term consideration. Deputy Matthews was quite right in saying that we need to be confident that we can put in place a sustainable form
300 of funding for this and I am very pleased that actually debate so far, no one, unless I have missed it, is suggesting that we should turn away from this direction altogether. It is just a question of how we get there.

So really it does come down to a question of priorities and given that we have got some underlying structural fiscal issues that we need to deal with, we have always known that the Tax
305 Review is going to be absolutely pivotal in how we ensure sustainable funding for the States' priorities. So I think, as Deputy Ferbrache alluded to, that is absolutely the right time to ensure that the funding is in place. I think really what it comes down to is what do we prioritise as a community and I think, as people have already said in this debate, it does not really get more tangible than this. This is a really real issue. This directly affects so much more than so many other things that we
310 debate in this Chamber. This directly affects the quality of people's lives and it could be any of us – it really could. And it does come down to this issue of equity.

It is interesting that – it is a slight analogy, but bear with me – when communities are surveyed about how happy they are, how content they are with the quality of their life, what does not matter
315 so much is their overall wealth. What matters is their wealth as they perceive it compared with other people in the community. So in communities where you have very large disparities between the poorest and the richest that is where you have the most discontent and you get a lot of problems arising from that.

So I think the relativity is really important here and I think the fact that we are always going to have to – we just have to face the facts – be compared with our near neighbours and the UK in
320 particular, and that is why I think this issue of equity is so important. That is why I am certainly tempted to support amendment 1, because I think that is the purest form of support for this and ... Yes, I think. I am looking forward to further debate, would thank those who have already contributed, but I think I will actually just end on something Deputy McKenna said earlier, which is that there is a lot of – he said it yesterday – focus on cost and not as much on benefit. I think this
325 issue in particular, it is so important to keep that focus on what the benefits are.

While I am on my feet, I will also take the opportunity to thank those in the community who have constructively engaged, not just in this particular debate, but over a very long period of time on this particular issue in a way that is exemplary, constructive and I do commend them for it.

Thank you.

330

The Bailiff: Deputy Taylor, is it your wish to be relevéd?

Deputy Taylor: Please, sir.

335

The Bailiff: Deputy Le Tocq.

Deputy Le Tocq: Thank you, sir.

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Like Deputy Soulsby, Deputy Ferbrache and Deputy Brouard, I, too, stand by the comments that I made in the last Assembly regarding the NICE drugs issue and I think, if I quote myself correctly, I used the phrase, I must swallow hard and make a decision when faced with issues like this. I encourage particularly, sir, the new Members in this Assembly to do the same, because that experience goes both ways.

345

Deputy Matthews, sir, said that he was minded to support amendment 1, if just for symbolic reasons. I think our Resolutions in the Assembly should be far more than symbolic. I know there is a time for symbolic acts, but the fact is we now face a situation – this is where I do disagree with Deputy St Pier’s analysis – which is far more grave than we might have expected. I think we were pleasantly surprised by the experience of last year, but it is not just the experience of this year, it is the fact we are now entering into a relatively unknown and changing future. We cannot predict the next few years. Our economy, there is lots of unknowns there. So the terrible tendency, sir, of us as an Assembly to –

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I will give way to Deputy St Pier.

355

Deputy St Pier: Sir, I am grateful to Deputy Le Tocq giving way, but his challenge that we are in an unprecedented period of uncertainty, being unable to predict the future, I am just wondering whether at any period in the last 10 years we have ever been able to say we are able to predict what is going to happen in the next 10 years.

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Deputy Le Tocq: Well, sir, I thank Deputy St Pier for that interjection because I had only said recently one of the things that we used to be able to do, and I have been on Treasury, in terms of blaming previous Assemblies and previous administrations as Deputy Ferbrache alluded to, well, I put my hands up, I have been in most of them recently. But one of the things we could predict, almost to the penny, was the amount of income tax and receipts that we get from revenue of that sort. It was uncanny for many years. That is no longer the case. That is no longer the case.

365

Now, it is true, as some have said, that we are making this decision, we are faced with making this decision, almost the wrong way round. We should look at what resources we have before we go promising things that we may not be able to deliver, because even if amendment 1 passes we may be at this stage next year saying we can no longer do this. I personally, sir, do not like being disingenuous and virtue-signalling of any particular description. I do not like it, it does not sit well with me, I would rather be honest.

370

This is certainly very difficult and it is one we need to swallow hard on and not only did I say those words that Deputy Roffey quoted, last term, but in the last 12 months I had an experience very much linked to the sorts of issues we are dealing with here. It was not so much with NICE drugs but when I had my heart attack I was flown to Southampton, had some procedures done there and was given a prescription by the cardiologist there which would work in the UK but there was one particular drug on it that was not available here in Guernsey on our white list. And it will always be the case because there was a delay. In fact some of the medical specialists that I spoke to here had never heard of this drug and so the cardiologist over here said, ‘Well, you could take a more

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standard one here', I think the reason that he has chosen this one is that actually it comes with slightly lesser risk of internal bleeding than – sorry to go into detail, but – the other one. I considered that but fortunately it was only £80 a month and we are able to afford that, so I chose to pay for it. Now that circumstance has changed but there has been a delay of a few months in doing those sorts of things.

So I know the pressures that somebody not in my financial position would have when faced with that sort of situation: there is an alternative, but it is not as good. We are always going to be faced with those sorts of things. The question is a matter of how much time do we have and that is why P&R perhaps reluctantly lay this amendment, because if it underlines anything for us in the Assembly it is for us to say and I would be a dereliction of our duty if we did not dance very hard on the line and say: this indicates that it is going to be very hard. Because when we come to talk about raising the sorts of taxes that are necessary, some of us in this Assembly, sir, who are saying, 'I want to go for amendment 1' will say, 'Yes, but not if it means *that*, not if it means the sale of my family or our family home in order to fund long-term care; not if it means that TRP goes up; not if it means that income tax goes up; not if it means a GST.' We are taking it in isolation. To misquote somebody in the past, I think it was one of the Bush presidents, read my lips: taxes will go up. On the basis of that, which is fairly inevitable, the question is where would you do so? I think we would all disagree on those things, as would the people that we represent outside.

This, sir, is a realpolitik here. P&R's amendment does not remove all the expansion of facilities and the capital investment that is necessary in the pharmacy and in the facilities at Bulstrode House and the other things. Those must continue because otherwise, if we come to do the review in a year's time and we have yet got to do that, we could not implement any positives from the outcomes of that. So there is no intention there for that to slip. But there is an intention for us to say, look, we are going to have some very difficult decisions to make in a year's time so let's do the review then so that we have got all the information and we are doing that not in isolation but with all the information that we will have by then.

I can understand, sir, Members' sympathies because we have all got loved ones or people that we know who would be positively affected by this and it *seems* like we are taking a backward step. I do not believe so, but we need to take it in reality of what the cost – count the cost – of doing this and weigh it up with other things that we may not be able to do as a result of this because that, more than likely, will be the outcome.

The Bailiff: Deputy Helyar.

Deputy Helyar: Sir, thank you.

Rather predictably I am going to speak about money. Deputy Matthews interestingly mentioned Utopia, a place which everybody strives for which does not exist. Now, *Utopia* was written by Sir Thomas More, unfortunately who was executed for failing to recant his faith, his ideology in effect. He refused to recant it. And when I read, and I have a lot of sympathy again for these amendments, both of them, I think I would say first of all that the funding for the first phase of NICE is already in the Plan. So I found yesterday that it was slightly confusing in debate. It seemed to some extent that this amendment had been brought because NICE was not happening at all. That is not the case. I just wanted to make that clear, Deputy Roffey understands that very well as well. I do not think it came over quite well enough perhaps in debate. So the public listening on the radio need to understand that we are not stopping the funding of NICE drugs. All that amendment 12 is saying is that we need to make sure we make the decision about the next stage of funding with the right amount of appropriate advice and data.

Now, I mention ideology and Sir Thomas More because, and Deputy Roffey was quite open, his sole argument, effectively, was it was a disgrace that Guernsey should not be doing the same as the United Kingdom. That was the sole argument. There is nothing else in this amendment. There is no costing, there is no clinical advice, there was no amendment from HSC, the 4.3 section says this will just cost us x million pounds. Now, Deputy Queripel raised the *Press* article in relation to a letter

430 that I sent to the *Press* about the 'Jurassic States', about the States acting in an old-fashioned way. We have reached a point in terms of funding where we cannot simply make ideological decisions on the floor of the Assembly with amendments which do not have an adequate amount of support from them. When finish this debate we will move back to the education debate and I very much suspect, I would bet heavily on it, that many Members of the Assembly will say, 'Why are we not
435 listening to the teachers?' Well, amendment 1 does not say anything about the clinicians' view about where NICE strategy should go.

The UK, the services in London are better than the services in Jersey, Jersey services are better than Guernsey's, Guernsey's are better than Alderney's and Alderney's are significantly better than Sark's. We have to spend proportionate to what we can raise legitimately in our jurisdiction and it
440 would be wrong for P&R not to demand that there be a test of value for money when we spend. I will be standing up in September and I will be recommending tax amendments and changes and I hope that I am able to carry the Assembly with me. I did not stand on a platform of raising tax but I have been faced with a problem, an insurmountable problem in terms of future funding of this Government's activities, which means that we pretty much have no choice.

445 Now, Members, I would urge you to support the compromise amendment and that is *not* because I do not think we should fund NICE drugs into the future and into the next stage and beyond that. It is because we should demonstrate to the public that we can make responsible financial decisions and that we will demand value for money with what we spend and we will not raise taxes without doing that in a way which can be absolutely substantiated.

450 So I would urge Members: support amendment 12. Thank you.

The Bailiff: Alderney Representative Roberts.

Alderney Representative Roberts: Thank you, sir.

455 I, too, feel it is morally wrong to give our residents anything less than parity with the UK with the drug that is the best and the latest and yet we say to them 'You get the cheapest'. Your child, your mother, your sister or your brother, or yourself, the list goes on. That is not just sympathy. Where can we find the money? I would support higher taxes because these Islands will always be attractive and not just for its tax benefits.

460 Okay. We have to balance the books of course. But this is about moral priority. We have to be fair and make available newer and better life-saving options for our sick adults and children fighting for their lives today as we speak. Our consultants want them, our nurses want them, but our sick patients *need* them. Rotherham and Rochester come to mind, from somewhere.

465 P&R are doing a good, proactive job, a difficult job and not an easy job. I commend them for doing it but I know where some hearts lay within. But why should your life be saved only if your bank balance permits it?

I agree the elephant in the room is COVID. I do recognise him, or her, or whatever gender that elephant has to be these days. It would be morally wrong of us to say no today. It would be morally wrong not to search a tax to cover it. It would be morally wrong not to hold parity for a sick child's
470 chance of life or a cancer patient that will die without the latest treatment available.

This vote today decides that people may die, so please think when you vote of our responsibility to our sick. Please support amendment 1 that would result in thousands of Islanders receiving better treatments, many to remain economically active for longer. Some will or may go on to contribute for much longer and help repay, even on to retirement. We have to find the money. We have it on
475 our plate as a necessity. We simply have to provide this vital latest help for our sick and our suffering.

Yes, this is challenging, but let us rise to the challenge. It is a no-brainer and a priority. Look today, we live in a new life of correctness in every sphere. Let's be *morally* correct and sleep tonight, for what profit a man should he gain the world and lose his soul?

Thank you, sir.

480

A Member: Hear, hear.

The Bailiff: Deputy Bury.

Deputy Bury: Thank you, sir.

485 I, too, would just like to start with dispelling the myth about the conspiracy. I am sure
Deputy Soulsby did not mean to send us off quite down that track but I think we have to be careful
with the words that we use in here because they do get hooked onto and run away with. I believe
that the email has actually been forwarded to Deputy Ferbrache now so he will be able to see for
490 himself that that was not the case. It was an email from a local group with experience within this
area who have been applauded over the course of this debate to their dedication to this cause and
the way that they conduct themselves. So I think it would be a shame if we undid that now.

As Deputy Brouard mentioned in his speech yesterday, we at HSC were unable to reach a
consensus decision and this is why no amendment was brought from HSC, which was just alluded
to by Deputy Helyar, that that was not the case. And that is because, as many Members have said,
495 it is a tricky one, and if Members are torn on it I think the fact that HSC could not reach a consensus
decision demonstrates that we empathise with that. And these are the decisions that HSC have to
make regularly. It is the constant pull of pragmatism versus very real life and death situations.

That is where I have been torn. Deputy Soulsby explained to us yesterday the technicalities about
the ICERs and that we are not talking about the actual cost of the drugs and it is actually about the
500 money versus the impact, the value for money as it were, and often at HSC we consider the phrase
that we can only spend our pound once, as I am sure many Committees do, and all of that make
total and utter financial sense.

But, the plain reality is that it is the real-life situation of not having some of the drugs, and it is
just some of them, as Deputy Helyar has just made very clear. The reality of that is that someone,
505 today, tomorrow or next week, will be told by their doctor that there is something that could help
you but we do not have it here, and it is something that could make you more comfortable, extend
your life, get you back on your feet and able to work, but we do not have that here, and if you lived
in insert-English-county-name-here, you could have it. That is the reality of the situation and that is
the very difficult thing that the Members of the Assembly have to weigh up. They are two very
510 difficult things.

Deputy Inder warned us that everything has to be paid for, as others have, and a bit of, 'Be
careful all you social policy supporters because your chickens will come home to roost!' He did not
quite wag his finger, but his words did the finger-wagging for him, I think. And of course he is right,
everything does have to be paid for and for the President of Economic Development it makes sense
515 that that is his focus. But as one of my colleagues on HSC said when we were discussing this matter,
one of the many times that we did, said to us: but we are the Committee *for* Health & Social Care –
and he is right too. That does not mean we should not be financially responsible, of course it does
not, but ultimately the health and care of our people is our Committee's top priority.

I, too, do feel, as Deputy Le Tocq alluded to but probably coming at it from a different angle
520 than I am, that this whole process has been done in a strange sequence. Knowing that we have got
the Tax Review coming in not too long, it seems very strange to be making quite premature
decisions now that we might regret later down the line, or certainly our patients might regret us
making.

I would just like to pick up on something that Deputy Oliver said yesterday in terms of costs and
525 the costs of the drugs. The prescribing team do an awful lot of work to negotiate costs and get
them at discounted rates, and oftentimes one of the criterion of prescribing them is that it has been
managed to be purchased at that discounted price.

A lot of what I was going to say has been said by Deputy de Sausmarez; in fact, whilst she was
asking to hear from HSC she was saying everything I was going to say! So I do think that, going
530 back to Deputy Falla's speech, I would like to retain ambition within the Government Work Plan, not
make this decision before we know the reality of the situation. We know that the financial situation
is not great, but actually, when the Budget came through there was good news. It did not look as
bad as we thought, and that might be the case in a few months' time. So I would like to make this

535 decision with that information available. So the Plan is supposed to be adaptable, that is what we
keep being told, but that seems to be in the context of we are taking things out and we can pop
them back in. On this one, I think it would be the aspiration for the health of our community to
leave it in and take it out if we need to.

Deputy Brouard said yesterday for some this would be a compromise too far, and for me it is.
So I will be supporting amendment 1.

540 Thank you.

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you, sir.

545 I have real sympathy with pretty much all the views expressed by everyone. On one side I really
see a sense of everyone wants to support this amendment and on the other side it is the sense of
the financial implications of this amendment. But this is where I think I want to draw on what Deputy
Le Tocq said in debate and in a very quick chat we had just before this Assembly started. He said
that sometimes we look at things out of tune. I believe, and actually as Deputy Bury just said, we
550 are looking at things out of tune here.

So with the Government Work Plan my understanding is that this is really the first time we are
trying to signal what we think are important priorities that we would like to undertake and the
ambition we would like to have this year. Yes, we do have the finance and investment plan
developed as part of the Government Work Plan and there are amendments relating to that so I do
555 not want to jump much into that, but we are debating the tax situation in two months' time. So my
understanding of the process is that what we would like to really signal today is where we as an
Assembly really want the priorities of this Government to be faced. I think there is a really clear
signal that this is certainly one of the areas we would like to do everything possible to support.

This draws me to the point that perhaps we are not spending more attention in looking into
560 things that we should be taking away, where we could be making more savings. The Government
Work Plan and the Budget are not ambitious on savings. It is everything let's add, add, add things.
So one of the downsides of a speedy Government Work Plan process is that we have not really
engaged in the community, but where the community has engaged with us, such as on items like
this amendment, such as equal value for equal pay, we received a huge amount of emails over the
565 last few days, the areas where they have engaged with us were around those areas that affect human
lives directly.

But the Government Work Plan, so this is when we start looking at the Government Work Plan
and perhaps talking about, well, if the choice is between repairing a wall, building a fancy new
luggage system that can accommodate a million passengers a year, reinstating a breakwater,
570 discussing runway extensions or even relocating a sixth form building 500 metres down the line
where actually we have a building, this is when it becomes a decision between buildings and brick
and mortar and saving lives. Perhaps these are the kind of discussions we actually have not had
enough of.

But I think the financing discussions really have to be taken holistically and in tune with the
575 process of the Tax Review, and this is where, as an Assembly, we will have to make very important
decisions to understand that if the ambitions we have displayed in debate over the last two days, if
we want to fund those ambitions we will have to make difficult decisions. But I believe that decision
in terms of how we really finance our ambitions has to be in tune with the Tax Review.

In addition, I just want to reiterate that I do not think we are having enough conversations about
580 the things we should be taking away and being more ambitious on savings and efficiencies within
the Government system and this is not in any amendment but I would like for that conversation to
perhaps start happening following this debate with P&R and the Committees, especially because of
the Budget process we are all going through right now with the deadline being the end of this
month.

585 Thank you.

The Bailiff: Well, if there are no more contributions to the debate what I am going to do next is to turn to the Vice-President of the Committee, Deputy Soulsby, to respond in respect of amendment 1 in particular. It will inevitably involve comparing amendment 12, I imagine, but Deputy Soulsby will, as the proposer of amendment 12, get the final word on amendment 12 when we get to it. So it will be Deputy Soulsby, Deputy Roffey, vote on amendment 1, then Deputy Soulsby on amendment 12.

Deputy Soulsby.

Deputy Soulsby: Thank you, sir.

I think there were a lot of comments about morality and it is a wrong thing and it all got sucked up into this idea that we are stopping a policy and, as Deputy Helyar made really clear, we are not stopping the policy in any way. It is just when we are going to do a review so we can get the evidence on which to make evidence-based decisions around the time when we are going to be looking at all other costs that are coming together later this year as well and we have got the whole ... I will talk more about that in a second anyway.

Lots of talk about live-saving drugs but if people had been here in the debate last time they know that they are not so much live-saving as live-changing drugs that we are talking about.

Deputy Oliver, talking about the cost of drugs. Yes, they are and the drug companies are a clever bunch when it comes to how the pricing works and people might have read different stories about what drug companies have been up to and some of them being taken to court over it.

I think, Members, when Deputy Bury talked about how we negotiate really good rates over here, need to remember we do not negotiate any different rate from the NHS. What we have to do, we do not have an automatic right to get drugs at the NHS, discounted rate. Every time that drugs come on the market, because we are not part of the NHS we have to negotiate to get the NHS rate, and that happened with what we did last term and I was really pleased that we managed to get this. Personally the opposition that I faced but to bring in Orkambi and Symkevi, two really important drugs for certain members of the community. They were really extortionately expensive that NICE would not approve them and for many years the pharmaceutical company – Vertex? Oh, I forget now, I have slept since then a bit – were holding out for huge hundreds and hundreds of thousands of pounds for the drug and that eventually an agreement was made with the pharmaceutical company and on the back of that we got ... It was not ... and Orkambi was not part of the NICE ... It was not an ... had a NICE TA. We went out there and approved a drug that would not be on the list of NICE TAs. It is a special drug and it was approved in a special way by NICE with specific cost associated with it and we did negotiate and sign an agreement to ensure that we got that drug on the same terms as the NHS. These things have been going on. In fact, we are ahead of the game on that. We are ahead of Jersey, the Isle of Man and elsewhere. So I think that might be worth people knowing that is it not all bad and gloom and doom here.

Deputy Queripel talking about, 'Oh, what difference review make?'. The review is intended to find the evidence locally and this was a fantastic technical document but it is a theory, of course. None of this we can know until we get an idea about what the actual costs are. That is why, rather than taking what is a huge step in spending an extra £3-plus million *a year*, it is not just a one-off cost, an extra £3½ million a year, we are saying, where we are at the moment, we really need to look at the impact that this new policy is having.

Deputy Blin says you cannot put a value on lives, but I am afraid, Deputy Blin, that is the life of anybody who has to work on Health & Social Care. We will always have a finite budget and we always want to spend more, but we cannot always. Other points he made I will bring up more generally in a minute.

I thank Deputy Matthews for his apology, of course it took a very long time to actually recruit a new chief pharmacist and getting the right person. It was not just somebody who dispenses drugs, somebody has to have a whole knowledge of the whole area for the whole Island. It is a statutory position, it is not just a pharmacist who sits in the pharmacy at the PEH.

640 Deputy McKenna talks about £130 million for the Hospital and that is ridiculous, we could spend on so many other things etc. Well, for a start, it is a bit more complicated than a school and housing, but it is also not just one build. That £130 million, I think he took that number, is for a three-phase, 10-year programme. It is not something that is designed to happen overnight. But I do agree with him, when we talk about NICE drugs, it is, 'Oh, they're lovely, aren't they?', but we are really talking about drugs with a NICE technology appraisal. These are not 'NICE' drugs. In fact, some of them are really quite horrible and can have quite nasty side effects, and I think we need to remember that.

645 Yes, in terms of the idea that the Resolutions that we are somehow getting rid of everything that was in the previous policy letter and the resolutions of policy, that is completely untrue and that is what I was alluding to because it is very clear from Deputy Falla's speech that he *thought* that is what we are doing, based on the email that people received. I think I need to make it very clear that we are not doing that at all and I would not allow that to happen. I would not have gone through so much pain over the last few years to get the policy letter through just to say, 'Right, now that is the end of it.' I am not quite as sadistic as that.

650 The original ... Resolution 1 of the policy letter is still in play and neither our amendment nor amendment 12 for that matter gets rid of it but both address Resolutions 2 and 5. So the ambition – and we mentioned before – of that policy letter is still there. Nothing has changed. It is purely just about the review.

655 I have got some other notes that I have got on my computer, so I will put my password in.

660 I need to add and say, look, nobody has lived and breathed health and care here more than me over the last, it must be over six years now – certainly is, nearer seven – and I have heard those who said it is terrible, we really must spend money, whatever it is, on health and care. But I have never said that because it is not true. You cannot. It is being disingenuous. If that were the case, we would not have a Government Work Plan, we would have a Health & Social Care and probably a bit of an Education Plan. We do not as we are looking further than that. We are looking at the wider determinants of health that mean we prevent illness in the first place by investing in our education, our housing and our environment.

665 Deputy de Sausmarez talked about being in a parallel universe in an earlier debate but it has felt like this to me in this one. We have heard how important it is to give drugs to people from those who really do not know all the other pressures on the health and care budget. It is easy to think that spending money on drugs and adding more money for the drug companies, which Deputy Oliver alluded to earlier, will absolve us all of all our guilt, and say, 'We've done something.' But that really is a simplistic view. It is far more complex than that.

670 Members should not forget for every million spent on drugs there is less to spend on social care, on those with learning difficulties and one area I think we should be spending far more on than we are, but as is the case, and I have seen this more than once, the medical trumps the social, and it was always thus when it came to this Assembly. If this amendment had been on spending an extra £3½ million on Social Care, would Members have said 'Yes!' to that too? I am sure Members would, but dealing with things in this way is like first-come first-served. The Government Work Plan is trying to take a rounded approach and we took the advice of the professionals for this very reason.

675 They know that the cost of having to deal with the backlog of operations and areas within other parts of health and care and that has been budgeted at £7.8 million! And that is set out, it is in the Funding and Investment Plan, we have put that in – £7.8 million. So let's just add that on top. These are not theoreticals, those are actual costs and it is expensive and it might well be more than that because the NHS is closed because they have got 12 million people on backlog. They have got to deal with their own people and that is where their priority will be. So we are going to have to look at how we can deal with those backlogs on Island and that is why it is going to cost so much to deal with and take time.

685 Deputy Kazantseva-Miller spoke of savings. Well, that is of course where prevention and early intervention comes in, stopping issues in the first place. Last term we brought in with ESS free contraception for the under-21s and I am pleased it has been a huge success, from having one of

the highest levels of teenage pregnancies, we now have the lowest in the British Isles. The knock-on savings to the taxpayer are huge for less and a few hundred thousand in total.

690 Deputy Dyke asked me to talk about the relative value of treatments and I am not going to go through the whole of that again but it may be very clear about where decisions need to be made. I just briefly say that, it says over:

£30,000 per QALY gained, advisory bodies will need to make an increasingly stronger case for supporting the intervention as an effective use of NHS resources ...

And that is what we are saying. We are just saying we need to make sure that we have that stronger case, that information that can show us, yes, it is not just theoretical, it is real.

695 Sir, we do not have the money to spend on the drugs of course. We need to raise taxes for that. We have got the money short term out of our Health Service Fund but that is being depleted. And as I say, that is quite likely where the money to deal with backlogs will need to come from. So does that mean we raise taxes for drugs but not on supporting our most vulnerable members of the community? I do not know, because we have not had that debate yet. The review will give us today's
700 data in today's context and that changes with new drugs, so it will not be same information as considered by HSC in my day which was from 2018 to 2019. About 50 or more drugs are approved every year, might be more than that. That is an extra hundred drugs we need to take into account. HSC can then set out for the Assembly the whole issue, including pressures in its wider mandate and the work needed on those wider determinants of health to drive the prevention and
705 intervention agenda that absolutely makes a difference.

All we are saying is if you do not agree the original Proposition then let's keep the ICER up to £30,000 policy which our proposals already fully fund and bring forward the review so the Assembly can have the bigger discussion on where its limited Health & Social Care budget will be spent. I say again, let's continue with the policy already adopted but just hold off on introducing more NICE
710 drugs and treatments until such time as we have a better picture as to where things stand so we can see things in the round, taking into account the other health and care decisions we need to make such as the cost of primary care. You know the one when people were saying at the election that they cannot afford to go to their GP? I am pretty sure when that was maximum £20 million price tag? We have got no money for that and costs of care in the community at a time when the Long-term Care Fund is running out and the last States did not want to sort the problem out. We
715 have got no money for that either.

What I am really trying to say is it is easy to look at this issue in isolation but we really should not be. Health and care is complex, it is emotive, it touches on everyone's lives. Members here are just seeing the snapshot. P&R believes in doing all we can to improve and maintain the health of
720 the whole community. Look closely at those actions for recovery, just as Deputy Brouard said, it is a very heavy workload for HSC.

The P&R amendment is not stopping the policy I proposed last term – not have been acceptable to me. No one should worry about that. What we are saying is that we undertake a review to determine the cost-effectiveness of the policy earlier than originally planned so we can look at
725 everything in the round and in doing that do not yet commit to an expensive annual health and care bill without all the information. That is all, and I ask Members to support the P&R amendment.

The Bailiff: The proposer of amendment 1, Deputy Roffey, to reply to the debate, please.

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

I am going to start with Deputy Le Tocq because I think something that he said goes to the absolute heart of this. He said we have to be very careful to have secure funding in place before making promises – before making promises. Well, sir, I can tell him that genie is well and truly out of the bottle because this Assembly has made a promise. It made a promise last year that it would
735 fund NICE-approved drugs up to an ICER of £30,000 in year one, *and* that it would fund NICE-approved drugs with an ICER between £30,000 and £40,000 in the following year. Deputy Le Tocq

740 was a party to that promise, I was a party to that promise, Deputy Ferbrache, all basically ... Deputy Langlois is gone so all of the remnants of the last Assembly who are sitting in this one were a party to that promise. The question is today not whether to create some new funding and whether it is more important to spend it on drugs compared with orthopaedic treatments or anything else. I can understand the strength of those arguments, but we are talking about whether to renege on that promise.

745 We have raised expectations. We have told people in this Island who may need those 24 drugs, we are told there are 24 drugs in that price range of ICER, 20 cancer drugs and four for other treatments, that having raised the expectations of patients, clinicians and families that we will fund them in year two, suddenly that promise is going to vanish like the morning mist. That is what we are talking about today because if we go with either the policy letter as it stands or the P&R amendment on this, at the very best outcome will be delay in funding those drugs with an ICER between £30,000 and £40,000 per year. We will not be providing them in the timescale that we as
750 an Assembly promised.

755 But the reality is they may never be funded. Yes, there will be review, one year or two years, depending on which option you go for, after the regime of the £30,000 drugs are established, but remember what Deputy Soulsby said when we were discussing primary education yesterday: a review is just a review, very often nothing happens as a result of it. And remember also what I said in respect of the end-of-life care: always look a sop amendment in the teeth, because very often when a Committee feels that there is some steam building behind opposition to what they are putting forward they will not try and meet it head on, they will try and see it off at the pass, they will try and say, 'Don't do that, do this instead', and eight times out of 10, I would say, what happens in the long run is absolutely nothing and that is a real prospect here.

760 I do have sympathy for saying that if we have £3½ million to spend on health care how should we best spend it, and I have been, and I spent 14 years on various alliterations of our Health Committee, eight years as President, and I can attest that you can never spend enough on health care. It would eat up everything, does not matter what Deputy Helyar brings forward in the Tax Review. If you want to just throw everything that people want in health care it will eat up the whole
765 of your income and leave nothing for anything else – fully accept that. That is not what we are discussing today and if we were starting from scratch I think there would be a legitimate argument about should we fund additional drugs or should we invest in some other area of health care. We are not there. We are talking about going back on an undertaking, removing the expectations that this Assembly has created.

770 I will go through a few individual comments. Deputy Prow and Deputy Oliver both were very strongly in favour of amendment 1 but now are slightly torn. If you went for a quiz and somebody asks you a question, your first instinct is always right! Never waiver and go with your second choice because you will nearly always get it wrong. So I know neither of them want to break the promises that they were a party to so I am sure that when they really think about it they will go with
775 amendment 1.

Deputy McKenna gave strong support but he said we can never put a price on a life, and I actually agree with others that have said that sadly, when we are talking about rationing healthcare spending, and it is never infinite, you have to put a price on a life. What I am just urging Members not to do is for Guernsey to put a *lower* price on a life than everywhere else in the British Isles.

780 We have been told that it is not about stopping the rolling out of NICE drugs, it is not about that, that is already happening. It is. It is, and it is making an enormous difference. Those new drugs that we have been preventing the funding of for year upon year when they have been going in the UK are now being rolled out as they get approved, put on the white list for Guernsey patients and the feedback that I am getting it is the difference it is making is absolutely enormous and so would
785 the drugs in the £30,000 to £40,000 ICER range as well.

Deputy Inder rightly reminds us that things with a cost have to be paid for, nothing comes free. He is absolutely right, absolutely right. One of the reasons why I could not support the most expensive option for a deepwater port east of St Peter Port, one of the reasons why I could not vote

790 to spend goodness knows how much money it will be propping up a failing bit of anti-tank wall, but we all have our own priorities and in this case I think that this is a priority. I accept it will have to be paid for, I am not trying to pretend it will not, but I think that actually, our community, if you ask them, this is something that they will be willing to pay for. They will not like any higher taxes in any form, that is just the nature of things, but I think if they were asked to prioritise, this would be one of them.

795 Deputy Ferbrache, I think he really wants to vote for amendment 1 you know! (*Laughter*) I know this leadership malarkey is annoying because he cannot quite shoot from the hip in the way that he wanted to, but go maverick Deputy Ferbrache! You want to vote for this and vote for it! I know you probably cannot but I wonder how sad he will be if amendment 1 is actually passed.

800 Deputy Falla, I think what he raised was a genuine issue to some extent because the physical changes that are going to need to be made of areas of the Hospital, like the pharmacy and like the Bulstrode Unit, which is the Oncology Unit inside the PEH, of course they will go ahead anyway because all of those drugs up to £30,000 ICER will go ahead, but the extent of those changes I think is harder to plan for if we do not know whether we are going to carry on and do the other tranche of 24 drugs which may need to be accommodated if the review which is now being suggested says, 'Don't go any further', and yet they may be needed if the review says yes. So the certainty that this amendment provides will make it easier I think to plan for the extent of the repurposing of those two areas of the Hospital.

810 Deputy Matthews is quite right that no, we do not have infinite resources. We wish we did and do need to prioritise. And yes, I am just asking him to use his judgement on whether this should be a priority, bearing in mind always that the expectations have been raised by the States of Guernsey telling the people of Guernsey that they would fund NICE drugs up to an ICER of £40,000 in year two.

815 Deputy Helyar is quite right. I am not recanting on my faith in this respect and I really hope I do not suffer the fate of Thomas More as a result. He said there are no costings. The cost will be exactly the same as it would have been under the proposals which were passed by this Assembly as a result of a very well-informed policy letter. I have to say that to try and satisfy Rule 4(3) further I did submit this policy letter well in advance to HSC to see if they had any extra comment in order to put into Rule 4(3), I did not get a response to that and I understand that it is difficult probably to quantify, but I went through every responsible effort to actually put in that sum.

820 He says amendment 1 says nothing about clinicians' views. Well, let me try and address that. I have already said that clinicians, specialists from Southampton, have made the effort to come over to Guernsey to tell anybody that would listen the impact that our current policy is having on the healthcare that they are delivering and how much they really wanted to be able to provide the same healthcare to Guernsey people as they did to their other patients. I really wish more States' Members had gone along to that presentation at the Cotils. And we know, despite being trammelled by the relationship – necessarily trammelled by the relationship – between the MSG and HSC, Guernsey's long-serving oncologist Peter Gomes has made clear time and time again how much he is frustrated by the current limitations that the policy imposes. A man that has made a difference to just about every family in Guernsey over the last 20 or 30 years. If Deputy Helyar wants to know what local clinicians think, go and speak to Dr Gomes, the local oncologist, and he will leave you in absolutely no doubt whatsoever.

825 Deputy Soulsby in her closing said that these are not life-saving drugs, they are life-changing drugs. Well, what is a life-saving drug? These drugs do two things: very often they improve the quality of people's lives enormously, that is life changing, but they also very often extend people's lives, often by years. Now, no drug yet invented will extend somebody's life forever, I am afraid. Death and taxes will remain the thing that will come to all of us. So there is no such thing as a life-saving drug, you can only have a life-extending drug and in this case it is very often some of these drugs have a considerable impact as far as the prognosis of how many years people can live.

840 She pointed out that some NICE drugs, despite NICE being the acronym, have nasty side effects. Yes, some of them do, but speak to the clinicians and what they would tell you is very often they

are replacing old-generation drugs that have far worse side effects and that is one of the reasons why they want to prescribe these new drugs.

845 Sir, I could, because I am passionate about this, go on to lunchtime. I am not going to do that because I do not think I am going to change anybody's mind. All I am saying is that after years of debate, the Government of Guernsey, and I know some Members were not Members of it at the time, but the Government of Guernsey told the people of Guernsey, many of whom either directly or indirectly have a huge stake in this, that within a two-year period they would start to fund, after a period where we were way behind other parts of the British Isles, over a two-year period we would start to fund NICE-approved drugs with an ICER up to £40,000. Anything but amendment 1 today
850 steps back from that expectation, steps back from that implied promise, and if Members can live with that, that is fine; I cannot, and I urge them to vote for amendment 1.

The Bailiff: Well, Members of the States, we come to the vote in respect of amendment 1 proposed by Deputy Roffey and seconded by Deputy Queripel and there was a request for a
855 recorded vote yesterday afternoon, so Greffier will take a recorded vote, please.

There was a recorded vote.

Carried – Pour 21, Contre 17, Ne vote pas 0, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Prow	Deputy Soulsby	None	Deputy Trott
Deputy Queripel	Deputy Taylor		
Alderney Rep. Roberts	Deputy Vermeulen		
Deputy Roffey	Deputy Aldwell		
Alderney Rep. Snowdon	Deputy Brouard		
Deputy St Pier	Deputy Dudley-Owen		
Deputy Blin	Deputy Dyke		
Deputy Burford	Deputy Ferbrache		
Deputy Bury	Deputy Haskins		
Deputy Cameron	Deputy Helyar		
Deputy de Lisle	Deputy Inder		
Deputy de Sausmarez	Deputy Le Tocq		
Deputy Fairclough	Deputy Mahoney		
Deputy Falla	Deputy Meerveld		
Deputy Gabriel	Deputy Moakes		
Deputy Gollop	Deputy Murray		
Deputy Kazantseva-Miller	Deputy Oliver		
Deputy Leadbeater			
Deputy Matthews			
Deputy McKenna			
Deputy Parkinson			

The Bailiff: Well, Members of the States, while the Greffier is totting up those votes, it is customary in this Assembly when we have visiting parliamentarians from elsewhere to welcome them. We have more than one visiting parliamentarian at the moment in the public gallery so I would invite you to join with me in welcoming them to observe our proceedings today. *(Applause)*

860 Members of the States, in respect of amendment 1 proposed by Deputy Roffey and seconded by Deputy Queripel the voting was as follows: Pour 21, Contre 17, there is 1 Member absent, and therefore that amendment is declared carried.

I will turn to Deputy Soulsby, if there is anything she wishes to say in reply on amendment 12 now.

865 **Deputy Soulsby:** Sir, no, I will be brief. I will just reiterate the points I said but very briefly. I think noting how Deputy Oliver voted and I thought when Deputy Roffey used the analogy of a quiz and the first thing that you think of is usually the right answer and so you should follow it. Well, I remember being at the Safer quiz a few months ago which Deputy Roffey organised and I had a

870 couple of friends on that table and they were absolutely sure the colour of this flower was pink because I forget what the flower was but the colour of this flower is definitely pink. And I was sat thinking, I am not so sure about that but they were *really* convinced, 'We've got to do, it's definitely that's the right thing' –

I give way to Deputy Roffey.

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Deputy Roffey: It is laburnum and it is a golden rain tree so obviously it is yellow! (*Laughter*)

Deputy Soulsby: Yes, indeed! And I had yellow at the back of my mind. But no, my friends were absolutely convinced and it did turn out to be yellow. So not necessarily that those that are so convinced they are right is necessarily the right thing to go for.

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What we are doing, this has not been something that P&R have come out of the blue and said, right, we are changing all this now because we do not like it. This did not come from P&R. This suggestion, the fact that we thought we should pause and make sure that we have a review at an earlier stage on the drugs came from clinicians within Health & Social Care who absolutely understand the whole budget that they have to deal with. They are understanding because they are experts and they have got experience, they have worked in other parts of the health service in different jurisdictions. They know that the budget is always finite and they need to make best use of it. And at this moment in time, I totally disagree with Deputy St Pier when he said nothing has changed. Well, I am sorry I have to say to Deputy St Pier, a lot of things have changed since last year. The hashtag #guernseytogether might have been great then but we know we have got people who have really suffered, both physically and mentally, as a result of COVID, of lockdowns, and that has got a big price tag. We are talking about £7.8 million that we are looking at a backlog to deal with. We cannot ignore that. That is a cost we have got to find right now, and not wait. These things we have to look at in the whole.

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I would just like to remind Members that the Government Work Plan is a living document and just as we had the debate yesterday about saying, right, well, we do not need to make this decision now, we do not need to have it all as it was before now, we can pause, do what we want to do here and then move on. And talking about pause, the comment about ... Deputy Roffey was saying, 'Oh, more likely when we have reviews, nothing comes of it', well, I am looking forward to hearing those same arguments when we can move on on the education debate. So I will be interested to see if the same people are saying the same things.

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So the Government Work Plan is a living document. We are looking to change a timing of the review as we believe it is important that Members make an informed debate on all the HSC funding need. The cost of making primary care more accessible and whether the States pay for it or we set up an insurance fund for people to pay for it, it will be an increased burden on our community. The cost of making the Long-term Care Fund sustainable, that will be another cost on our community. These are things that are building up and up and we need to look at things in the round and say, 'Right, what are we willing to do?' Taxes might have to go up, but if we are adding more and more and more how much are we saying is acceptable and how much is not to our community? We need to make that decision in the round. Deputy Helyar has rightly said we are not stopping the funding of NICE drugs, we are not saying we do not support bringing in more NICE drugs and my view has not changed since I led the debate last year. I am not saying stop it, I am just saying we really ought to look now, as things have changed, and we have also seen drugs come in and we can see the effect of that. Have they been effective or haven't they? That is the sort of thing we really need to be considering and that is why we ended up with ... provisionally why we had the decision within the policy letter but then also in this amendment. The amendment is a compromise to say yes, we understand campaigners do not want to wait those two years, but we are just saying shorten it to one year to show that, yes, we are trying our best to try and get to a solution that will deal with all the different issues that we are having to juggle at the moment.

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So I do ask Members to support this amendment.

Deputy Roffey: Can I just ask for clarification before we vote, on the impact?

The Bailiff: No, Deputy Roffey. (**Deputy Roffey:** Okay.)

925 The vote is now on amendment 12 which is proposed by Deputy Soulsby, seconded by Deputy Ferbrache and if carried would have the effect of inserting three new Propositions into the suite of Propositions that you will then debate at the end of this set of amendments. There is a request for a recorded vote, so we will have a recorded vote, please, Greffier.

There was a recorded vote.

Not carried – Pour 17, Contre 20, Ne vote pas 1, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Soulsby	Deputy Queripel	Deputy Prow	Deputy Trott
Deputy Taylor	Alderney Rep. Roberts		
Deputy Vermeulen	Deputy Roffey		
Deputy Aldwell	Alderney Rep. Snowdon		
Deputy Brouard	Deputy St Pier		
Deputy Dudley-Owen	Deputy Blin		
Deputy Dyke	Deputy Burford		
Deputy Ferbrache	Deputy Bury		
Deputy Haskins	Deputy Cameron		
Deputy Helyar	Deputy de Lisle		
Deputy Inder	Deputy de Sausmarez		
Deputy Le Tocq	Deputy Fairclough		
Deputy Mahoney	Deputy Falla		
Deputy Meerveld	Deputy Gabriel		
Deputy Moakes	Deputy Gollop		
Deputy Murray	Deputy Kazantseva-Miller		
Deputy Oliver	Deputy Leadbeater		
	Deputy Matthews		
	Deputy McKenna		
	Deputy Parkinson		

930 **The Bailiff:** Well, Members of the States, in respect of amendment 12, proposed by Deputy Soulsby and seconded by Deputy Ferbrache there were 17 votes in favour, 20 against, 1 abstention, 1 absentee, and therefore I declare amendment 12 lost.

The next amendment to which we will turn, Members, is numbered 9 and is proposed by Deputy Prow, if Deputy Prow now wishes to lay that amendment.

935 **Deputy Prow:** I do, sir.

The Bailiff: Thank you very much. Do you wish to speak to it or do you want to have it read or read it yourself?

940 **Deputy Prow:** Thank you, sir. I shall read it myself, sir.

The Bailiff: Thank you.

945 **Deputy Prow:** Sir, the amendment is worded:

Amendment 9

In Proposition 13, after to approve the schemes detailed in Figure 20 as the capital portfolio for the period 2021-2025, add the following wording "with the addition of CCTV replacement as a pipeline scheme".

Sir, I will first deal with the implications of Rule 4(3). Deputy Dudley-Owen has quite rightly during this debate placed the importance with amendments on the financial implications and I would just like to run through what those implications are. The Rule 4(3) information is:

It is anticipated that the minimal cost associated with the inclusion of the CCTV Replacement as a pipeline scheme will be accommodated within the allowance for developing pipeline schemes included within the portfolio.

950 Can I at this point thank Deputy Helyar for his assistance and the dialogue I have had with him
over this amendment, and also the officers at Treasury in looking at what the implications are? I
would also ask Members to refer to page 211 of the Government Work Plan which actually outlines
what the proposals for the pipeline portfolio are, explains what the implications are, there are a total
of 10 considered to be pipeline schemes and that there is funding to cater for the implications of
955 that pipeline programme. If Members turn to page 212 they will see that CCTV replacement is on
the schemes to be considered again in the next prioritisation round and the basis of what the
Committee for Home Affairs are saying, that this matter is of such importance it cannot wait and
basically is a matter of promoting the CCTV replacement into the actual pipeline portfolio. So, sir, I
hope that that explains the Rule 4(3) implications.

960 So sir, Guernsey is a safe place to live and work. Maintaining this is a key strategic objective of
the Committee for Home Affairs. As such, replacing the current CCTV system was identified as one
of the programmes of work that would require major capital investment in this political term. As a
Committee, we were extremely concerned that this programme of work had not been prioritised in
the capital portfolio. The pace at which the Government Work Plan has progressed has meant there
has not always been the opportunity for political scrutiny or challenge. This is one such occasion
965 where the importance of a particular workstream has not been appropriately acknowledged, in the
view of the Committee. CCTV is fundamentally a tool and service that supports public safety. It can
provide reassurance to those who may feel vulnerable, it acts as a deterrent to criminal activity and
is an evidence-gathering tool. It is a service that might go unnoticed to most of us, however, it is
something that provides discrete protection for all of us.

970 As a Committee, we felt we had a responsibility to lay this amendment to ensure that the
Assembly acknowledge the importance of developing a multi-agency CCTV capability that meets
the future needs of our community and which represents an efficient and effective use of public
funding. We are grateful for the Policy & Resources acknowledgement of the importance of CCTV
as a public protection tool and providing a commitment to maintaining existing service through
975 minor capital. This amendment proposes that the replacement CCTV is recognised as a pipeline
project in this term. This will allow for the scoping and development of a CCTV replacement
programme across the States of Guernsey to meet current and future demands of crime prevention
and detection. In taking a strategic approach to the use of modern digital technology, we can
understand how it can be used alongside alternative solutions to enhance community safety.

980 This provides the opportunity to develop a wider public protection strategy which represents
value for money, something that will not be possible if we are limited to a reactive, make do and
mend approach that simply extends the life of existing equipment. Sir, I ask this Assembly to support
this amendment.

Thank you, sir.

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

Deputy Vermeulen: I do, sir.

990 **The Bailiff:** Thank you very much. (**Deputy Vermeulen:** Sir –) No, just a minute. Deputy Soulsby.

Deputy Soulsby: Sir, yes, I hope if I raised early it might help curtail debate a bit because although the letter that came out saying we oppose, we do not actually oppose this amendment, we do not really see it is entirely necessary. So we are not opposed to it at all and really we are quite happy if it goes through because whether it is dealt with in minor capital or through this it will be dealt with.

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The Bailiff: Do you still wish to speak, Deputy Vermeulen, as you had risen to your feet and seemed to want to speak?

1000 **Deputy Vermeulen:** Thank you, sir.

Yes, I have got very little extra to add, really, to the excellent speech by Deputy Prow, but Deputy Soulsby mentioned about, in the previous debate, early intervention. So recently, sir, this Assembly voted on certain things that victims of crime could be treated for, SARC and that sort of thing. But this would be a major deterrent to ... it prevents crime from actually happening. I think as we move forward the development in the technology in these cameras, the low light in dimly lit streets and the intensity of the cameras and how things are improved over the years, plus with what we know about our existing system, things are probably worse than we would like them to be, so they do have to be changed and they do have to be changed quicker.

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1010 The Committee is unanimous in it and it has been quite, the Home Department, transparent with the Assembly, so I hope Members can support this.

Thank you.

1015 **The Bailiff:** Deputy Falla.

Deputy Falla: Thank you, sir.

I am pleased to hear what Deputy Soulsby just said, so I will be brief, but I wanted to make a point. I was one of a handful of Members of this Assembly who attended the women's vigil in Market Square following the shocking murder of Sarah Everard in London. I know Deputy Ferbrache was there because we were standing next to each other. On that occasion, sir, we heard first-hand accounts, and some read on behalf of others, from women who not only feel unsafe on the streets of St Peter Port at night, and indeed sometimes in licensed premises, but have been assaulted, some very seriously.

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1025 Conversations are ongoing and we have heard that some steps are being taken to address this, including measures taken by those involved in the night-time economy, which is welcomed. But in the light of this, sir, I feel that while a physical presence of police officers on the street is always preferable this is a specific area in which it is imperative that Law Enforcement officers have the best possible surveillance of Guernsey's streets to improve the safety and security of those who should have a right to freely enjoy socialising without fear.

1030 **The Bailiff:** Deputy Inder.

Deputy Inder: Just briefly, sir, it is good to see that Policy & Resources do not oppose this, but I am just genuinely intrigued. It is like all things, and I have mentioned this before. We tend as an Island to let things deteriorate to the point that they become absolutely obsolete. So I would really like to know, and clearly I am not going to oppose this, is that HD CCTV has been around for an awful long time and I think they use it at Customs at the moment. How have we got, again, to the point that we have got the President of the Home Department bringing an amendment to the Government Work Plan to set in a pipeline project for something that effectively has deteriorated to the point that he is actually worried that it is going to fail? I just find it incredible we are here again, panicking towards ...

Also, the other question, through you, sir, to Deputy Prow, is it is not entirely clear to me how this is actually capital.

1045 **The Bailiff:** Before I call anyone else, is there any Member who wishes to speak against the amendment? Well, so who now wishes to speak in favour of it and why?
Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

1050 I can go part of the way to answering Deputy Inder's question. CCTV was not included in part of the Agilysys contract, so where is the wedge from to pay for it, basically. That has been the problem. I think we have been offered some technology from Jersey as well which would help Law Enforcement considerably but we cannot get access to funding to get that. But anyway, just going
1055 back to why it is so important, it is only a few years ago we invested in a multimillion pound Joint Emergency Services Control Centre and our CCTV infrastructure is the eyes of that Control Centre, the eyes of our Emergency Service, so what is the point of having an all-singing, all-dancing control centre when the infrastructure is obsolete and falling over?

Just think, CCTV does not just provide the Police with the ability to get evidence to prosecute people. It is a deterrent. As was pointed out, we had the Just BE LADS campaign, Deputy Falla
1060 pointed out that there are unfortunately, in this day and age, women in Guernsey who do not feel safe walking home, and it is piece of mind for people like me, parents of vulnerable adults. It is not uncommon for me to get a call from the Control Centre telling me they see my son in a certain place and ask me if he is fine or if they need to go and do a safety check on him. This is brilliant
1065 peace of mind from my point of view and I want cameras rolled out all over the Island because of this, but at the moment they are falling down. So we need to invest in them and I thank P&R for showing their, not support, but not-not support.

Thank you.

The Bailiff: Deputy de Sausmarez.

1070 **Deputy de Sausmarez:** Thank you, sir.

When you asked whether anyone was wanting to speak against the amendment or in favour, you did not give us the option of people who just wanted to ask questions, which is the category that I fall into.

1075 I am certainly supportive of this in principle, I would just like to hear from Deputy Prow perhaps a little bit more about the emerging technologies side of it, any potential different uses other than just an upgrade, if you like, particularly in terms of what Deputy Leadbeater has just talked about, in terms of the scope and overarching policy around that. But really my main question, and the reason I am standing, is because it is all very well replacing the hardware, which obviously needs to
1080 be done, but that is going to be absolutely pointless if it is not also supported by the human resources required to use that technology properly. So I would just like Deputy Prow to give us some assurance or an indication of the kinds of resources that will support this programme, assuming the amendment carries.

Thank you.

1085 **The Bailiff:** Deputy Gabriel.

Deputy Gabriel: I will be brief, sir, and again, I do support the amendment, but I would also like some more information from Deputy Prow.

1090 I always believe that prevention is better than cure and to me this is a cure and I would like some, perhaps more information about funding or resources again, as Deputy de Sausmarez points out, on the prevention of crime and if we can address it at root cause rather than addressing the cure as to potential offenders on the streets. I know, and it does not necessarily happens all the time, or

1095 is one of the aspects of crime, but significantly in St Peter Port, being an ex-St Peter Port resident
for a number of years, I am certainly aware that alcohol does play a significant part in crime or
unsocial behaviour, shall we call it, and I would like to know from the Home Department how they
intend to address that, rather than cure the problem.

Thank you.

1100 **The Bailiff:** Deputy Moakes.

Deputy Moakes: Thank you, sir.

1105 I am hugely supportive of the idea of putting new CCTV cameras in. We read every week in the
newspaper and hear on the news that there are fights breaking out, people vomiting, and it is always
the same streets and it is always the same places – I will not use the words I use sometimes to
describe them but ... But my question, I guess, is I understood Home already had money to fund
the installation of new cameras. So my question is, if it does, and if am wrong I am sorry, but if it
does what is this additional funding for, given that we are tight on budgets and need to watch what
we are doing with our pennies?

1110 Thank you.

The Bailiff: I now invite the proposer of the amendment, Deputy Prow, to reply to it.

Deputy Prow: Thank you, sir.

1115 I can start off by again thanking Policy & Resources and I thank Deputy Soulsby for giving that
support in the Assembly, and I have already thanked Deputy Helyar for his help and support and
the discussions we have had around the Government Work Plan and this particular project. So
myself and the Committee are very grateful for that.

1120 I thank Deputy Vermeulen for seconding it and for the words that he has spoken, and actually
for all the Committee for their views on this and their support on this, and indeed the officers.

1125 CCTV is very much an operational tool and we have had support. It is worthy of note that the
Committee was party to an independent report which was not very complementary around the
actual state of the infrastructure of CCTV and there is already a skeleton business case. In answer
actually to some of the questions posed by Deputies, it is about not patching up the CCTV, which
does require some attention, it is about taking a strategic approach around CCTV and, indeed,
whatever other technologies are required to keep people safe, particularly on the streets.

1130 Deputy Falla, again, I thank him for his support and actually we have had conversations outside
of this Assembly. He was absolutely right to give praise for the feedback and the support from the
groups he mentioned and indeed the Home Affairs Committee will and does gratefully receive
feedback from the public, particularly around the safety of women and girls on our streets. The
Committee is very aware of those issues and keen to address them, not only with technology, but
other initiatives. So I thank Deputy Falla.

1135 Deputy Inder: he is of course absolutely right, and I think in the references in the earlier debate
around the amendments. A constant theme in this States is the lack of investment in infrastructure
and systems such as CCTV, but many others, being left to getting into a state where they really do
need urgent attention. So I agree with the point that he has made and of course why this is
important to be a pipeline project is because we can put the resource into coming back to this
Assembly with a viable solution which takes into account the proper strategic way forward with this.

1140 Deputy Leadbeater: I thank him because he has addressed the questions that we had around
the CCTV Agilysys contract and he also makes the very important point that it is, the CCTV is at the
moment the eyes of JESCC, which is fed back to Emergency Services. So I think that that very
powerfully endorses the point why we need to keep on top of this.

Deputy de Sausmarez: I thank her for her support. The question she asks, it is a complex matter.
The technology has moved forward from analogue to digital and the capabilities of CCTV are now

1145 more advanced than they were. I think the best answer I can give to her question is this is why it needs to be considered as a project and recognised this term in the Government Work Plan.

Deputy Gabriel: again, I completely agree with him around prevention but I think investment in technology, CCTV and perhaps other technologies, is a very good, effective preventive tool. Deputy Leadbeater already pointed out that when officers sit in the control room of JESCC they can see what is going on on the ground, on the streets, in the key areas of risk and key areas where we have to maintain public safety.

So Deputy Moakes raises the question of the financing. Unfortunately through the budget allocation and what is available there is no money. As far as where we will need to do repairs, some of this kit is quite expensive and we are going to have to make applications to the minor capital. So just to maintain the system as it is will require applications to minor capital. So to move forward and really develop a CCTV system that is fit for the coming years really needs a project, it needs to be scoped and we need to come back to this Assembly and explain and justify what the fundings are.

1155 Sir, I think, I hopefully have answered all the questions. I again thank the Assembly for their support and I urge them to vote for this amendment.

1160 Thank you, sir.

The Bailiff: Well, Members of the States, it is now time to vote on amendment 9, proposed by Deputy Prow, seconded by Deputy Vermeulen. Those in favour; and those against?

Members voted Pour.

1165 **The Bailiff:** I declare amendment 9 carried.

Next we are going to turn to amendment 7 which is proposed by Deputy Kazantseva-Miller, seconded by Deputy St Pier.

Deputy Kazantseva-Miller, if you are ready to lay that amendment then, please.

[Amendment 7:](#)

In Proposition 15, to replace "To agree" with "To direct the Policy & Resources Committee to include propositions in the annual Budget Report, the Tax Review or at another appropriate time"

In Proposition 16, to insert after "1 May 2020" "to direct the Policy & Resources Committee to include propositions in the annual Budget Report, the Tax Review or at another appropriate time"

In Proposition 17, to replace "To agree" with "To direct the Policy & Resources Committee to include propositions in the annual Budget Report, the Tax Review or at another appropriate time"

In Proposition 18, to replace "to agree" with "to direct the Policy & Resources Committee to include propositions in the annual Budget Report, the Tax Review or at another appropriate time"

Deputy Kazantseva-Miller: Thank you, sir.

1170 Imagine you earn about £500 a year. It goes to pay for all your many bills and expenses. Healthcare is particularly expensive, but so is education, keeping yourself safe. At the end of the year, with very hard work, you manage to save £15. It is not a given. This figure will go up and down, mostly down, because you will have unexpected emergencies like being unable to work due to self-isolation if you are self-employed. That is all you have left for discretionary spend that you can use

1175 to buy yourself something new, pay for a new course, a new gadget and so on – £15.
You already have some borrowing which you pay about £4 each year to cover the interest, but you have income from building bird boxes and chicken coups that covers that borrowing. Now you have ambition and want to catch up on all of those things you did not get to do before, like fixing a retaining wall and your driveway, getting a new security camera, a new passport or connecting up
1180 to fast broadband. You are even keen to build a modern summerhouse 10 metres away from your office, library, and man's shed, even though you already have one in your house.

1185 So you want to borrow even more money. This new borrowing will mean you need to spend £10 just to pay for the interest and none left for repaying the actual debt, which is about another £15 to £20 annually for 25 years. Your bank manager tells you that you need to show that you can repay the money, not only the interest. She tells you that the options are to cut your expenses, work more or get others to pay more for your bird boxes and chicken coups. However, you do not want to do all the hard to work to sort yourself financially. You want the money now – all of it. And you do not want to tell your wife about it. She does not need to know or take part in the decision.

1190 The bank manager politely tells you to go and sort yourself out or seek a less scrupulous lender. She tells you to come back in two months' time, 'When you've reviewed your prices for the bird boxes, they will probably need to increase 20% to pay for all your new gadgets.' She also tells you to talk to your wife, who is known for her common sense and financial prudence and is actually a joint signatory on your bank account.

1195 Sir, in a nutshell, that was my humble attempt at describing how the financing Propositions of the Government Work Plan fit into the fiscal realities of Guernsey. To put it simply, we are asked to commit to borrowing today which is beyond our means of repaying the borrowing and at the expectation that this will be sorted sometime in the future through increased revenues, cuts or taxation.

1200 The borrowing proposals set out in the finance and investment plan will breach the Fiscal Policy Framework on several accounts. For example, they will breach principle 7 of the Framework specifying that 'The States' total debt should not exceed 15% of the GDP' and that:

- Any project or acquisition supported with recourse to government debt must be able to generate enough revenue to meet the repayment of that debt.

1205 The Plan will increase the level of borrowing to £571 million composed of the original bond of £330 million, the new borrowing of £200 million and the £41 million loan guarantee that there is to Aurigny. This amounts to 18% of the GDP, three points higher than the limit of 15% and will be the highest debt profile for Guernsey in, I believe, known history.

1210 The profile of the capital projects will not comply with the requirement of the fiscal framework that debt can only be used for projects with a defined revenue stream. In other words, borrowing will be used to finance projects like schools and the new luggage system which cannot in themselves repay the debt at maturity and so will rely on the wider States' finances to pay for themselves.

1215 The Fiscal Policy Framework is an approved Government policy that provides guidance on dealings of fiscal nature. The estimated cost to service the interest payment of the new borrowing and the current bond is estimated to be about £10 million. If the borrowing took place over a 25-year combined period, that would amount roughly to £23 million of capital repayment each year. The financing and investment plan notes that while the States are likely to generate surpluses in the 2021-25 period that that will be sufficient to service the interest of the combined borrowing in the short term, they will only be able to repay the debt at maturity if the States' manages to generate surpluses in excess of £15 million per annum thereafter.

1220 Given the recent history of events with the pandemic and the hard work of the previous Governments to actually balance the budgets and reduce the deficits we had, we know that it is no mean feat to generate surpluses in the budget. Paragraph 7(31) further elaborates saying that even if the above surpluses did materialise post-2025:

it should be noted that this does not enable sufficient funds to be accumulated for future government priorities ... [to invest] in [the] delivery of future infrastructure and systems beyond this ... [point]. It will be necessary for the States to increase the annual ... [surpluses further] ... through a combination of economic growth, restrictions on public sector expenditure and/or ... [increases in] taxation.

So not only future Governments and taxpayers will have to deal with the repaying of the debt arranged by this Assembly, they will also struggle to have enough to pay for any future projects they want to do and, just as a reminder, we have a very big pipeline portfolio we obviously have

1225 aspirations to achieve sometime down the line. We will not have recourse to paying for those future investments.

In other words, the financing and investment plan of the GWP is asking the Assembly to commit to a level of capital expenditure and additional borrowing of £200 million that will, *ceteris paribus*, put the Island in an unsustainable financial situation, breaking the agreed Fiscal Policy Framework and leaving future Governments without recourse to funding unless further measures are taken, such as increases in taxation, public cuts and accelerated economic growth. In fact, the finance and investment plan draws our attention to the structural deficit the spending profile of this political term is likely to bring, a cumulative deficit of £232 million between now and 2025. The General Revenue Reserve is also projected to run out in 2024, within this term of this Government, assuming no other funds, reserves or borrowing are used first. The medium-term GDP forecast of the end of the back of the States' revenue receipts and projected savings will not be enough to create a sustainable fiscal situation where such substantial debt is repayable.

So just a bit more on the GDP growth, the middle scenario of the finance and investment plan forecast a middle-level GDP growth and off the back of that modest increases in General Revenue. Economic growth is a factor which is challenging to shift and predict. GDP growth does not also translate into like-for-like General Revenue receipts. So out of the three factors in play that determine the sustainability of the States' finances, GDP growth is the most elusive and difficult to manage. So the current GDP projections are not enough to be what pays for the increased debt.

Let me talk about savings, and I mentioned that in one of my previous speeches. So the cumulative savings over the five-year period are predicted to be about £14 million but at the cost of £26 million. So we are paying more right now to achieve a lower level of savings. The recurring annual savings are estimated to reach about £5.8 million per year towards the end of this political term. Well, this represents just over 1% of total revenue – 1%; that is all we are planning to do this term. So much for talking about reshaping government, generating efficiencies, 1% is really not much. Are we trying hard enough to generate efficiencies and savings while having the ambition to spend the most unprecedented amount over this political term? I am not sure.

Transformation of services and public sector reform are five years into the 10-year plan. So where are the promised efficiencies, and most importantly who is responsible? I would argue, actually, the politicians have much less control than you think. Target savings of £7 million were agreed in the Budget Report 2021, however, it is now expected these savings will not materialise in full until 2023. So who is responsible?

This brings me to the experience of Committee budgets. Politicians all get all the blame for overspending and the inflationary nature of States' costs. But are Committees really in control of their budgets? We are generally kept away from operational and HR issues like the plague, but that is the most important cost. We have little idea about performance appraisals and how the Civil Service is actually doing and I want to share my reflection of my first experience with the budget process this year, which is under way with the deadline being at the end of July. It is relevant to this discussion because obviously Committee budgets form the baseline for States' spending and so form very much the cost baseline of the finance and investment plan.

So we received a letter from Policy & Resources colleagues saying that Committees should be prudent and try to keep within their existing baseline budgets. I think that is really good. However, knowing the pressures we have on spending and the projected inflation of costs, in addition to the aspirations we have this term to spend on capital and infrastructure, a total spend of about £650 million I remind Members, I wonder why Policy & Resources guidance was not more strict and ambitious. What about a baseline *minus* guidance? Is that not the narrative we have now consistently heard from many of the Assembly and the cost-cutting manifestoes? Well, where is the direction and a plan to do so?

With one of my Committees budget discussions have not even started and the first meeting will take place just a few days before the deadline. Do you think this gives any room for scrutiny and review? With another Committee, officers came up with a baseline budget, plus 5%. That was the starting point. Despite the guidance we have had the starting point was plus 5%, 5% over. The

1280 Committee managed to bring it back in line with base but I think we could have gone further and this is the issue: the Committees are not given guidance to work harder on lowering budgets. They are also not given the operational and HR responsibility and details that can help to make more informed decisions on budgets, and when presented, our budget figures did not even include year-to-date figures to help give us guidance on how we are performing against this year's spend.

1285 So the finance and investment plan is built with baseline budgets in mind, which I would argue, and I am speaking from my little experience within the States of Guernsey, do not undergo any significant element of scrutiny and one of the reasons is that politicians are kept at arm's length from HR and operational issues that form the basis of such budgets. The role of Chief Operating Officer was removed at the last restructure of Government from Committees, so who has within the system of Government that we have today the final responsibility to generate operational efficiencies at Committee level?

1290 The point I am making here is that I believe we are not trying hard enough to lower the cost of the States despite the rhetoric and that we have to do more work in this space in parallel to asking for the most unprecedented spending requests via the Government Work Plan.

1295 So this leads me to funding requests that were made as part of the recovery actions. So my reflection on my experience with Committee budgets very much mirrors that of the way funding requests have been submitted for Government Work Plan recovery actions, but let me give you a couple of examples that I am personally directly involved with. Enterprise zones: the GWP makes a provision for £1.4 million to scope enterprise zones. Well, I have initiated and am leading on this workstream and I had no idea this funding bid was even going in, and certainly I was not provided any logic on how it was calculated. The second one was £2.4 million to deliver on the skills strategy. Yes, we do, we have a clear view what we want to spend in the next 12 months but the rest is completely pie-in-the-sky forecasting.

1300 So these are just two examples of pie-in-the-sky figures that have gone into the finance and investment plan which is built upon Committee budgets that in my limited experience largely go unchallenged, recovery action bids which are not developed in any detail and capital projects that for procurement reasons we cannot even see the full figures, and I believe have also been given with approximate costings. Policy & Resources colleagues, Deputies Soulsby and Helyar, made it clear that is what it is. It is the best approximation we have right now given the speediness with which GWP work has been developed, the economic data and forecast we have available, and how early it is in the political term and development of the many actions. I accept that. I completely understand that and want to complement the work that has gone into developing the Plan and the finance and investment plan from officers, Treasury and P&R. But my issue is really the timing of the request to borrow. If we accept that the Financing and Investment Plan is nothing more than the best approximation we have right now and that things will change, that we will not be executing everything this year, then why are we being asked to be so certain today when we do not have a plan how to repay the borrowing?

1315 As a low-tax jurisdiction, it is imperative that we are able to demonstrate that we can live within our means, otherwise the very foundation of our existence will be jeopardised and if we show ... to break our own fiscal framework, we will clearly signal that we are not a financially sustainable low-tax jurisdiction. This will raise red flags internationally and we can be attacked for our stance on keeping low taxes when we clearly cannot live within our means. It will go against the core of our credibility as a finance centre. We must be able to demonstrate financial sustainability over the long term. This Plan unfortunately fails to demonstrate a long-term plan to repay for the borrowing. It is especially out of order of events that we are being asked to approve this borrowing today, including delegating full authority to P&R for doing, so just two months prior to the crucial discussion on taxation.

1325 Deputy Helyar in his speech on amendment 8 of the harbour debate and Deputy Le Tocq today said that we must know when decisions are out of order and be able to correct that order. Well, I could not think of a better case when decisions are clearly out of order and that we must wait for the Tax Review before making commitments for this most unprecedented level of borrowing.

1330 This brings me to the response from the colleagues at Policy & Resources we have received in
relation to the amendments. I note with interest the response from P&R that if amendment 7 is
agreed there is the potential for the Assembly to approve a full plan of action for this term with a
funding requirement of £641 million without the necessary means to pay for it. Well, I fully agree
with this statement. As it stands, this Assembly and Guernsey do not have the means to pay for this
added borrowing. So before we can commit to the borrowing, they must present a sustainable fiscal
1335 plan forward which addresses the structural deficit and implications for borrowing.

I am also confused by the Policy & Resources response that other than through phasing the Plan
does not individually prioritise actions. Well, the Plan clearly identifies they must do actions in the
capital portfolio and it also makes it clear the 10 priority workstreams to be undertaken in the next
12 to 18 months. Phasing also implies a lens of prioritisation so that actions earmarked for later
1340 years of this term clearly do not have the same level of urgency in resourcing as those marked for
action this year and next. Let me remind Members that what this amendment is seeking is to wait
for the Tax Review debate which is due to take place in September of this year, so a mere two
months away.

It is important to note that the deferral of this decision to borrow, I believe, will not affect the
1345 ability of the Assembly to execute on the Government Work Plan immediate priorities for the
foreseeable future. Up to £418 million of funds is currently available via the General Revenue
Reserve, the Guernsey Health Service Fund and the bond itself. So this figure excludes the bond
reserve of £27 million. If the sum was spent alone, it would represent the highest level of capital
expansion in the modern history of Guernsey. This amendment highlights the need for prudent
1350 financial considerations and scrutiny to take place at a time of significant financial difficulties and
when the Assembly operates under the mantra of no money available it is therefore considered
inappropriate to make such significant and unprecedented financial commitments with full
delegated authority to Policy & Resources just two months away from debating the Tax Review.

So by asking the Assembly to approve the in-principle borrowing of £200 million without a plan
1355 of how this could be repaid is in my opinion financially imprudent and out of order with the review
of taxation. If I believe correctly, the original plan of the Government Work Plan process was that
we debated the high-level direction of travel in March, that we would debate the more detailed
actions this month and then the finance and investment phase of it would follow and link to really
the budgetary cycle. While work has been undertaken via the GWP Sub-Committee, as well as
1360 various engagement sessions with Deputies, this is the first time we have actually seen or heard the
details of the finance and investment plan. So there has not been any opportunity before to
contribute to this process.

Policy & Resources tell us in their response to amendment 5, which is coming later, regarding
delegating authority for alternative delivery arrangements, that the chosen delivery arrangements
1365 for a project will not impact the agreed outcome or objective of a project. They continue to tell us
that it is these outcomes that should be the focus of States' decision making. Well, do they imply
that it is not in Member's business to worry about the finances of our Government and how that
affects our ability to provide public services and how it affects all Islanders? They then contradict
that by saying that it is the Assembly's plan and we are all jointly responsible for it.

1370 So I stand here today in my honest belief that it is absolutely the responsibility of each and every
one of us in this Assembly to look after the finances of our community. It would be financially
imprudent for the States to enter any further borrowing until it makes a decision on taxation in
September 2021. We were asked by Deputy Helyar not to conflate the Tax Review with the
Government Work Plan but I simply cannot see how you can decouple the two. The Government
1375 Work Plan policy letter makes it clear that the new borrowing can only be repaid if additional action
is taken to increase economic growth, cut spending or increase taxation. This decision is essential
to make sure we have a sustainable medium- and long-term way to manage our finances and not
live beyond our means.

Of course the implications of this borrowing and the Tax Review is that taxes will have to go up,
1380 but this is not a given and we do not know how much extra can be raised via the different potential

taxes to meet the structural deficits and meet future investment commitments. So Members are being asked to approve in principle the breach of the Policy Framework, plunging the Island into an unsustainable financial position and that can and will affect future political terms and generations of Islanders to come without any clear path.

1385 This amendment, why I reference to four of the Propositions stated in the policy letter, seeks to defer the decision on the additional borrowing of £200 million until it is clearer what direction the Assembly wants to take with regard to taxation, which will inform, crucially, how much additional revenue and surpluses may be available to service the new borrowing and repay the debt in a sustainable manner without jeopardising Guernsey's financial position.

1390 The reason for not putting a hard timeline in this amendment when Policy & Resources have to come back to us is to give Policy & Resources the flexibility to come back to us when they are ready to show us the medium- and long-term plan to repay the borrowing, which is fundamentally linked. With that in mind, I urge Members to demonstrate basic financial common sense and defer the decision to borrow, which I support in principle, but until we have made a decision on taxation in two months' time.

1395 If for some reason you are not comfortable with this amendment specifically that affects Propositions 15, 16, 17 and 18 I would urge you to vote against those Propositions in General Debate instead.

Thank you very much.

1400

The Bailiff: Deputy St Pier, do you formally second that amendment?

Deputy St Pier: Yes I do, sir, and reserve my right to speak.

1405 **The Bailiff:** Thank you very much.

Deputy Gollop.

1410 **Deputy Gollop:** There are certainly pros and cons of supporting this amendment because I am not one who wants to see Government go too slowly and I am not necessarily one, and we will come up with this amendment later as well, who wants to restrain too much Policy & Resources because I have long believed that on the balance of probabilities we do need a greater degree of trust in executive Government, and whilst we do everything through this cumbersome, multi-Committee, dimensional, matrix consensus, we struggle a bit and we go a bit slowly.

1415 But nevertheless, Deputy Kazantseva-Miller has made an excellent speech and I think that there are issues here as to how far we should go with this. Because my fear, if I am candid, and possibly this is rather opposite to some of the States' Members sitting in the opposite side of the Chamber, is we have had actually some quite candid speeches the last few days, Deputy Matthews and Deputy Helyar have both, in different ways. Deputy Matthews has very bravely acknowledged that maybe he did the former Health & Social Care an injustice because he realises that there were issues with resources which cost money and also involve other issues. And Deputy Helyar has said that despite the viewpoint he very much expressed, and successfully so with the Guernsey Party last year, that tax rises are probably inevitable and he will be suggesting some. But that is the point.

1420 Some of us old dogs in the States who do not appear to be very dynamic or perhaps almost apathetic, we know the truth. We know that some of us, perhaps personally, need to live beyond our means and that politically we have lived beyond our means for some time. The electorate has to be given the message that in one way or another some elements of our community will have to pay more taxation and that is inevitable, even given the decision we just made, which I supported, for a higher expenditure on NICE drugs, live-saving drugs, for example. And how that works is tricky.

1425 But one advantage of supporting this amendment is it maybe concentrates our mind because it is perhaps too easy to go down a route again – a bit of poaching turned game-keeping here, some people might satirically analyse, given the personality of the seconder, Deputy St Pier – but it is too easy to borrow money as a substitute for economic growth or raising taxation in certain areas. This

1435 amendment, because it imposes a greater discipline I think on the Assembly, it means that we will
not make a commitment today but it will be done in the context of the Budget and in the context
of the Tax Review and then we would be in a better position to know the balance between state
expenditure, infrastructure, capital expenditure, use of health funds, whether to have a health tax or
not, as Deputy Ferbrache early mentioned was a possibility, and as I say, the crucial mix of taxation,
borrowing and restraint of expenditure and, as a Deputy said earlier, very much restraint in public
expenditure in ways of cutting cost.

1440 So one of the downsides of a midsummer, literally heated, set aside debate for the Government
business plan is it does not necessarily engage the public. We had a lot of issues last week that
really engaged the public. I think the expenditure on drugs issue, in a way, was a misjudgement of
Policy & Resources not to realise that that is a really major priority for most of us. But generally
speaking, the more subtle, incremental, technical issues within this major report have not necessarily
1445 been widely taken up and I think in context of the borrowing and the decision to go from 15% to
18% and the Fiscal Framework readjustment have really not set tongues wagging much. It has not
actually interested the community, the business community, the public as much as it should do.
Therefore I think it would be prudent to actually say yes to the amendment at this stage and have
a more informed debate and a more holistic debate, or two of them, in September and December
1450 of this year.

Thanking you.

The Bailiff: Deputy Dyke.

1455 **Deputy Dyke:** Thank you, sir.

I thank Deputy Kazantseva-Miller for her excellent speech. I pretty much agree with her very
much in terms of our ambition in terms of keeping a grip on state spending, although it is slightly
unfortunate that the last Resolution we put did not follow that too well. So I agree with her very
much on that. We do need a greater ambition on that. I am also not fully signed up myself to the
1460 inevitability of extra taxes. At this particular point I do not think we quite know how our economy
is going to bounce back from COVID. From what I have seen talking to people around Town,
planning applications coming in, we do seem to be heading into a good period. It is difficult to say
and I guess it will all pan out over the next year or so.

I am not a fan of borrowing by any means. I agree with Deputy Kazantseva-Miller that it is not a
1465 good idea to live outside our means. However, this is a particularly difficult period we are going
through. It is a sort of hump in spending and a drop in income that we have had over last year,
possibly not this year. So it is a special period that I think is a period that calls for borrowing to get
us over the hump and hopefully up to higher, brighter ground. Our current debt levels by world
standards are very low and I would agree that we need to keep them there. But at around 15% we
1470 are not doing too badly – the UK has now gone over 100%, unbelievably, of GDP.

What I would not want to do now is to tie down our P&R in terms of making what they perceive
to be necessary borrowing arrangements, and I think these borrowing arrangements are necessary.
The current time is probably a good time to be borrowing. If we do something like a 20-year, 30-
year bond, the UK is currently paying around 1%, we would probably have to pay a little bit more
1475 because we do not have a central bank and quantitative easing and all that sort of palaver. So I
would like to leave P&R with the discretion as to when they sign up to this borrowing and the
detailed terms, I do trust them in that, but I agree with pretty much the whole thrust of what Deputy
Kazantseva-Miller has been saying.

Thank you.

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The Bailiff: Deputy Inder.

Deputy Inder: Only briefly, sir.

1485 Having worked with Deputy Kazantseva-Miller over the past eight or nine months, if I know
nothing else about the Deputy, she does, and quite rightly so, pay great attention to the process
and I mean that in a positive way. I think she is quite right inasmuch as the budgetary planning in
the Committee, certainly as we have seen ourselves, has not been brilliant and it is something that
we do year on year, and you have to wonder why things just get given to us almost *fait accompli*
1490 and Committees ourselves, all five Members of us, have to push back on it in a very short period of
time. So I have great sympathy for her concerns. Because at the end of the day there is no such
thing as 'Government money', as a lady once said, 'it is all public money', and I am not entirely
convinced that we manage it in the best way that we could do, especially being in a small Island.
We should be able to manage it better but ...

1495 So Deputy Dyke's response saves me, thankfully Members, most of my speech I think, but
(**A Member:** Hear, hear.) there is a certain ... Deputy Prow says, 'Hear, hear' – well done, I do not
blame him either. But I think there is a certain, and I am really interested of all of this is Deputy
St Pier's response because I suspect there is a bit of political schizophrenia going on here. Because
if he supported an amendment that effectively says that making [*inaudible*] not to borrow until
1500 there has been a tax review, well, I am fairly sure Deputy St Pier's mitts were all over the borrowing
of the bond, which was something like ... I cannot remember what it is now, not having much of a
clue what on earth we were going to do with it when the bond was borrowed back in 2015. And I
am fairly sure it was Deputy St Pier and Deputy Trott, two Members of the same party, that were
making the argument to borrow, almost a year ago, to borrow £250 million on the spot and £250
1505 million and I think that was defeated in short term by, I believe it was Deputy Dudley-Owen's
amendment.

1510 So I have got a lot of respect for what Deputy Kazantseva-Miller has said here because I think it
genuinely comes from the heart, even though we do sit on different sides of the Assembly, but it is
the schizophrenia of the seconder I would like to hear about because there is something not quite
right about the seconder of the amendment, because if there is one person who should not be
seconding this amendment it is Deputy St Pier.

The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

1515 At the very first, I hate the term workshop, but gathering of States' Members to discuss ... well, I
like the term 'workshop' inside the context of light engineering, but outside that I do not. But the
first gathering of States' Members to discuss the nascent Government Work Plan then, I expressed
a concern that we were deciding what we wanted to do before the debate in September about how
we wanted to fund it. And I was told, well, you have got to start somewhere, we need to know the
1520 envelop of how much money we need to raise, let's decide what the States want to do in this
Assembly and then we will look at the funding mechanisms.

1525 I do have some sympathy that it is a chicken-and-egg situation: if you do not put a stake in the
ground somewhere, you do not move forward. But it never really completely convinced me. It does
in some ways, in the sense that there is lots of stuff we can approve today, we will approve it, it has
got a cost to it, if we do not approve the recommendations from P&R on our future tax strategy we
will have to revisit it, not do it, take it out, delay it, whatever. However, borrowing is a slightly
different situation. If we have already entered into a borrowing agreement and already actually
borrowed that money and then balk at the tax measures that are needed in order to have the
1530 repayment plan in place, then we are going to be in a pickle. We really are going to be in a pickle.

1535 Now, a bit like Deputy Dyke, I am coming from the same place as him. I really do not like
Government debt. I do not like borrowing, I was accused in a previous Assembly of behaving like a
flat-capped little Guernseyman in my attitude to debt. I took it as a complement, I do not think it
was intended as such. But I have always set my cap against borrowing for things that do not
generate income or save revenue spending to an extent that you can actually service that debt. But
a bit like Deputy Dyke, I think we are in extraordinary circumstances and I think there is a case, in

the recovery phase after the pandemic, not just because we have £100 million that has been lost, but what it has done, the cold shower it has put our economy in. Yes, there are good signs of economic recovery but I think actually we need to play our role in boosting that and I think that may require, in this point in history, that we have to borrow. That is a big step for me, but I am willing to take it.

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What I am really nervous about doing is actually taking it in advance of knowing that we have an approved plan in place that will generate the revenues to service the debt and repay it over a period of time. Now, we have been told by presentations from the States' Treasurer, that is all in the Plan, all in the Plan, all in the financing plan is being able to service the debt and repay it. Yes, but that is all on the assumption that in September we all agree dutifully to back the proposals that will come forward from P&R to raise what I suspect will be an enormous amount of additional tax. Forget NICE drugs with £3 million a year, you are going to be talking about many multiples of that that we are being told in order to stabilise our finances going forward.

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Now, again, there are likely to be aspects of that tax plan in September that I have spent decades fighting against but will have to recognise the reality of the situation we are in and actually support. But I do not know whether that will be a majority view. I just do not know, in September, whether or not we will pass the revenue-raising measures necessary in order to make this borrowing sustainable, so I do have a real issue. I do not have an issue with P&R going and taking advantage of the current circumstances now to negotiate possible deals, I do have a problem with the signing of the documents and actually committing ourselves to a level of debt that is dependent upon income streams that we have not yet agreed on in order to service and repay.

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I think in this respect my initial comment right back at the beginning the process of developing the Work Plan remains. I do not believe we can agree to take on £200 million in debt until, I do not necessarily need to wait to the Budget, I think in September it could almost be a part of that policy letter, but with the Proposition below the one about whether we will approve the tax-raising measures because if they are approved then we know we have a plan in place to service that debt and to do it responsibly and to repay it. But at the moment we are absolutely voting blind and I would ask Members, or I would ask P&R to explain what happens if we vote against this amendment and in favour of the Propositions in the Billet, we go out, we encumber ourselves with £200 million of debt and then, and do not ... There is going to be huge community opposition to the tax proposals, it is going to be a tough gig, believe me! If in those circumstances we cannot get the Assembly to agree to that, I think we put ourselves in an appalling position.

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Therefore, for the sake of two months ... I agree we need to borrow, I agree with the £200 million, I agree this is a good time to do it and I am agreeing with looking into how we do it now, but I just do not think we should sign off on that borrowing until that vote in September and we know we have the wherewithal to repay it. I think that would be just deeply irresponsible, so I am going to support this amendment.

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The Bailiff: Deputy Taylor.

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Deputy Taylor: Thank you, sir.

I am feeling a bit torn because Deputy Kazantseva-Miller's opening speech I am wholeheartedly in agreement with. I think there are some fundamental flaws in the way budgets seem to be put together. I accepted it at the start of last term, because it was the start of last term, and then all of a sudden we have come round to this point again and it is like we may as well be at the start of the first term, and we have had as much information.

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Where I get a little bit stuck, I agree again with the process that has gone through for the Government Work Plan. I certainly raised with Deputy Soulsby about resources in terms of actual people on the ground to do the things that we are wanting done and the same can be said in terms of finances. Where my concerns with this amendment come in, though, and I am still minded to support it, is we have made quite a few promises already and I just do not know what will happen if we get to the stage where then we disagree with the funding options or the way the repayments

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1590 are made or they are not sustainable. What process will then come about to actually rectify that and
decide how we will make the repayment or what we will cut that we cannot afford. I would have
almost preferred if this debate had come on before anything else had started. I think that would
have been quite wise.

So I am still pretty torn. I wait to see what Deputy St Pier says, I am assuming he will stand, but
I wonder if they could give some level of assurance of what we might do if this does get approved,
this amendment, and then subsequently we do not approve, as Deputy Roffey has alluded to, if we
do not then approve the funding and finance options a few weeks down the road.

Thank you.

The Bailiff: Deputy St Pier.

1600 **Deputy St Pier:** Thank you, sir.

I had a similar analogy to Deputy Kazantseva-Miller. The unamended Proposition is like you
going to your bank manager and saying, 'I've got £1 million savings in the bank, I've got a *great*
business idea that I'm going to launch next year, but I need to borrow £1 million.' And the bank
manager says, 'Well, have your circumstances changed and how are you going to be able to repay
this loan?' And you reply, 'Well, my income's been under pressure this year because of COVID and
my expenses have gone up as well.' So the bank manager says, 'Well, show me your business plan',
and you say, 'Well, I'm still working on it; it'll be ready in two months.' That is where we are with
these borrowing Propositions. Deputy Kazantseva-Miller is the bank manager, her amendment is
saying, 'Well, you haven't shown me your business plan – your Tax Review – yet, come back when
you do. And you don't need that borrowing until you start your project next year anyway and you
can spend your savings for now, £258 million of savings, until you can show me how you are going
to be able to repay the loan.' That I think addresses Deputy Taylor's points about some of the
immediate pressures and commitments. They are completely manageable within the use of our
reserves until we are ready to demonstrate that we have got a plan to repay the loan.

1615 Now, I am not against debt. I am, after all, as Deputy Inder said, the man who led the debate in
2014 that approved the issue of the £330 million States of Guernsey bond. And that is why,
Deputy Inder, I am exactly the right person to be seconding this amendment. The balance of that
bond has not all been lent on of course. Currently £160 million or so of it has not been lent on, but
it has been very well invested, producing a return that has ...

1620 I will give way.

Deputy Inder: Yes, thank you, Deputy St Pier.

Thanks for responding to my question about the bond, which I am afraid I still find odd, but the
bit you really did not – through you, sir – you really did miss is the £500 million you wanted to
borrow only last year which was defeated by the amendment. It just seems like I am talking to a
completely different person who is saying completely opposite things to what he was saying only
this time last year.

1630 **Deputy St Pier:** Thank you, sir.

I am not going to address the point any further, I have addressed it. The balance of that bond
has not been lent on, has been invested, and that return substantially exceeded the 3.625% annual
running costs of borrowing. In other words, we have made a turn, we have made a profit on our
borrowing. That excess return has been transferred to the bond reserve, which now stands at £27
million. But the terms of that borrowing, imposed on Treasury & Resources back in 2014 are much
more restrictive than that now proposed in this policy letter. In particular it was made clear then
that the funds could only be used for projects with an income stream capable of repaying the loan.
And secondly, also, the Bond Reserve was set up to provide a jam jar, if you like, into which
repayment of the capital could be planned and provided for. That, Deputy Inder, is the big difference

1640 between this borrowing request and the last one. Last time we had a clear plan for the bond's repayment and this one has no plan.

Now, I do feel that those restrictions were of their day. I felt back then that they were unduly restrictive and since 2014 the cost of borrowing has fallen a little further and I have no doubt whatsoever that the States will be able to secure very favourable terms. Deputy Dyke has referred to those, I am not sure it would be quite as close to the ability for the government or the Bank of England to borrow, but nonetheless it would be probably more favourable than the 3.625% secured back in 2014.

1650 So I am not averse, like Deputy Roffey, to the loan or to the changes proposed by P&R, but I am not able to support them unamended. And really, why not? What has changed and what is missing? My concern simply is I think there is insufficient information in Annex 5, the Funding and Investment Plan, to approve this today. The Plan makes clear that the additional £200 million is, in its own words at paragraph 8.15, 'only a temporary solution and a way of managing and not removing the underlying deficit.' That permanent solution, in addressing the underlying structural deficit, is due for consideration and debate in the Tax Review.

1655 Like Deputy Brouard in the earlier debate, I do not want to pre-empt the outcome of that Review, but let's just imagine for a moment, shall we, that it is going to recommend that we introduce a goods and services tax or we increase taxation on income, or perhaps a combination of both. Now, let's imagine, as Deputy Roffey said, that the States reject those proposals or at least perhaps amend them and do not accept them in full. Now, let's imagine in the meantime that between now and that debate P&R have trundled off on the back of the current Proposition and taken on an additional £200 million of debt. At that point, we will have an unsolved structural problem and no plan to fund repayment of that debt. In the meantime, we will have also taken steps to utilise the Bond Reserve put aside to repay the original debt. This may sound like an outlandish hypothetical set of circumstances which is never going to happen, but we have in effect had exactly that outcome in relation to the Long-term Care Fund, where the States have simply refused to adopt any measures to address the long-term structural deficit in that Long-term Care Fund. We know that. So the States is quite capable of doing that and I think we ought to know whether we are in a similar position before we take on this additional debt.

1670 Just as a brief aside, I was wondering when Deputy Dyke spoke whether he felt his election was either correlation or causation with the boom which he is experiencing as he goes around St Peter Port talking to people – could be one or the other, or neither, possibly. Also, just to correct him, the current level of debt is not 15% of GDP, it is about 11% or 12%. The cap of course is 15%. So we are currently well under the current cap within our own rules.

1675 But this amendment I think does give us an opportunity to mitigate the risk of that outcome and it says to P&R: include these provisions in the Tax Review policy letter or the annual budget or be flexible, do it however else you like and whenever else you like and this will give you the opportunity to explain the non-temporary, the long-term, the structural solution and will give us, the States as a whole, the opportunity to scrutinise and understand that, and then make a fully informed judgement. The delay could be as little as two months, as Deputy Roffey said, and whilst P&R might start the loan process today, tomorrow, it is in fact most unlikely, and having been through the process I know, it is most unlikely, I would suggest actually impossible, for them to have completed that process in the kind of timeframe that we are talking about in any event. But more importantly, even if we need that £200 million of borrowing for this Plan, we do not – and this is the point for Deputy Taylor – need that £200 million in the next couple of months. Rather than voting against and defeating the Propositions, and frankly if they are unamended I will not be able to support them unamended, then this amendment does at least allow approval in principle, as Deputy Roffey has said, but makes final judgement subject to us frankly having sight of just a bit more homework as to what the long-term plan is.

The Bailiff: Deputy Soulsby.

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Deputy Soulsby: [*Inaudible*] ... I stood up and I realised what the time was.

Sir, I felt Deputy Inder did make a good point. I am surprised Deputy St Pier is standing up seconding this amendment, given what we went through last year, and of course probably it was the right thing not to approve what he wanted to get through because interest rates are probably at the lowest they are going to be, it is probably the most favourable time to be able to borrow.

But my concern with this Proposition, clearly cannot support it, but there is a fundamental misunderstanding from the proposer and seconder here, and it is demonstrated what Deputy St Pier said. He says what is being asked for here is to pay for the immediate capital project in the Plan as set out in the Funding and Investment Plan, and that which covers the medium term. What would be included in the Tax Review is a longer-term position and that Plan makes it very clear we need to do something different to fund investment beyond the Funding and Investment Plan period. That is set out in section 7.31. And no, we do not need extra taxes to service it either so it does not need to be in the Tax Review.

Deputy St Pier says, 'Oh, well we can't complete this, we wouldn't be able to get it all done in this period of time', but that is not the point, is it? We would be able to *start* getting things done and get the ball rolling. I think that is an important point to make.

Mess of a notes, here.

Deputy Kazantseva-Miller spoke about savings, the importance of savings, and to be fair to her she has really referenced the importance of savings throughout I think both the Plan and before now. I would just like to give Deputy Kazantseva-Miller the assurance that this is very high on Policy & Resource's agenda.

In terms of public service reform, what we inherited, when we saw what was going on, we were really surprised as a Committee just where things were and we have really taken it by the horns and shaken it and getting in a position now where Members should be able to see some significant changes in the coming months. So yes, we really do care about savings because we do see they are there and we are acting them where it is our responsibility, those areas of responsibility of Policy & Resources.

She says increasing taxes is not a given, but I am sorry, we had that debate earlier. If we think that we can spend an extra £8 million a year and it be over £12 million if we go the full hog on NICE drugs, well, I do not know where she thinks we are going to get that all through savings which have not yet been identified.

I would say HSC did make savings of over £8 million last term but the actual underlying budget went up because demand has gone up. So if we think that the bottom line we can mix and match to that extent and in such a short period of time I would be surprised. But on savings, it is not P&R's job to identify and deliver them. Yes, where it falls into our mandate, but it is for the States as a whole, really, to determine that, and Committees can submit budgets below their indicative cash limits. If they want to show that they are going to make savings. That is what Committees should be looking and seeing what they can do and I am sure they are.

So what we are asking for is a commitment now, as really it is a good time to do so. If we do not, we will have one heck of a bunfight, because if we do not approve borrowing now, we will get everybody, every Committee wanting to submit their business cases right now to make sure they can get the small amount of money that is available. That is why we absolutely say please reject this amendment because it will cause more harm than good.

The Bailiff: Deputy de Lisle.

Deputy de Lisle: Sir, I think it was totally irresponsible of the last States to borrow £330 million when they did not know where it was going to be spent! (**Several Members:** Hear, hear.) And the fact is that we have got Deputy St Pier congratulating themselves in terms of the fact that £160 million was not actually placed, but it was placed in terms of investment. Really, the States of Guernsey should not be borrowing money in order to play the stock market or whatever the bond

market is. That is a fallacy. I did not support that borrowing and it was not necessary, to go to the extent that was delivered, and I will not be supporting another £200 million of borrowing.

1745 The fact is that we have to live within our means, as was stated by Deputy Kazantseva-Miller, and it is very important that with respect to this Government Work Plan we do not go overboard because all that is mentioned in the Government Work Plan will take years to put in place. The fact is that we only have to have the funds, which we have got anyway, without any further borrowing, to gradually put in place certain priorities that we want to accomplish currently.

1750 So I think that we must wait for the Tax Review before taking on these proposals. I would not support proposals 15 to 18 at the current time, which is all relating to taking on more debt. Proposition 15, the Bond Reserve to be transferred to the General Revenue Fund, I prefer that borrowing is kept distinct in our accounts and not merged with other funds, so I would not support Proposition 15 either.

1755 So I think it is extremely important that we do actually support this particular amendment. The amendment is seeking to defer a decision on the additional borrowing of £200 million until it is clearer what direction the Assembly wants to take with regard to taxation. It is therefore considered appropriate to make such significant and unprecedented financial commitments with full designated authority to the Policy & Resources when the States is just two months away from debating the Tax Review. So I think this is one method of taking responsibility as Government and
1760 not finding ourselves with more borrowing than we can possibly use in the next five to 10 years, to be quite honest.

Thank you, sir.

The Bailiff: Deputy Oliver.

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Deputy Oliver: Thank you.

1770 I will just be quick, but one thing that I ... I do completely agree with Deputy Kazantseva-Miller that we need to live within our means, but then what I do not understand is we are having this conversation on this amendment but then Deputy Kazantseva-Miller voted for NICE drugs, voted for CCTV and she has voted for everything. So it is almost, and I hate to use the term, grandstanding, saying, 'Yes, this is what we should be doing, but actually, I'm going to go do the opposite.' So that is why I cannot support this.

The Bailiff: Deputy Ferbrache.

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Deputy Ferbrache: Sir, really picking up on a point on Deputy de Lisle. I am like him, I do not like borrowing money unless there is a purpose. I fully accept that. It is perhaps we are Guernsye men of a certain age and we want to make sure before we borrow money that we can pay it back and that we are using it for a proper purpose. (**A Member:** Hear, hear.)

1780 Now, Deputy Kazantseva-Miller started her speech with some homespun analogies, and I always feel that I am like Miss Marple in St Mary Mead: I look out and I gain all my knowledge of the world from the little village, really. What the village postman is going to do, what the lady who runs the grocery shop is going to do. And I do not understand all the intelligent words that she uttered because they were beyond me. But what I do know is that we have got to act in a responsible way.

1785 Now, it is not here to, and I was not in the States, it was the States before last, I just correct Deputy de Lisle, not the last States that borrowed the £330 million, and the interest rate was fine at the time. The interest was fine. But now interest rates have collapsed. They are as low as they ever will be, they cannot really get any lower. People are not going to lend you money at minus something. But when I hear we should things prudently from somebody who led a bond when you
1790 borrow £330 million, and unlike the Government Work Plan, did not have a *clue* what you were going to spend a penny on, and they have been scratching round for the last six or seven years to find something to lend money on. I mean we have had stuff, 'Oh we can ... £300,000 on this,

£500,000 on that,' to try and give some credibility to a bond which was a pitifully bad investment. (Interjection by Deputy St Pier) I am not giving way. I am not giving –

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Deputy St Pier: Point of correction.

The Bailiff: Point of correction, Deputy St Pier.

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Deputy St Pier: Sir, there was in 2014 a very clear plan for the use of that £330 million. The States of course went on to, having accepted the principles behind the bond, then actually chose not to use some of the bond for the things that it had previously agreed to, for example, the waste station.

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The Bailiff: Deputy Ferbrache to continue.

Deputy Ferbrache: I am not going to argue too much about the bond because it was a poor investment whatever gloss you put on it in relation to that –

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Deputy St Pier: Sir, point of correction.

The Bailiff: Deputy St Pier, point of correction.

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Deputy St Pier: Sir, it cannot be described as a poor investment when it has yielded £27 million sitting in the Bond Reserve above and beyond what is needed to repay it so far.

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The Bailiff: Before you continue, (**Deputy Ferbrache:** Sorry, sir.) Deputy Ferbrache, it is a matter of opinion. It is a description. One can dress this up by simply saying 'I think it was' and then it cannot be a point of correction. Frankly, the issues are clear to everyone I think as to what the amendment will do and what the amendment will not do. What happens to the history is really a matter for General Debate rather than for this amendment.

Deputy Ferbrache to continue, please.

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Deputy Ferbrache: Sir, I see it is 12.30, I am going to be a bit longer. Do you want me to continue?

The Bailiff: Yes, please.

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Deputy Ferbrache: Right sir. In relation to, and we are not here to invest in the stock market as Deputy de Lisle said. Also, again, look at what we were proposed last time and what the majority of us voted against: to borrow £200 million, whatever the precise figure was, without having any idea what was going to happen to it. Anyway, let's move on to this particular amendment.

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It is a bad amendment, it is a dangerous amendment, it will cause financial chaos, it is poor governance, it is irresponsible, I do not think I can make any more judicious comment than that. I have been gentle with my language, I actually think it is much worse than that. But remember what the Treasurer said because the Treasurer sent a message to all States' Members, and she wrote this: 'Good afternoon, States' Members. I've been asked by Policy & Resources Committee to write to you to clarify some of the numbers in the Funding and Investment Plan, in particular the funding element and how much is available to fund Government Work Plan priorities. Included in the Plan are recovery actions, transformation and capital schemes with an indicative value of £610 million. In addition, the States will need to cover the 2021 deficit, which has been forecast to be in the order of £42 million. Therefore the total funding requirement is approximately £650 million.' And then there is a table, figure 26, which sets out General Revenue Reserve, we keep £150 million of that,

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1845 we would use £225 million, we would use £33 million from the GHSF, we would use the bond £160
million that is left and we would use the Bond Reserve of £27 million. That would give £445 million
and against that we need more than that on the indicative work plans to fund things. So without
that, we cannot fund things. We cannot do ... and I would have liked, because reach for the stars, I
would have liked, climb every mountain higher than this or whatever the phrase is, I would have
1850 liked for us to be far more expansive in this plan and to do far more things but we have got to be
realistic. We have got to judge what we can do on a balanced basis.

Also, can I remind you of the letter, although I signed it, it was authored by all the Members of
Policy & Resources, which said, in relation to amendment 7, it says: 'Amendment 7 seeks to defer
any decision on borrowing until the Annual Budget Report or once the results of the Tax Review or
1855 'at another appropriate time' by changing Propositions 15 to 18 that provide for the transfer of the
balance in the Bond Reserve and for the borrowing and subsequent use of up to £200 million. If
amendment 7 is agreed, there is potential for the Assembly to approve the full plan of action for
the term with a funding requirement of £651 million without the necessary means to pay for it. It
effectively represents the no-borrowing option set out in the Plan.'

1860 So we would approve it if that was the decision of the States at the end of this debate, £650
million or thereabouts of spending, we would not have a clue how we are going to get to it. We just
would not be able to do it. So we have approved it without ... To me, if that is good governance,
than I do not understand what bad governance is because it would be appalling governance. You
have got to have all your ducks in a row before you set off on the march to freedom in relation to
1865 all of that.

And it says, it continues, the letter that we wrote: 'Other than that, other than through phasing,
the plan does not individually prioritise actions. If this amendment is successful it could result in
actions being funded on a first-come first-serve basis, resulting in critical actions not receiving
funding simply due to their development being at an earlier stage than other actions. Overall,
1870 approval of this amendment without any corresponding prioritisation or pausing of projects would
represent a serious governance failure by approving spending without having agreed the means to
provide it. This goes against the intentions of the Plan to bring forward to the Assembly the actions
for the term and how these will be resourced and funded as agreed in Resolution 5 as recently as
March 2021.' So what is that? Four months ago, we would be going back on that.

1875 Now, let's look at some of the other things. Now is the time to move forward because we have
seen the national health workers, the nurses etc. have been offered a 3% pay rise, but inflation is
likely to be 3.7%. Interest rates will go up. There is inflation. Worldwide inflation is starting to take
place. We have seen it. Labour is short, materials are short, so therefore the price of everything goes
up. That is the way economics works. There is no magic in it, that is the way it works. Supply,
1880 demand. If there is not enough supply and there is a big demand, the cost goes up, if it is the other
way round it goes down. At the moment, it is on the rise. This would be countenance to financial
irresponsibility to approve this amendment.

The Bailiff: Members of the States, we will now adjourn until 2.30.

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

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**Government Work Plan 2021-25 –
Debate continued**

The Bailiff: Deputy Mahoney.

Deputy Mahoney: Thank you, sir.

1890 I just want to, before everyone ... we all had our lunch, before everyone starts going to sleep in this heat. Sir, I think all the arguments that have been put forward so far, it is astonishing that we are not sure if we need the money, and if that is the case then I assume the Government Work Plan debate will be extremely short since we do not have anything to spend on it. So I am not sure what we have been talking about this last day and a half if we are not sure now what we need the money for.

1895 On the Tax Review, I just want to touch on that. The Tax Review and the borrowing, people seem to be confusing those two things and they are not, people should disavow them of that belief that they are the same thing, they are not. Deputy Roffey mentioned about the Tax Review when it is done and he does not know what P&R are going to bring forward. Whilst that is certainly true he does not know what P&R will potentially eventually present, it is a little bit odd that he is saying he has no idea. Well, he has some idea since he is one of the three politicians that are actually putting those suggestions to P&R, so he certainly has more idea than 37/36 politicians in here.

1900 Rule 4(3) of the amendment says that there are no financial implications. Of course that is strictly true when you look at it from a, if this passes, what will it actually cost us. Of course the answer is absolutely correct there are no financial implications of that, but there is a second string to that, isn't there, in how you view the financial implications in terms of what money will we have going forward to actually do anything. So if this votes through, if this is passed, then there are large financial implications to this, albeit not on what we need to spend today or very shortly on the back of this amendment.

1910 I want to touch briefly on the beautiful story we were told, the interesting lecture on marital relationships with an errand husband setting out to borrow money without telling his financially astute wife. I assumed that in that scenario the States is the errand husband, since we are the ones wanting to borrow the money. Perhaps when she summarises, sir, through you, Deputy Kazantseva-Miller could just confirm who the wise wife is in this and where we are trying to hide the fact that we are trying to borrow money. No one is trying to borrow it, it is out there, everyone knows we are and that is why we are debating it, in fact.

1915 Finally, just to pick up on Deputy St Pier's scenario, where we have bank manager Kazantseva-Miller and I have come along and asked for £1 million and she quite rightly says you have got a million in your bank account, use that, and when you come back to me I will lend you the money. Well, I went ahead and did it, I spent my money, I committed to a lot of capital projects, let's call them the Government Work Plan, for example, and so I return and ask for the cash and then she says, 'You can't have it.' So I would just like, when she sums up, if she would not mind just telling me what do I do now, Mrs bank manager, please?

Thank you, sir.

1925 **The Bailiff:** Well, as no one else is rising and the Vice-President has already spoken, Deputy Helyar, do you wish to reply on behalf of the Committee?

Deputy Helyar: Yes, sir, thank you.

1930 **The Bailiff:** Then it will be Deputy Kazantseva-Miller.

Deputy Helyar: I was deeply disappointed to read this amendment particularly because it is another example of an amendment originating without working with the Committee. Now, I am not going to quote back to other Members pledges which they made in their parties before the election,

1935 because that would be trite. But I was also concerned because this amendment calls into doubt the creditworthiness of Guernsey to pay its debt, including the borrowing contemplated in the financing section of the Government Work Plan. This was particularly of concern to me considering the proposer is a Member of the Economic Development Committee. Sir, I believe all Members have a responsibility to ensure Guernsey's reputation and the external perception of its credit rating is maintained by not asserting such things based purely on speculation.

1940 I can reassure the public and industry that there is no prospect of P&R recommending or entering into any kind of funding which is beyond its means. Sir, of all the finance-related amendments to the Work Plan, this one has the greatest potential to derail the entire Work Plan and all of the work which has been done since October 2020 and will have very serious implications for the work of Government if it is approved.

1945 The trust of this amendment is that we cannot afford to borrow and if we do it will place the Island in an unsustainable financial situation. Well, sir, through you to Members, I am afraid that just is not correct. These are the basic numbers provided by the States' Treasurer. I repeat them, Deputy Ferbrache has already been through them. I stay at a high level. The Plan calls for 1950 £651 million of funding. We have £258 million free to cover it. After deductions for work already in train, minor capital works and to fund this year's projected deficit, it leaves £33 million spare to cover £426 million of recovery actions, public service transformation and capital projects. Sir, this £33 million is not even enough, on current estimates, to repair the harbour, let alone build a new one for £350 million.

1955 So the proposal to fund this programme and plug the £400 million or so gap is to use our bond reserves and to borrow an additional £200 million. The alternative for this funding is very stark. No money means no capital projects, no public service transformation or recovery actions. To paraphrase Deputy Trott from the debate in April/May last year, the question is whether we can afford not to take these steps.

1960 Sir, because this amendment sets great stock in waiting for the Tax Review, it is probably worth first setting out for Members the differences between the work to develop the Funding and Investment Plan and what that means, and how that compares with the function and likely outcomes and timing of the Tax Review. The reality being they are two unrelated workstreams which have been wrongly conflated in this amendment. One is aimed at long-term funding and the other at 1965 our immediate needs. The Funding and Investment Plan is a framework within which funding will be secured and financial resources allocated during this political term to pay for the work we are debating within this Government Work Plan.

To address comments in relation to our ability to service debt, we are advised, and that is professional advice, that the recommended £200 million of borrowing is affordable within the 1970 current tax structure and the resources available to this Assembly. If it was not, it would not have been contained in the proposals, and P&R would have asked everyone in the Assembly to sharpen their pencils and remove some of the priorities in the Plan.

By way of example, the £330 million bond's interest payment per year is £11 million. Bear in mind that our forecast surplus for 2020 pre-COVID was £47 million. The Plan makes proposals which 1975 alter leverage limits and change the ring-fencing proposals associated with the Bond Reserve so that it can be transferred to General Revenue. I emphasise again we are advised that the borrowing being proposed can be covered from within the existing tax base, based on current forecasts, with adequate headroom.

Sir, I would remind Members that was also the case when the Assembly approved a similar level of borrowing and breach of associated limits in April/May of last year, in addition to our RCF, or 1980 overdraft, and it remains the case now. In fact, the financial situation and dire forecasts in mid-2020, as we know, turned out *much* better than expected. Even Deputy St Pier described it in his column as a stellar performance. So we have in fact more headroom than we had when this was last considered by the States.

1985 Now, there has been various discussion during this debate about our ability to repay. I have already stated the professional advice is we can easily deal with that within the headroom. But there

1990 is some confusion amongst Members about how borrowing going forwards might relate to the borrowing which has already happened. So I thought I would just set out a few facts, and this is my professional background – I know a lot about bonds. The bond that was issued for £330 million is not repayable. We cannot call it. We have to keep paying £11 million year in, year out, until Deputy Taylor's son is 25. If I had been able to repay it and call it, I could have saved the States £180 million. But I could not. We have £160 million of it unused and £27 million of it that has been made in profit since it was taken out. If I had been able to repay that part of the £330 million, it would have reduced our payments by just over £6 million per year for the next 25 years.

1995 I am not talking about taking out borrowing of that kind. It was wrong, in my view – it is my opinion, but this is my background – in my professional opinion it was wrong to take out a bond which did not allow us to call it. (**A Member:** Hear, hear.) I could have refinanced it at 1.5% instead of 3.6%. None of these things have been available to me. I will not, I absolutely commit to the States and undertake, I will not enter into arrangements of that kind again which disable us from being able to take advantage of better economic conditions. In my view, it was the wrong decision and it should never have been done.

2000 Now, this amendment seeks to have us all wait until the Tax Review in September. This misunderstands the purpose of the Tax Review. As mentioned by Deputy St Pier yesterday, its aims are to cover long-term liabilities, such as NICE drugs. The Tax Review seeks to ensure that there is a tax structure in place in the medium which is capable – not will, but might – of raising up to 24% of our GDP. Now, GDP is not an absolute measure. As we saw last year it goes up and down. So it is not an absolute rule, it cannot be. Many companies, for example, measure their borrowing ratios with relevance to their net assets rather than their turnover. This cap was agreed by the last Assembly based on a long-term average of revenues raised by the States of being between 21% and 21.5% of GDP and allowing headroom for the known, imminent and longer-term pressures on public finances being faced, such as NICE drug rollout, which we have only just debated.

2010 Many of the long-term revenue pressures identified are now starting to be factored into our financial position. For example, the Funding and Investment Plan includes in the baseline additional costs, as we said this morning in respect of NICE drugs and treatments, £5 million, demand pressures on health and care services of £3 million per annum and loss of income as a result of introductory secondary pensions of £3 million. These are eating into the surpluses that would normally be available for funding longer-term investment in infrastructure, or indeed in replenishing our reserves.

2015 Proposals from the Tax Review are due to be considered by the States in September, but that is not the correct mechanism to consider funding for the next five years in the Government Work Plan as this amendment seeks to suggest. Tax proposals, if they are approved at all, are not intended to be implemented immediately in any event, the current target being 2024, and would not start to be collected even then, until the year following inception. In other words, right at the end of this term of Government. It is therefore completely irrelevant to the finance plan or the Government Work Plan and should not have been conflated with it in this amendment. To do so is a complete misunderstanding of the purpose of the Tax Review workstream.

2020 To reiterate, the Tax Review is focused on long term, to ensure a sustainable funding position for ongoing revenue expenditure and capital investment. It is not intended to provide revenue for funding near-term capital or other projects. Waiting for it to complete in order to consider borrowing is therefore, in my view, completely inappropriate. Even if it could raise revenues towards this Plan it would not do so for another three to four years.

2025 Sir, Members of the Assembly must consider the likely outcome if all other main Propositions are carried but this amendment 7 succeeds. If that is the case, we will have approved the progression of recovery actions, transformation activities and a capital portfolio with a funding requirement of £651 million with no means of funding it. Approving this amendment without any corresponding prioritisation or pausing of projects would therefore represent a very serious, in fact reckless governance failure, by approving spending without having agreed any means whatsoever to fund it. This goes against the intentions of the Plan to bring forward to the Assembly the actions for the

2040 term and how these will be resourced and funding as agreed by this Assembly in March 2021, Resolution 5. Had the Plan contained objectives which could not be funded, P&R would not, in fact could not have included them in the Plan.

2045 Sir, the main consequence of this amendment, if Members approve it, will be to create a headlong rush on a first-past-the-post basis for the small remaining pot of funding, suspending business on the great majority of projects in the Government Work Plan, and would place the States into a position, at least until the end of this year, of financial chaos. I urge Committee Members to consider what impact that would have on their own workstreams.

2050 The Rule 4(3) statement within this amendment which states there are no cost implications is purely fanciful because inducing delay for the sake of it and forcing another debate with precisely identical issues is likely to cost this Island significantly. We are in a rapidly growing inflationary environment and that environment is almost certain to result in imminently and rapidly rising borrowing costs. In fact already long-term sterling borrowing rates are hardening. Members, for every 1% of increase in rate, the public, the taxpayer, will pay another £2 million in interest per annum on borrowing of £200 million. That could happen in a matter of weeks and certainly before P&R has the time or resources to draft another policy letter to ask the Assembly to review the situation.

2055 Sir, these matters must and should properly be delegated to P&R to conclude, not have to be brought back to the Assembly. The delay which this amendment seeks to create will inevitably create significant additional long-term cost. If the Plan priorities are agreed there is simply no reason to delay the need for funding. The arguments will not change. It will simply be a rerun of this amendment debate but having in the meantime brought the whole of the Government funding process to a standstill, wasted valuable officer and Government time, with the same binary options but almost certainly higher borrowing rates and therefore unnecessary cost.

2060 Now, sir, I would turn to those who say they do not wish to borrow. If you do not wish to borrow, you should not, in my view, sir, Members should not support this amendment. They should vote it down and they should vote against the original Propositions because all you will be doing, Members, sir, through you, Members do vote in favour, all they will be doing is delaying another debate on exactly this issue. If you do not wish to borrow, I would urge Members to vote Contre.

2065 Sir, I *strongly* urge Members, in these circumstances, not to support this amendment.

2070 **The Bailiff:** I turn finally to the proposer of the amendment, Deputy Kazantseva-Miller, to reply to the debate.

Deputy Kazantseva-Miller: Thank you, sir, and thank you to everyone who has made contributions. I am going to try to go through all the points here.

2075 So starting with Deputy Gollop. He mentioned about the importance of not restraining, and I agree with you. We want to have the trust in our Government or Committees to make decisions. He talked about what this amendment is trying to do is to impose greater discipline on this Assembly to look into the details of the decisions we are making to ensure we have a sustainable long-term plan to make it happen. So I think I really agree with him in that importance of greater discipline for this Assembly. It is very easy to decide to borrow, it is actually much more difficult to do the hard work that will pay for that borrowing. I do believe that actually Deputy Helyar shares in this aspiration very much and we just need to translate that aspiration into practical action of having greater discipline in the Assembly.

2080 Deputy Dyke also agrees with the ambition of the States to spend, and I share with him this ambition. This amendment is not about stopping borrowing forever, right? This is really about the timing of the borrowing, I think that is the key.

2085 I thank Deputy Inder for some of his complements and his concern about the budgetary process again. So we are in the middle of the budgetary process, the Committee budgets will go into overall budgets which we will debate and again, I think this is also a key part of the discipline we should be having.

2090

2095 I would not comment on Deputy Inder's attempt to again politicise in any way, shape or form
this amendment and talking about political issues from here. I think what is really important, he
talked about, actually, taking a holistic approach. That I really welcome that approach we have taken
in terms of trying to have a holistic view of the Government Work Plan and the work that
Deputy Soulsby has been doing in leading in this approach, making sure we have, for example, the
capital portfolio within the Government Work ... I think it is very good. This is precisely why I think
it is absolutely essential we do look at the Tax Review, even if the Tax Review is not going to have
immediate implication within this political term of raising funding because, as Deputy Helyar said,
the tax, if we approve it, will kick in later. But it is still very much linked to our medium- and long-
2100 term ability to pay for this bond. I will come into that at the end of my speech again where I still see
the fundamental link between the Tax Review and the Government Work Plan.

2105 Deputy Roffey was talking about we are in extraordinary circumstances, historically it has been
difficult for this Assembly to make the decision to borrowing. It was done recently and it would be
a big step. I do absolutely believe we should be investing in our Island. He raised the question about,
if we do not support this amendment and we vote blindly on Propositions 15, 16, 17 and 18, what
will happen in September if the Tax Review outcome will be actually that we disagree about
increasing taxes?

2110 Deputy Taylor talked about obviously today we have been approving additional amendments
and I think this was a signal of where the Assembly feels some of the priority areas should be. It is
absolutely essential that together with them we have a financially sustainable plan of how we do
that. I do have the questions like I have just explained in terms of what will happen if the Tax Review
does not materialise in an increase in taxation, because that will put, in terms of the long-term
sustainability of our ability to raise funds and to pay for them, what questions would that raise? So
I think that is a very interesting question to ask.

2115 So Deputy St Pier thought I would play a good role as a bank manager. Yes, so actually there
was some interesting talk about the balance of the bond that was not lent and there were stricter
borrowing terms. So previously we had stricter borrowing terms imposed and some of those, and
he wished, actually, those terms were not as strict, basically. Obviously the proposals with the
borrowing are removing some of those strict terms because they say let's borrow really for anything,
2120 which is exactly why we require much more financial prudence in terms of if we are borrowing for
anything, for any kind of project, projects that will not have a revenue stream attached to them, it
is actually more important than even at the time of the previous bond that we know that we will
have the long-term ability to pay for these funds. So by loosening the borrowing terms it should
put more discipline and financial prudence on this Assembly to make sure we have a medium- and
2125 long-term sustainable plan of how to repay. And as Deputy St Pier, we just have insufficient
information on how to do that. The amendment is flexible and says that P&R can use these
Propositions at the right time to bring them back forward to the Assembly. We really do not need
the £200 million in the next two months.

2130 So Deputy Soulsby was talking about the importance of savings and how P&R is obviously
looking at savings, looking at the transformation programme, and it is very high on the Committee
agenda. However, if you look at the finance and investment plan, and as I explained in my speech,
those aspirations are simply not translating right now into the numbers to support that. As I said,
the cumulative savings we are planning to achieve of £4.8 million equate to just 1% of our General
Revenue. If we really have the aspirations, well, they need to be translated into the finance and
2135 investment plan, and this is simply not there.

2140 Deputy Soulsby also said that it was not P&R's responsibility to deliver on those savings,
Committees could be submitting those budgets. But at the same time, in the following amendments
we have regarding governance, P&R is saying that they are the leadership and co-ordinating body,
and obviously Treasury sits in P&R and leadership. So it is absolutely, I believe, in the responsibility
of P&R to be sending the right message, to be demanding better discipline and better prudence
for the Committee. So I am quite confused that Deputy Soulsby was actually absolving of
responsibility the Treasury of the need to send that message.

2145 So there was also talk about more harm than good and it came across in Deputy Ferbrache's speech as well, which I will reference. Deputy de Lisle has mentioned that the States should not borrow to play the market, I very much agree with him on that. Interest rates have remained very low for a period of time, I really cannot see how two months' time will make a difference and that that should be solely the decision why we have to accept borrowing today rather than in September or another down the line. So I very much share in his point.

2150 He made the point about the importance of the Bond Reserve and I actually agree with him. In terms of financial management, it seems to make, again, financial sense to keep a clearly visible pot of money which shows what the balance of our borrowing is and which is why one of the Propositions which relates to the Bond Reserve, which is number 15, this Proposition is also delaying that decision because I believe until we have the review of taxation it is importance to keep that reserve outside.

2155 So Deputy Oliver reiterated the importance of living within our means. I do feel she is probably ... there was some element of misunderstanding in terms of where this amendment is coming from. I have voted for other amendments earlier today because I believe the community is signalling that this is where the investment should be made, many in the Assembly have agreed with some of those amendments, but it does not take away from us the importance of financial prudence and what I am saying is not that we should not be borrowing and funding the Government Work Plan, I am saying that we should be doing it in the right order. So I hope that has cleared my position with regard to that for Deputy Oliver.

2160 Deputy Ferbrache reiterated Deputy de Lisle's point that we should not be timing the market on borrowing and interest rates will be remaining low. He also mentioned that the bond was a bad idea, as I think Deputy Helyar said. Well, actually, the States' Treasurer in a meeting with Deputies when I believe their accounts were presented a few weeks ago actually, to a question from another Deputy, confirmed that the bond was a very good thing because if anything it has generated us returns because we have been able to lend the proceeds, the portion that has been remaining unlent, we have actually been able to invest it to generate returns. So it is quite genius financial manipulation when we are actually able to earn money on the bonds –

2170 I give way to Deputy Taylor.

Deputy Taylor: I am very grateful to Deputy Kazantseva-Miller for giving way.

2175 I do take on board the comment she has made about the bond issuing a return at the moment, but surely it must be a consideration that it is a big liability over our heads if market conditions change and it does not return the return that it currently is? Would she acknowledge that?

Thank you.

2180 **Deputy Kazantseva-Miller:** Thank you, Deputy Taylor. I think I was relaying the comments of the States' Treasurer in relation to a specific question, whether the bond was a good or bad idea, basically.

2185 Deputy Ferbrache goes to say that this amendment is bad, dangerous, bad governance, it will cause financial chaos. I really did not think that financial prudence is what should be called bad, dangerous, bad governance, something that should cause financial chaos. I really was very concerned about his comment. There has been quite a bit of talk about good governance and putting all ducks in a row. We see this word now being used consistently, 'governance', and it probably means very different things to different people. We have obviously had a governance course which I believe was probably one of the lowest courses been attended by Deputies, including one which we were supposed to have earlier this week. And I actually fundamentally agree with Deputy Ferbrache: it is absolutely terrible governance to be making decisions out of order when we do not have the medium-/long-term plan ahead.

2190 I agree with Deputy Mahoney that we need the money, we need to be spending the money, and the finance and investment plan actually makes it very explicit that the borrowing can only be repaid if we do one of the three things: economic growth, savings or increasing taxation.

2195 So in terms of my response about the husband and wife allegory, I think what I was trying to say is that the husband was probably P&R and the wife was the rest of the Assembly and that we do have a joint bank account in terms of our joint financial responsibility for the States. So I hope it has answered his question.

2200 Deputy Helyar, thank you for your speech as well. We have engaged with the Treasury team, with Bethan and Michelle on a number of amendments here and I have gone into extensive threads to understand, for example, the situation around the bond reserve. So actually we have engaged with Treasury on these matters. I am not coming up with statements saying that the Island cannot repay this debt. I have taken everything I said today in my opening speech from the Government Work Plan, and it is the Government Work Plan that says that while we have the finances to service the debt in this political term, that unless future Governments make returns over £15 million that debt will only be repayable if taxes increase, savings are made or economic growth is achieved. So everything I said today is taken purely from the finance and investment plan which makes it explicitly clear that we have the finances to service the debt in this political term but we do not have them to service unless the three things I talked about take place.

2210 So really, again, talking about the misunderstanding of the purpose of the Tax Review, yes, it is about our long-term fiscal sustainability, but this is again what the finance and investment plan says in relation to this borrowing: that we can service the debt in this political term but we will only be able to repay this debt if the States starts generating significantly higher surpluses in the future, and those surpluses, as I said again many times, will only come from either increase in taxation, so again, this absolutely fundamentally links to our Tax Review –

Deputy Helyar: Point of correction, sir.

The Bailiff: Point of correction, Deputy Helyar.

2220 **Deputy Helyar:** Sir, I think I set out very clearly that the advice from Treasury is that the borrowing that is set out in the finance plan is within the current tax base.

Thank you.

2225 **The Bailiff:** Deputy Kazantseva-Miller to continue, please.

Deputy Kazantseva-Miller: Thank you, sir.

2230 This is not what the finance and investment plan says. It clearly says that the future Governments will have to do three things: they will have to increase economic growth, they will have to increase taxes or they will have to cut Government spending. This is in the Government Work Plan.

Deputy Helyar: Sir, point of correction.

The Bailiff: Point of correction, Deputy Helyar.

2235 **Deputy Helyar:** Sir, that is in connection with capping the size of the tax take at 24% of GDP. That has nothing to do with funding this Plan.

2240 **The Bailiff:** Deputy Kazantseva-Miller, I am concerned that you are straying beyond what you are entitled to do is replying to the debate on the amendment at the moment. It is a timing issue, isn't it, more than anything?

Deputy Kazantseva-Miller: Thank you, sir.

2245 So really, here, it is a time issue. It is a timing issue of two months. The taxation debate will be an extremely important debate for this Assembly which will really determine the long-term

sustainability for this Island. Yes, the taxation will kick in in 2024 but that is exactly what fits into the profile then of repaying this debt.

2250 So again, there was talk about reckless governance and if we call reckless governance this amendment, well, I look at it as making a financially prudent decision in a matter where we are looking at a two months', effectively, deferral of this decision. I believe it is absolutely the right thing to do in the right order. I cannot see how we are going to have financial chaos off the back of this amendment and so I really call to Members financial prudence, to make the decisions in the right order. We are being asked to approve something which we do not have the means right now to repay and I seek Members to support this amendment.

2255 Thank you.

A Deputy: Can we have a recorded vote, please, sir?

2260 **The Bailiff:** Members of the States, we come to the vote on amendment 7 which is proposed by Deputy Kazantseva-Miller, seconded by Deputy St Pier, and there has been a request for a recorded vote, please, Greffier.

Deputy Kazantseva-Miller: Could I have a recorded vote, please? Thank you.

2265 **The Bailiff:** Yes. (**Deputy Kazantseva-Miller:** Sorry.) Of course you can.

There was a recorded vote.

Not carried – Pour 9, Contre 27, Ne vote pas 1, Absent 2

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Roffey	Deputy Prow	Deputy Queripel	Deputy Meerveld
Deputy St Pier	Alderney Rep. Roberts		Deputy Trott
Deputy Burford	Alderney Rep. Snowdon		
Deputy Bury	Deputy Soulsby		
Deputy de Lisle	Deputy Taylor		
Deputy de Sausmarez	Deputy Vermeulen		
Deputy Falla	Deputy Aldwell		
Deputy Gollop	Deputy Blin		
Deputy Kazantseva-Miller	Deputy Brouard		
	Deputy Cameron		
	Deputy Dudley-Owen		
	Deputy Dyke		
	Deputy Fairclough		
	Deputy Ferbrache		
	Deputy Gabriel		
	Deputy Haskins		
	Deputy Helyar		
	Deputy Inder		
	Deputy Le Tocq		
	Deputy Leadbeater		
	Deputy Mahoney		
	Deputy Matthews		
	Deputy McKenna		
	Deputy Moakes		
	Deputy Murray		
	Deputy Oliver		
	Deputy Parkinson		

The Bailiff: Members of the States, the voting in respect of amendment 7 proposed by Deputy Kazantseva-Miller and seconded by Deputy St Pier was that there voted Pour 9, Contre 27, 1 abstention, 2 Members were absent, and therefore I declare amendment 7 lost.

2270 Now, Members of the States, before we turn to the next amendment, can I just draw your
attention to what I regard as a convention in this Assembly, which I have not been impressing upon
you perhaps as much as I should have done, but in respect of civil servants, it is customary that they
are not named. They are referred to by their offices. And if they are being named when they should
not be named, they should not just be given their first names in particular, and that is what really
2275 brought that to my attention. But it should be 'the Chief Executive of the States', for example, 'the
Director of Public Health' or the 'Medical Officer of Health' rather than naming them. I would really
urge you all to avoid naming, effectively your staff, but to refer to them by their job titles, please.

The next amendment is number 5 and, Deputy St Pier, do you wish to lay that amendment now?

2280 **Deputy St Pier:** Sir, I actually propose laying 5 and 6 together. I think it makes sense on the
basis that it deals with the same Proposition.

The Bailiff: If that is your wish, then –

2285 **Deputy St Pier:** I am sure Members will appreciate shortening of debate overall.

The Bailiff: We will take both amendments 5 and 6 then together, please, Deputy St Pier.

[Amendment 5](#)

In Proposition 14 to delete "or to enter into alternative delivery arrangements"

[Amendment 6](#)

In Proposition 14 to insert "up to £10m" after "in the capital portfolio"

Deputy St Pier: Thank you very much, sir.

2290 Amendment 5 deletes 'or to enter into alternative delivery arrangements' from Proposition 14
and amendment 6 inserts 'up to £10m' after 'in the capital portfolio' in the same Proposition.
Proposition 14 as drafted I think makes perfect sense for Policy & Resources, but Members should
be under no illusion that if it passes it will be an enormous transfer of powers from this Assembly
to the Policy & Resources Committee. It will also remove scrutiny of all capital projects in the
portfolio from this Assembly.

2295 As Treasury & Resources Minister and Policy & Resources President, I would have been very
happy to promote this Proposition. So why did I not? Because frankly I knew that there would not
have been a cat in hell's chance of the last two Assemblies approving such a Proposition and I do
think it will actually be a sad moment if this Assembly does so.

2300 P&R already have unlimited authority for the development funding for pipeline proposals, but
of course by its nature that expenditure is limited. To have unlimited authority over the whole
portfolio is another kettle of fish entirely. Amendment 6 raises the delegated authority limit from
£5 million to £10 Million, remembering that the £5 million limit was only raised from £2 million in
the last budget. To remove the cap completely would be, I suggest, an extraordinary abdication of
this Assembly's oversight responsibility for the capital programme.

2305 Now, I recognise the statement in the policy letter that P&R appreciates that this would be a
significant additional responsibility which it takes extremely seriously. Of course they will and so
they should. But it is not much reassurance as the next P&R may not have the same diligence, and
I will return to that point later.

Now, P&R say in paragraph 8.12 that it is:

concerned that the States' commercial position is often compromised by ... setting out ... [the] project costs in public
documents ahead of competitive procurement processes.

2310 – and emphasise it is 'often' compromised. Now, there is no evidence or example set out in support
of that statement. It is a very easy, generic statement to make but it is not supported and I would

suggest that in my eight years as the Treasury lead I cannot recall any case where project tendering was compromised in that way. There are good reasons for that and the States have taken steps to protect itself by, for example, having very high level information in the publicly available documents while Deputies have been given access in confidence and in camera to more detailed information.
2315 That has happened quite a lot recently and I think the Hospital modernisation was the most recent example.

The reality is that on very large projects there are so many components, design, professional and legal fees, project management, the internal cost to the States, M and E, building costs, fitting out and so on so on, that actually publishing an overall capital cost for the project does not really help
2320 an individual contractor trying to price their very small part, specialist part, of a project without access to that granular detail as to how that initial estimate has been built up. It is that granular detail that needs to be kept out of the public domain and that is what the States have been doing in their procurement more recently.

In their letter of comment, P&R say 'project momentum would continue to be limited by the involvement of the full States Assembly in funding approvals' and that in short is nub of this. That
2325 actually the Assembly, frankly is a nuisance, but that I would suggest is not good reason to accept this Proposition unamended.

Sir, amendment 5 seeks to remove the power for P&R to enter into what is termed in the Proposition 'alternative delivery arrangements'. In English, that is a reference to public-private
2330 partnerships and private finance initiatives – PFIs and PPPs. Now, I am not against either. Indeed, I agree with Deputy Helyar and with the rest of P&R that PPPs and PFIs may well present some very good opportunities and sensible mechanisms for the delivery of some of our future capital projects. But just as we have very limited commissioning experience for the delivery of services from the private or third sectors, we have to recognise that we have none whatsoever in relation to these so-called alternative delivery arrangements.
2335

We have no experience in the Civil Service or among politicians for negotiating and providing effective governance to such arrangements. Those skills do need to be acquired. We have no expert lawyers in St James' for whom such transactions are their bread and butter. I am not criticising
2340 anybody for this, it is just a factual reality. That is not the way we have done business up to now and therefore we do not have the experience, we will need to acquire it. As I say, I have no objection to us doing so, but I think what I am emphasising is we do need to be very cautious about how we proceed, particularly with our first such deal.

If amendment 5 passes it does not prevent us entering into alternative delivery arrangements, such as PPPs or PFIs, it just means that P&R will need to bring it to the States. And when they do
2345 so, they will need to explain it to us and in order to explain it to us they will need to ensure that they themselves truly understand the details properly of what they are putting in front of us. It will provide us with the opportunity to properly question and scrutinise any such deals and once the States' has developed the organisational skills and experience, then it might, it might at that point become appropriate to start talking about delegating authorities. But I would suggest, sir, that it is premature to be doing it today, which is why this amendment is so important.
2350

Now, in a small community where everybody knows everybody, Guernsey's politics, unlike many others of a similar size jurisdiction, have of course been remarkably free from corruption or the perception of corruption and that is of course because power is so diffuse. And whilst that diffusion of power is frustrating at times – there is no doubt about that – it does mitigate the risk of dodgy
2355 deals or the accusation of dodgy deals. Now, I am not suggesting for a moment that P&R will suddenly use these powers to do a bunch of deals with their mates, but you can be quite sure that if there is no scrutiny from outside P&R that is precisely what they will be accused of doing. The scrutiny of this Assembly actually provides protection and cover to P&R.

Sir, I have left my best argument, I believe, for these amendments until last and it is this. Would
2360 you give me these authorities? Now, Deputy Helyar is a smooth and smart operator and he may say in debate in responding to this debate that of course he would. He trusts me, he has seen my track record and he is very happy with it – of course he would. So let me depersonalise that question and

rephrase it and say: would you give these delegated authorities to the person in this Assembly that you trust the least and you like the least? Now, I do accept that for some Members of the Assembly that may be the same question, (*Laughter*) I absolutely accept that, so I am going to rephrase the question again. Would you give these authorities to the least successful candidates or party in the last election? My point, which I am labouring for good reason, is this: this amendment is not about not trusting the present P&R, but *none of us* know who will be there next week, next month, next year or after the next election. The present P&R may go under a physical, proverbial or political bus tonight. Who will follow them? We do not know.

Politics is a funny old business. Sometimes people end up in positions that are least expected. Trust me, I know. The Proposition should be regarded as a permanent transfer of power to the Senior Committee from this Assembly. If you do not like how it is being used in the future, do not presume that you will be in the majority and in a position to take that power back. For that reason alone, sir, that should be enough for Members to support these amendments.

The Bailiff: Deputy Burford, do you formally second both amendments?

Deputy Burford: I do, sir.

The Bailiff: Madame Procureur.

The Procureur: Sir, thank you.

I rise simply just to correct the statement that there is nobody in St James' Chambers with experience in PFI. Just for Members' information, the director of commercial law spent a number of years directing major PFI projects in excess of £20 million and also has substantial experience as a major projects lawyer. It is just a point to note.

Thank you, sir.

The Bailiff: Deputy Inder.

Deputy Inder: Sir, I have not really particularly spoken to anyone about this but I have got some sympathy with this, and if it helps, I am not entirely sure it will do, when the previous P&R wanted the delegated authority to go up from £250,000, I think it was, for £2 million, I did not vote for that. Sir, he is right. I do not trust people which have necessarily got concentrated power, and it is not personal. What I did vote for I think in the last budget, accidentally, was to put it up to £5 million. So sir, even I can be a little bit schizophrenic sometimes.

I am not entirely sure where Policy & Resources are on this and whether they are going to stand up and try and bury this amendment, but it wares me. Strangely enough, I actually quite like the consensus politics that we have been trying to have for many years. What I do not like particularly is the way it has gone now. What I certainly do not like is necessarily an executive government with no scrutiny. So when we do get into this conversation eventually, and it is related to this, is that if you give power somewhere else, you have got to make damn sure you have got something at the other end checking it, and I do not think, with the greatest of respect, via you, sir, towards the Scrutiny Management Committee, I have not seen anything that looks like a Public Accounts Committee over the past four or five years that has scrutinised in any way how we spend money. I think Deputy Heidi Soulsby is likely to agree with that.

So I have got sympathy with this inasmuch as I just cannot hand, or I do not feel like I can hand, that kind ... as much as you might trust someone today, trust me, many people who you have trusted they will let you down tomorrow. Without the checks and the balance, we have got a very weak Public Accounts Committee and by the time something is done it is often the case it is too late and, as I have said before, we are ultimately, there is no such thing as Government money, we are dealing with public money. So I have got general fears about moving that kind of power to a centralised Committee, whoever it may be in this day, without having that check and balance. In the absence

2415 of having a Public Accounts Committee, the only check and balance I can see are the Members of this small democracy that we have here.

So at the moment I am unlikely to be persuaded to support Proposition 14 without it being amended along the lines of Deputy St Pier and Deputy Burford's two, I think it is, amendments. But I would like to hear the responses from Policy & Resources anyway. And I do wonder, actually, just as a final aside, this looks more like a Budget proposition than a Government Work Plan Proposition so it does seem a bit odd that it is wedged in the middle of here.

So there we are, fair challenge and I look forward to a response from Members of Policy & Resources.

2425 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, sir.

2430 There are a couple of letters which will always get me up after lunch, which is PFI. Public finance initiatives have been a disaster, in my view, in the UK. I have seen the family silver sold at base-metal prices or fancy buildings bought, hospitals and schools, which are then paid for over and over and over again, and they could have built the thing and bought it in the first place for a fraction of the price that they have ended up being locked into, these public finance initiatives.

2435 So I would very much value the security of having the Assembly look at these issues when they come forward, and for me, no matter how much lipstick you put on it, I will be very unlikely to kiss it. *(Laughter)*

The Bailiff: Deputy Falla.

Deputy Falla: Thank you, sir.

2440 I am not quite as against PPPs and PFIs as Deputy Brouard, I would think it would be fair to say, although I do think there is always a need for caution. I also think that we are undoubtedly going to have to be much more creative about the way in which we do approach expenditure on some very major projects which are on the horizon. So on the one hand, we will need to find new ways of financing and funding large capital projects but it is also new territory for many, if not all of us, and I think it will be reasonable to seek, for comfort and safety, the views of the wider Assembly before entering into such arrangements. I would also support the cap on delegated authority to £10 million as per amendment 6.

Thank you.

2450 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Thank you.

2455 A month or so ago we had a major debate on the ports and Deputy Helyar and others put forward amendments which won the day, probably to the disappointment of the STSB and Deputy Roffey. But in the lead up to that we had powerful speeches made by prominent Islanders along the lines of look at what Guernsey's forefathers achieved in the 18th century, the Victorian age and the early 20th century in having the vision to make investments in capital projects, and I could only agree with that. I think the States of the 1930s was one of the most visionary ever. But it was a different kind of democracy. Not only was candidature limited and it was defined by whether you paid rates and your sex in some cases and so on, but it was not perhaps, dare I say it, as inclusive as today's States or procedures. And there is always a balance between inclusivity in democracy and getting things done in a commercial way and it is where you draw the balance that the difficulty applies, and of course taking on board the best governance examples.

2465 Deputy Kazantseva-Miller was quite right that Deputy Meerveld and SACC and the States did organise corporate governance workshops only this week and only five of us turned up – and two of us were late after a late lunch. Never mind. But the point I am making is we have not altogether

been as diligent as we could have done in attending all of these things and perhaps this debate has come a bit early in this term.

2470 I am not minded to support amendment 5, because unlike Deputy Brouard, who gives us the historical view that some PFI initiatives have gone pear-shaped in the UK and other places, I am more optimistic that Guernsey, given our financial expertise and shrewdness and hundreds of professionals resident in the Island can overcome these difficulties.

2475 So I would like to give Policy & Resources the opportunity, or the benefit of the doubt, to identify suitable opportunities for using public-private partnerships, private finance initiatives and alternative delivery arrangements. Because one thing that we must all agree on in the Chamber, and probably most of the public as well, is we have faltered over the last 10/15 years in developing, in a cost-efficient way, major capital investment projects. I think it has been the process that has been part of it, not just in the bowels of Sir Charles Frossard House and the oversight that you need and the oversight that has grown since the Wales Audit Office reports, but also the publishing of
2480 the tenders, the lack of delegation, how everything takes a month or two to be published in a report, then maybe weeks of debate here that could be postponed because we overrun and you get all the maverick views.

Much as I have been a bit of an opponent of reducing the size of the States, and I am not sure we are any better off than we were when we had 57 Members – possibly worse off, in some respects – one thing is certain: you cannot really have a boardroom of 38, 39, 40 or 57 people and you cannot really have a Committee meeting or a focus group of that number. When we are elected here we are all equal but we have different roles to play, we sit on different Committees. And I do endorse what Deputy Inder says, that actually, although this is no discredit on Deputy Dyke or Deputy Burford or Deputy Fairclough, we need a strengthening institutionally of our scrutiny work.
2490 Even in the sister island of Jersey, who certainly do not get everything right, have a lot more scrutiny hearings than we do. I would like to see – but you need a lot of resources for this – a pattern of scrutiny public accounts hearings every week, every fortnight. I would like to see many more presentations about the issues of contracts, procurement and so on. We are not there yet and I suppose because having understood the issues more I appreciate that Deputy St Pier is almost going against his own instincts in allowing us to go from £2 million to £5 million to £10 million in his amendment, rather than going for the full Monty of unlimited.
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So actually, I will vote for the amendment that goes for £10 million as a compromise. I know it is a hard thing to say, I do not want to use the word schizophrenic because it is a very serious mental illness that I have friends with that and it should not be misused as a political phrase, but I must admit that where perhaps I am – well, we are not supposed to use Dr Jekyll and Mr Hyde either – but where I am perhaps in two minds is much as I have always supported a greater democracy, more inclusion and listening to all voices in our community and not just supporting those of a privileged few, I do think generally speaking Government works best when it is focused with a relatively narrowly drawn, in terms of ideology, ruthless in the sense that they are determined to not listen snowflake-y to every single voice out there that goes on Facebook and, yes, a narrowly focused, ruthless small group of people who are determined to make things happen and push things through, for, hopefully, the good of everybody in the Island not just now but in the future and our system, whether it be for the eastern seaboard or schools delivery somehow has worked against that for 15 or 20 years and we have got to look at alternatives.
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2510 Now, I do not particularly want to agree to executive government today, although I have sympathies for moving in that direction, and so perhaps the best position is to allow greater flexibility with looking at different financial models but to go with Deputy St Pier's £10 million amendment. But I think we do need to give more trust to the senior figures in our States, and if we do not altogether want to give them that trust then we actually either have to restructure the way we do things or have different people in those roles. Or on the other hand, I could perhaps follow
2515 the ... was it Deputy St Pier who suggested giving the most power to the least popular or the least able Member of the Assembly or candidature. I thought, well, maybe you could as an experiment

trust me with all of the expenditure decisions (*Laughter*) and then I would really make Guernsey better!

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The Bailiff: Deputy Roffey.

Deputy Roffey: Thank you, sir.

2525 I very much share the concerns of Deputy Inder, I have to say. In fact when I sat down with a cold towel over my head to read the Government Work Plan I liked a great deal that was in it, but I only got as far as page 3 before I wrote the word 'No' in the margin alongside Proposition 14.

2530 I think it is built on a fallacy. It is built on a fallacy in many ways. I have heard 100 times people say that the States loses out on value for money because they publish budget estimates for projects and of course tenderers are going to come in within a few quid of that because they know what we are willing to pay. But Deputy St Pier said there is no evidence to support that – I would go much further than that. I would say there is considerable evidence to say that stuff and nonsense.

2535 Now, I know in the last 10 years we not got much experience of tenders coming in because we have not done much in the Bailiwick capital projects. But I have been at the Committee table, opening what used to be those brown envelopes, these days it call comes in electronically, and by and large, so long as you have a competitive tendering situation, the tenders are not in any way influenced by the budget. I have seen tenders come in for very large schemes, like hospital schemes, for instance, come in well below the budget estimate that has been published in the Billet and debated, and sadly I have known on other occasions tenders come in that are well above. So long as you have competitive tendering, what tends to influence the sharpness of the pencil or the people drawing up that tender is how much they need the work. When work is short, they will sharpen the pencil and they will put millions under the figure that has actually been debated in the States. If they do not particularly want the work, if they have got plenty on, then to be honest they will come in, say, 'If you really want to pay me this I'll do it, but I'm not that fussed.' I have seen that time and time again on big capital projects. So I think there is absolutely no proof in the suggestion that if this States debates a project with an estimated cost it leads to bad value for money for the States.

2545 I also share some of Deputy Brouard's concerns over private finance initiatives in particular. I, like Deputy Gollop, am not closeminded to them at all. I think we need to look and be imaginative of how we deliver our capital projects going forward. But when I was in charge of Health, I went across the UK, I was told time and time again by local health authorities that they were suffering under the yoke of payments from ill-advised PFIs that had been taken out and that it was really crippling them financially. That does not mean we should not do it, that does not mean we should not try and get it right, but I am responsible to the public like every one of the Members of this Assembly, and I feel very nervous about saying we can sign up to PFIs and there is no scrutiny from the States. It is just handed over. Lots of time for the Members of P&R but I think we would be abrogating our responsibility. Unlimited sums, do not forget, assuming that the £10 million limit does not come in and we are assuming unamended, then what we will be doing is handing over the ability to sign up to unlimited sums, including through PFIs. Now, I am not suggesting ill will or anything, but I am just saying are we abrogating our responsibility?

2560 The States traditionally has been more than just a legislature, more than just a parliament. When we are elected to the States, we are elected, in Guernsey, to Government. We have a part of that executive power. It may be fairly diffuse and it is a small part, but the public of Guernsey expect us to be responsible. We are not just scrutinisers, as Deputy Gollop wants us to be, it seems. Yes, scrutiny is an important part of our role, but we are also wielding, collectively, executive power. I do not think that I can hand in heart say that a £50-million, £100-million PFI could be signed off by a Committee without ever having to come back to the floor of this Assembly.

2565 I do not believe in executive Government. I understand that others do and I understand where Deputy Gollop says let's move incrementally and see how trust goes. Until a few months ago, not many months ago, P&R's limit of delegated power was £2 million. If this £10 million passed, even if it is passed, that will be a five-times increase in the ceiling that we are giving them. I am willing to

2570 vote for that. I think sometimes the ability to move fast on some projects is fine, but with unlimited
sums? Unlimited sums? £20 million, £50 million, £100 million? I know it has got to fit inside the
whole portfolio that we have approved, but that will be once a year talking about a portfolio. Below
that, we will be giving them all that flexibility. And it is no comment on the quality of P&R or their
good intentions that I say that is just too much of an abrogation of responsibility that we owe to
2575 the people that put us here and I am not going to vote for it. So I am going to vote for both of
these amendments.

The Bailiff: Deputy de Sausmarez.

2580 **Deputy de Sausmarez:** Thank you, sir.

I have to say Proposition 14 was the one that jumped out at me on my first reading of the
Government Work Plan as well. I think it is important to stress that amendment 5 would not stop
PFIs or PPPs, irrespective of whether Deputy Brouard would ever support them! It just means that
the decision rests with this Assembly rather than a single Committee, certainly as I understand it
2585 anyway.

Deputy Gollop talked about the need for a more robust scrutiny function, and actually I agree
with him. But I think the important point is that we do not have that function yet and so it would
be premature to put anything like Proposition 14's original intention in place without such a
function. I strongly agree with the other speakers who have made those points.

2590 I am yet to be persuaded on amendment 6 and I do hope we can hear from others, because
personally the jury is still out for me.

Thank you.

The Bailiff: Deputy Taylor.

2595 **Deputy Taylor:** Thank you, sir.

I am perhaps seeking a bit more clarity on how far this amendment would go, so maybe Deputy
St Pier or if it is Deputy Helyar when they are summing up could address this. The reference to
bigger amounts of money than the £10 million that is being proposed, my understanding on
2600 reading Proposition 14 is that this in relation to capital projects set out in paragraphs 6.2, 6.10. So I
am wondering if the implication that is mentioned by Deputy St Pier of this going on into the next
term or the one after that, is that a genuine problem, could that happen, or are we only talking
about items that are in that schedule at the moment, i.e. if something comes forward 10 years down
the line, had this been put forward, would this almost disappear?

2605 That is my main question surrounding the amendment but I do also want to just give comment
to the fact that debating the amount and values of contracts not having any bearing on the actual
value for money, from my limited experience I would have to say that some of the contracts that I
have seen, where they made it to final fruition or not, seem massively overestimated in the first
place. So even if they did come through slightly under the original debated budget, I would argue
2610 I would not say they are generally good value for money or necessarily competitive – only
competitive relative to the already inflated prices adjustment.

Thank you, sir.

The Bailiff: Deputy Dyke.

2615 **Deputy Dyke:** Thank you, sir.

To pick up on Deputy Taylor's point, the expiry of this clause, as I read it clause 14 applies, and
it is an interesting point, clause 14 will expire with this particular Government work programme
because it is drafted by reference to the capital portfolio being delivered within a total of
2620 £568 million which is obviously the capital portfolio as described in this document. So I think the
answer is, and it is quite an important point, that it would expire and if the Procureur would like to

correct me, if she feels it necessary, I would be happy to be corrected. So that is an important point: this does expire, it is a self-expiring clause.

Turning to amendment 5, I would suggest voting against amendment 5 for the following reason.
2625 Whatever trust we put in P&R, whether we leave it open ended for the entire capital portfolio up to £568 million or whether we want to cut it down by project to project, I do not think we want to try and exclude out alternative delivery arrangements. It is a rather vague term – alternative to what exactly? You could cover all sorts of things. I think if you have decided on a figure that you are happy with to entrust P&R with, whether that is £10 million or the whole thing, I really do not think
2630 amendment 5 is a good amendment. I think we should reject that and at the moment I am thinking about amendment 6. I cannot quite decide.

Thank you.

The Bailiff: Deputy Burford.

2635

Deputy Burford: Thank you, sir.

I will read my speeches on the two amendments one after the other, but I will just pick up first on what Deputy Dyke said about excluding alternative delivery arrangements. This amendment does not do that – it does not do that at all. What it does is it just means that the Assembly has to
2640 know about them and debate them. So it certainly does not exclude that.

In plain language the phrase ‘alternative delivery arrangements’ refers to vehicles such as public-private partnerships, which is an overarching term for them. These delivery arrangements have a chequered history, as has been mentioned already, but that is not to say that there is no place for them. But caution should be exercised and in a moment I will set out some of the issues. But first I
2645 want to concentrate on what I think is an even more important aspect of this Proposition from P&R. By voting to approve it Members will be giving the Senior Committee authority to conclude deals with as yet unknown third parties on unknown terms. I find this wholesale transfer of authority from the Assembly to P&R deeply troubling from a scrutiny point of view and if such contracts come to grief or meet significant public opposition after the ink has dried on the contract, it will still be
2650 responsibility of this entire Assembly because the Assembly will have sanctioned this delegation.

Now, onto the issues with public-private partnerships. Any private company is going to want to be compensated, naturally, for assuming a level of risk and that will often be baked into the contract price whether or not that risk materialises. Post-award contract negotiations are often difficult, as
2655 the Government is then locked into an arrangement with a monopolistic supplier and this reduces flexibility to respond to changing circumstances or at best makes it prohibitively expensive. Such projects can eliminate the burden of Government having to come up with the cash and indeed can disguise levels of Government borrowing. They can be a means to reduce the appearance of public sector borrowing. There is a reason why these vehicles have been used by cash-strapped city councils, because frequently it is their only option, but it can create a long-term burden for future
2660 taxpayers.

These types of financing arrangements are not particularly popular with the public. They often involve selling off the public realm or at least giving it away for long enough that it comes to the same thing. Push back should be expected from the public in such cases and as an Assembly we
2665 always have to be aware of public perception. I cannot help feeling that the public perception attached to handing over complete control to P&R to enter into these types of arrangements is not good. Members may be happy in principle with all of the items in the capital list but as we know only too well the devil is always in the detail. There is a note on page 202 which states that pipeline projects, ‘Can be included in the delivery portfolio if progressed more quickly than planned’. One such project, as an example, is the seafront enhancement area, three words that span the entire east
2670 coast from the Vallette to the Bridge. Proposition 14 and this policy letter would permit that action to be brought forward into the delivery portfolio and sections of it could be contracted out to private interests for 40 years and this Assembly would not have an opportunity to debate it.

2675 Sir, while I accept that in certain specific cases there may be merit in public-private partnerships, I am not prepared to do so without retaining the opportunity to scrutinise such cases. Furthermore I am not prepared to cede this level of control to the Senior Committee who would it seems prefer to keep the remaining 35 meddlesome Members at arm lengths. I urge Members to support this amendment.

2680 Then moving onto amendment 6, it was with some slight hesitation that in the last budget I supported the increase in the delegated authority afforded to Policy & Resources from £2 million to £5 million. However, I understand that there is a general desire to move things forward more quickly and such delegation does afford that ability. I had already decided to bring an amendment on Proposition 14 to keep the figure at £5 million when Deputy St Pier called me to ask me to second his amendment. I wanted to keep the figure at £5 million, as it had only just been increased by 150%. However, with some reluctance, I have agreed to £10 million rather than unlimited as requested by P&R.

2685 At this point I want to say a few words about trust. On several occasions since the election and most recently in the education debate we have heard Members say something along the lines of, 'I trust the Committee and I'm going to support these proposals.' Of course the inference that can be drawn is that if you do not support the proposals, you do not trust the Committee and Members thereof. That is not a helpful framing and it is likely inaccurate. But it also fundamentally misunderstands the role of States' Members. Our role is not to either trust or mistrust a Committee, it is to examine and scrutinise and then approve or reject proposals that Committees bring to this Assembly. If it was simply a case of trusting Committees then there would be little need for policy letters and we could just pop in from time to time to rubberstamp legislation.

2690 I bring this up because not wishing to give Policy & Resources delegated authority over £½ billion is not for me an issue of trust. It is an issue of governance and of this Assembly fulfilling its elected roll to scrutinise significant sums of public spending. I have to actually admire the sheer audacity of the Committee in bringing this Proposition forward and I imagine that the discussion around the P&R table when this was put forward was along the lines of, 'Well, let's throw this in, you never know!'

2700 The argument that this proposal hinges on, we are told, is that setting out project costs in a policy letter can compromise the tendering process. This idea has often been cited but never with any evidence to back it up and none is contained in this policy letter. Let us imagine for a moment that a project which realistically, on all evidence, would cost £15 million appears in a policy letter for £12 million. Are we suggesting that tenders will fly in at £11.99 million because tenderers set their figure to match the States' budget? Of course not. A robust procurement process will deal with issues of over-tendering and of course the States is not obliged to accept any tender.

2710 This unevicenced argument is framed merely as a concern. P&R are asking this Assembly, in response to an unevicenced concern, to increase their delegated authority a hundred fold, from £5 million to around £500 million. Members were elected to look after the public purse, not to hand the responsibility for £½ billion of capital spending, some which will be made up from additional borrowing, to a single Committee.

2715 As President of Scrutiny, I am immensely uncomfortable with this Proposition. As I have said many times before the role of scrutiny does not just sit with my Committee. I urge Members to retain their scrutiny function and resist this attempt to remove it from the Assembly. P&R's suggestion in paragraph 9.9 of Annex 5 that they will 'develop an approach for reporting back to the States' is inadequate. It will be too late by then.

2720 Sir, the only situation in which I might think this amendment is a good idea is if I were a Member of P&R. I am not, so I would ask all other Members who are also not to support this amendment.

Thank you.

The Bailiff: Deputy Ferbrache.

2725 **Deputy Ferbrache:** Sir, I am grateful for the comments that have been made so far because I fully appreciate, and I am sure my colleagues on P&R do, that this is not an attack upon anybody personally and just because people do not agree with us that does not mean to say that they are not trusting us. I fully accept that, that is not an issue. And I would just say to Deputy Burford, her throwaway comment towards the end of her speech, that she obviously was not listening accurately outside the doors of P&R, because that certainly was not and has never been our consideration, not, 'Let's try and see if can grab power' etc. This is not a power grab.

2730 As Deputy Roffey said, there have been very few major projects that have been financed over the last 10 years or so and that is the real problem. Everything takes too long. Everything goes at a snail's pace. We live in a much more commercial world now.

2735 Now, I would say in relation comments made firstly by Deputy Brouard and I think supported largely but not completely by Deputy Roffey about PFIs, they are right. There are many disastrous cases in the UK where councils have gone into joint commercial agreements and they have had their trousers pulled down and their bottoms smacked, and it has been a disaster for the people that have had to pick up the bills, there have been many projects that have not been finished, there have been many people who have been made rich at it, but the people who have suffered have been generally the local taxpayers, the local ratepayers. This is not what we are looking at.

2740 What nobody, what no speaker has yet referred to, are the actual paragraphs in Annex 5, which is the paragraph 6.2 to 6.10 of the Funding and Investment Plan.

2745 **The Bailiff:** They have been amended.

Deputy Ferbrache: Oh, they have been amended. Line whatever-it-is, sir to ... Yes, they were originally 6.2 to 6.10. Now, in relation to that ... It is 9.5 to 9.9. So if we go to those, that says, I read page 179 of the Billet:

Having considered the need for the delivery of capital investment to be accelerated, it is also proposed that we further refine the governance arrangements around capital schemes to ensure that [the] assurance and approval pathways are proportionate. The proposals that follow should ensure that there is greater agility in the development of these schemes and further strengthen the focus on affordability and public value for money while protecting the States' commercial position.

9.6. It is proposed that the level of assurance and reviews and the approvals pathway for each scheme are agreed at the outset between the sponsoring Committee –

2750 – so there is a level of scrutiny because you go to the sponsoring Committee, whether it is Health, Education, wherever –

– and the Policy & Resources Committee which will be captured in a scoping document. This should include the scope, goals, objectives and estimated timescales as well as indicative costs. It is proposed that the scoping document is agreed at the earliest opportunity to inform affordability considerations, potential funding routes and, importantly, the requirement for and timing of States' decisions.

9.7. The Committee believes that it is difficult to implement standard approaches to schemes as to whether and when further States' decisions are required. This was evidenced in the last term when some projects were brought to the States early in their development to seek agreement on the scope and objectives. Others were only submitted ... [to the States for] approval once all planning had been undertaken and the project was ready to commence.

9.8. The Policy & Resources Committee wishes to ensure that the States can consider, at an appropriately early stage, the direction which certain schemes need to take. For other projects, such as 'must do' or straightforward schemes, it considers that the best overall result is for the scheme to be implemented as timeously as possible and that a decision by the States, simply to approve funding, is an unnecessary governance requirement which simply slows progress. Therefore, each scoping document will need to set out any requirement for States' decisions which is likely to be dependent on risk, value, public interest and political judgement.

So therefore – I am going to read paragraph 9.9 in a moment – but just pausing there because I have read those four subparagraphs, in relation to those there will be scrutiny, there will be early consideration, there will be full discussion with a relevant Committee. Paragraph 9.9 continues and finishes this particular part of the submission I want to make:

In addition, the Committee is concerned that the States' commercial position is often compromised by the setting out of project costs in public documents ahead of competitive procurement processes.

2755 Just pausing there, Deputy Roffey said, well, he has seen examples where they come miles above and he has seen examples where they come miles below, it is human nature. If you are told the States have got £80 million to spend on a school or £70 million to spend in the Hospital, the quotes are going to come in, or the tenders are going to come in, pretty much at that figure. They are going to come in at that kind of estimate because that is human nature. And whereas a builder
2760 might have thought, 'Well, I could actually do this for £65 million, hang on, they've got £70 million, I'll put in £69 million. I'm still going to be very much on the right of this and the States are going to think "Oh, well that's within our target figure.'" So sadly that is what human nature generally proposes.

The paragraph goes on:

Therefore, the Policy & Resources Committee wishes to recommend that it be given delegated authority to approve funding for all schemes in the portfolio up to the maximum costed portfolio value set out in Appendix 11.9. The Committee appreciates that this is a significant additional responsibility which it takes extremely seriously. On balance, it believes that this will deliver better public value and momentum in delivery.

2765 Well, again, we all use jargon. Momentum in delivery means we get on with it, we actually do something, we do it within a reasonable timeframe.

The Policy & Resources Committee will work –

– and again I emphasise this word –

– *closely* with each sponsoring Committee to agree scope, take any States' direction from Resolutions and test and challenge the project business cases. Funding approval will be dependent on receiving the necessary assurances that the scheme represents best value and can be delivered according to the approved business case. The Committee will develop an approach for reporting back to the States on the use of this delegated authority to ensure transparency in the use of public funding.

So there is no intent, and I know it was not suggested, to do things by sleight of hand. There is the intent to be open and transparent, but to take ... Deputy Gollop was talking about steps towards
2770 executive government. This is not a step towards executive government, it is a step towards practical government in the 21st century and dealing with practical finances. We are going to have over the next four years, and again when I read back to the previous paragraphs that dealt with Deputy Dyke's point and Deputy Taylor's point, paragraph 6.2 onwards, we are talking about the life of this particular Assembly, the next four years or thereabouts. That is what we are talking about
2775 in relation to this, up to the value of £580-odd million.

So if the States wants to continue at the same, and it is a snail's pace, and same bureaucratic machinations that it has over the last two or three, four or five Assemblies probably, which means that basically things get done (a) more expensively, (b) more slowly and (c) in a way which is not conducive with representing the public and giving the public best value for money, then it will
2780 accept these amendments and reject the unamended form of Proposition 14. I ask you not to do that and I ask you not to do it ... it is not a power grab, we are all transient in the offices that we hold and we will leave them, as Deputy St Pier says, he must know something I do not know, we could leave it tomorrow or next week or next month or next year. You never know. The world is a strange place. But in practice we are talking about a limited period of time and we are talking about
2785 something that will be subject to *very* considerable scrutiny, albeit perhaps not the formal scrutiny that Deputy Burford was talking about.

Thank you, sir.

The Bailiff: Deputy Haskins.

2790

Deputy Haskins: Thank you, sir.

I would ask P&R to allay one main query of mine which I appreciate Deputy Ferbrache may well have answered in there, but he is far too eloquent for me.

2795 I am just not quite sure of the implications on Committees themselves that could come out of any alternative financial arrangements for which the Committee concerned would not have been asked whether it agreed or not to the terms of whatever finance arrangement came in, saving it could impact, let's say, that Committee's revenue stream in the future.

Thanks.

2800 **The Bailiff:** Deputy Matthews.

Deputy Matthews: Thank you, sir.

2805 I will support these amendments and that is because I support the concept of open Government and scrutiny, not because I think that I have no trust or have little trust in the people who might exercise the power that they would be given, but because I think this builds trust. I think it helps to explain what is happening so there is less suspicion amongst people about what is happening. I think that open Government is sometimes seen as being something that is a little bit burdensome or difficult. I was upset actually that we did not pass the Freedom of Information Law that Scrutiny brought forward. I think that the point about open Government is that it is better Government. It is something that can help achieve us to make better decisions and to do things better because it is not just the scrutiny of Members here in this Assembly, it means that the public get to see things as well and make comment on things and that is something that we can then bring to debate.

2810

So I will be supporting the amendments for those reasons. Thank you.

2815 **The Bailiff:** Deputy Helyar, then, on behalf of the Committee to speak on the amendments, please.

Deputy Helyar: Thank you, sir.

2820 I was flattered firstly to be described as a smooth operator by Deputy St Pier. I have to say I do feel, particularly in this temperature, a bit more like the Fat Controller than a smooth operator, but ... (*Laughter and interjection*) And as for cosy deals with mates, it is a great thing to protect but I am a lawyer which means I do not have any mates – that is part of the qualifications for the job, unfortunately.

2825 **Deputy St Pier:** Join the club!

Deputy Helyar: Deputy Roffey referred to how wonderful all of our projects have been in the past and our tendering processes; well, I would have to disagree. I was on PAC and we did look at St Sampson's High and Le Rondin projects, they were far from exemplary – *far* from exemplary.

2830 Now, the States have stuck to traditional approaches to developing capital schemes in the past and because it is such a long time since we have actually done one I thought I would remind people how they work. Generally the commissioning Committee will develop detailed proposals supported by resources with the appropriate expertise, which means consultants, and be they civil servants or consultants. Once a project is developed and with a suitably generous allowance for contingencies, and that might be a contingency on a contingency on a contingency, the States is then asked to approve the solution and the funding to go with it, crucially before any contractor or tender process is commenced.

2835

2840 So we then run a tender process to find a contractor, deliver the detailed solution with the contractors already being able to see our cards. So we are entering into a game of poker showing everybody what our hand is. They know the maximum that we, as an Assembly, are willing to spend and that is usually too much because it has already got several contingencies built into it. Funding then has to be provided from the capital reserve and the project delivered either over budget or at about the maximum level approved by the States. If we continue to develop our schemes in the

2845 same way, and I think Deputy Falla referred to this, we will continue to get the same results.
(A Member: Hear, hear.) Frankly, we will continue to develop infrastructure at a snail's pace and the public will continue to wonder why it is taking so long to develop plans rather than delivering them.

2850 Given that we have real scarcity of funding and of resources this is the time to look at more innovative ways of developing and delivering capital projects. That is not a power grab. I do not want to go off into a quiet room and make deals on my own. I am absolutely willing to be accountable for what happens and to report back and to allow scrutiny of the process and so on. This could involve Committees developing output specifications and then engaging with the market earlier to help propose a solution rather than just building our own solutions. It could involve using different approaches to building, like modular builds. We could look at alternative financing arrangements which would retain a focus on value for the taxpayer but introduce an element of private investment into capital projects.

2855 As set out in the Plan, we believe there are benefits in exploring such schemes and thereby achieving overall cost efficiencies, greater certainty of success, encouraging the transfer of risk to those most able to manage it and promoting both innovation and good design.

2860 Now, the spectre of governance has been raised in debate. We cannot, as an Assembly, make every decision in this room. We must properly and actively delegate responsibilities to Committees and enable them to fulfil their mandates and to hold them accountable for delivery. We cannot make each individual Member and the Assembly assume control of every decision, fettering agency and accountability.

2865 When you come to do a deal with a third party you need to have agency. They want to talk to the organ grinder, not the monkey. There is no point having a commercial conversation with a third party and then reaching the end of it and saying, 'Oh, by the way, I need to go and ask 39 other people what they think about this.' It is simply not possible to enter into commercial contracts in that way. And that does require a high degree of trust, and I make no apologies for that. It is absolutely true that it does require a high degree of trust. I also understand Deputy St Pier's point about what would this look like if someone else is in charge and it is a perfectly reasonable point. That is why there are rules set out in section 9 of the Plan, and Deputy Ferbrache has already been through them but I will go over them again and Deputy Haskins asked for some reassurance on this.

2875 So whilst these rules are flexible enough to adapt to the needs of each project they do provide good governance and oversight whereby a scoping document must be agreed between the sponsoring Committee and P&R at the outset of each project. The document will include the scope, the goals, the objectives, the estimated timescales and the indicative cost. This is the opportune time to explore the concept of alternative deliver models, in other words in working with Committees and not on the floor of the Assembly. If we have to come back as P&R and say we are talking about X project with ESC or another Committee and we say we have got this particular idea and this third party, we want you to agree it before we can have another discussion, people will just simply not talk to us. We will not have these commercial opportunities, they will not exist. People do not contract with Committees that make emotional decisions and can move from one direction to another without any real means of understanding why that might happen. They want to make real decisions and have real commitment.

2885 Sir, so under these proposals the States will be given the opportunity to discuss and agree the right approach for all schemes but not at the outset. In other words, not before possible alternatives have been scoped and explored with and by Committees.

2890 Sir, if Members approve these amendments it will effectively prevent alternative funding opportunities from being properly explored before being submitted to the Assembly, if at all. Requiring that all schemes even considering alternative models report to the States beforehand will inevitably lead to such alternatives not being explored because they will waste time in delivery, open up projects to last minute amendment and put off potential third-party funders unwilling to expose themselves, as I said, to this Assembly making the decisions.

2895 The chosen delivery arrangements for a project will not impact the agreed outcomes or objectives for a project; sir, it is these outcomes that P&R believes should be the focus of the States' decision making.

Now, I understand Members have some concerns. I have explained again that contrary to some of the submissions that have been made there is a process contained within the Government Work
2900 Plan to ensure that there is adequate oversight, that there is full discussion with Committees and that if they say no these things will not happen. It is down to Members to make these decisions and their individual Committees as to whether they wish to take risk, because it does involve risk. We cannot have a risk-free Government operation. All of the operations that all the Committees do, we were talking about NICE drugs, we were talking about security and CCTV cameras and security, all
2905 of the operations of our Committees involve us taking some form of risk. It is same thing with capital funding, it is same thing with how much we put tax up and to what level. All of these things involve risk.

What we are saying is that now is an opportunity to think of things in a slightly different perspective, to use some of our assets in a more intelligent way, to encourage third-party
2910 investment, and when I talk about PPP, in fact I do not think I have really mentioned PPP, but we certainly will not be indulging in the kind of schemes that we have seen in the UK – we do not need to. We have very significant assets. We do not need to hide things off-balance sheet and we do not need to keep them secret from the Assembly. But we do have a real opportunity to use some of the assets we have now to really enhance our recovery and our growth in the future.

2915 So Members, I know it might be a leap of faith for you, but I do ask you, this is a limited time only for which these powers will be given and let's have a try and see if it can work. If it does not work, by all means stop it. I have no problem with that whatsoever. But I would urge Members to vote down these amendments and support the Committee in trying to move forward.

Thank you.

2920

The Bailiff: Deputy St Pier, as the proposer of both amendments, to reply to the debate, please.

Deputy St Pier: Thank you very much, sir, and thank you to Members for participating in the debate.

2925 Firstly, just to respond to Her Majesty's Procureur, I was aware that the director of commercial law had experience in this area but I was keen to emphasise when I spoke that he used the term 'bread and butter'. In other words I was seeking to emphasise that it is not something that our lawyers are dealing with day in day out as, if you like, their main focus of work. But I was aware that that particular individual has dealt with some of this before.

2930 Where to begin? I think perhaps I will begin with Deputy Helyar's comments at the end, because he placed a great deal of emphasis on the need to be able to look at alternative delivery arrangements and I absolutely endorse that, I agree with that, as I said it when I opened debate. I have got no problem with that whatsoever. I think it is entirely appropriate and right that we should do so, we through Policy & Resources should do so.

2935 The point to emphasise is that there is nothing in amendment 5 that prevents that. All that amendment says is that once you have done it, it will need to come back to the States, at least at this stage, given that we have not done these things before, for the States to then approve it at that stage.

2940 Now, he then said, 'Well, nobody'll talk to us on that basis, if you haven't got agency.' Well, actually, we have had experience of dealing with this in negotiating the very significant contract with Agilysys, £120 million, where that was exactly the position we were in, where we needed to negotiate the contract and they knew that it needed to come back to the floor of this Assembly to be approved before it could be turned on. It is difficult, but it can be done and I maintain that it remains appropriate that we should do so, at least for our first alternative arrangement, or first few
2945 in any event.

Turning to Deputy Ferbrache's comments, he I think usefully drew attention to paragraph 9 of the policy letter and what that says. I absolutely endorse his comments that ... I am not seeking, none of us are seeking in any way to challenge the intent of P&R to improve the process. I think that is quite apparent from the policy letter and from that section that he read from. But this really comes back to Deputy Haskins' point about, well, what can actually P&R do with these powers? And we have to recognise when we are voting in the Assembly that what we are voting on is not the policy letter, we are voting on the Propositions, and it is the detail of the Propositions that really matter.

So paragraph 9 of the policy letter is a very clear statement of intent. It talks about, as Deputy Ferbrache referred to, he referred to the scoping document being prepared. Now, all of this process I am sure will evolve. This is how it is intended to be now on day one as the policy letter has been pulled together. But of course that scoping document is going to be prepared between P&R and the sponsoring Committee. That does not involve anybody else in the Assembly. And quite how it is going to work out in practice, I am sure it will not be exactly as is set out in paragraph 9 because these things never are. So we need to focus on what the Propositions do and the Propositions do very clearly give the delegation to P&R.

So to take Deputy Haskins' example, if P&R in examining the delivery of the secondary education capital project decided, for example, that a PFI might be a good way of delivering a sixth form centre, then under Proposition 14 as currently drafted unamended, they could go ahead and do that. Now, I think it is very likely that they would engage with the Committee for Education, Sport and Culture, have the conversation. I think that is the political reality. But the Proposition is very clear that they would not have to do so.

I think Deputy Matthews made a very good point about these amendments seeking to build trust and I want to draw that out and emphasise it because it is about being seen to be doing things openly and anything that is, as I emphasised when I opened, if there is a perception that something is being done behind a closed door then it will lead to a whole raft of commentary which is just deeply unhelpful to Government and will become an anchor and a drag in itself. So I think the building trust point is a very good point.

Deputy Taylor raised the question about the meaning of the Proposition and I think it is clearly to agree the projects in the paragraphs which are now in paragraph 9 onwards, but it is including the delegation of the authority to approve the opening capital votes for all schemes in the capital portfolio. The capital portfolio of course is a term which had meaning before this policy letter and will have an ongoing meaning after this.

Of course Resolutions are not the Word of God sent down into law through this, so they are open to interpretation. It will be for the Civil Service to turn this into the rules which guide and provide the Bible for them and their officers. So I think the fact is that it does establish a very clear precedent in relation to the delegation of authority in relation to the capital portfolio, whatever state it exists in, over an extended period of time.

I think Deputy Inder referred to his support for the consensus and the Committee system of Government and was not in favour of executive Government, and it is encouraging that he and I can find ourselves in that system on the same page on some issues and indeed this is clearly one. But I think the key point that he did make was about scrutiny and the absence of scrutiny and that we would need a much stronger scrutiny function to be able to support these unamended Propositions, and I think he is absolutely right that again our scrutiny function up to this point, again, without criticism of it, is not geared up or directed towards focusing its energies and it would probably need to be redirected to ensure that it was focused on this and suitably resourced as well.

Deputy Falla said we needed to be more creative and I absolutely agree and again there is absolutely nothing in these amendments that prevent that.

That really also then draws the point that Deputy Gollop made, Deputy de Sausmarez responded, Deputy Dyke essentially made the same point, that they were concerned about supporting amendment 5 because it would prevent these alternative delivery arrangements. These amendments will not prevent that. They will not prevent that. They will just prevent them being

executed without the approval of this Assembly. I think I would not want to go away from this debate, if these amendments are successful, with P&R feeling that they could not pursue and look at them. They will be empowered to do so, and as and when they find one that is appropriate, whether it is for a sixth form centre or a harbour or a hospital wing or whatever it is they want, then they would then bring that back to us.

Deputy Burford referred to the amendment 6 and the limit being raised from £5 million to £10 million. Undoubtedly that was a compromise, me seeking to present a compromise to this Assembly. P&R need more flexibility, they want to move more quickly, so it made sense to offer something up rather than say, 'No, you have to stick with what's currently there.' But I recognise also from Deputy de Sausmarez that I think she is clearly struggling with amendment 6 for the reason that she does not really want it raised at all, perhaps like Deputy Burford, and really recognising that, again, unamended, Proposition 14 is in essence, to perhaps use her language, a blank cheque. Really what I am seeking to do here with these amendments is to present them in a form which then can have the support of the Assembly to enable P&R to be as nimble and as flexible as they need to be.

So sir, I hope I have responded to the matters that were raised in debate and I am grateful to Deputy Ferbrache and others for recognising that this is not – I am not giving way – a matter of challenge to trust at all, it is about the question of scrutiny, as Deputy Inder has said, and ensuring that we do it in the right way, and at the moment that does, I suggest to you, involve the requirement of this Assembly in some form and that is why these amendments are most appropriate and I urge Members to support them.

I would like a recorded vote, sir.

The Bailiff: On both? Deputy St Pier, on both? Very well.

Well, Members of the States, we will have a vote first on amendment 5 proposed by Deputy St Pier and seconded by Deputy Burford, which if approved would have the effect of deleting some words from Proposition 14.

A recorded vote has been requested, please, Greffier.

There was a recorded vote.

Not carried – Pour 15, Contre 23, Ne vote pas 0, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Queripel	Deputy Prow	None	Deputy Trott
Deputy Roffey	Alderney Rep. Roberts		
Deputy St Pier	Alderney Rep. Snowdon		
Deputy Brouard	Deputy Soulsby		
Deputy Burford	Deputy Taylor		
Deputy Bury	Deputy Vermeulen		
Deputy Cameron	Deputy Aldwell		
Deputy de Lisle	Deputy Blin		
Deputy de Sausmarez	Deputy Dudley-Owen		
Deputy Fairclough	Deputy Dyke		
Deputy Falla	Deputy Ferbrache		
Deputy Gabriel	Deputy Gollop		
Deputy Kazantseva-Miller	Deputy Haskins		
Deputy Matthews	Deputy Helyar		
Deputy Parkinson	Deputy Inder		
	Deputy Le Tocq		
	Deputy Leadbeater		
	Deputy Mahoney		
	Deputy McKenna		
	Deputy Meerveld		
	Deputy Moakes		
	Deputy Murray		
	Deputy Oliver		

The Bailiff: Members of the States, the voting in relation to amendment 5 proposed by Deputy St Pier and seconded by Deputy Burford is that there voted Pour 15, Contre 23, 1 Member is absent and therefore that amendment is declared lost.

3030 We will move, without further ado, to a further recorded vote, please, Greffier, on amendment 6, which is proposed again by Deputy St Pier and seconded by Deputy Burford, and this is the one to introduce the cap of £10 million.

Greffier.

There was a recorded vote.

Not carried – Pour 18, Contre 20, Ne vote pas 0, Absent 1

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Queripel	Deputy Prow	None	Deputy Trott
Alderney Rep. Roberts	Deputy Soulsby		
Deputy Roffey	Deputy Taylor		
Alderney Rep. Snowdon	Deputy Vermeulen		
Deputy St Pier	Deputy Aldwell		
Deputy Brouard	Deputy Blin		
Deputy Burford	Deputy de Lisle		
Deputy Bury	Deputy Dudley-Owen		
Deputy Cameron	Deputy Dyke		
Deputy de Sausmarez	Deputy Ferbrache		
Deputy Fairclough	Deputy Haskins		
Deputy Falla	Deputy Helyar		
Deputy Gabriel	Deputy Inder		
Deputy Gollop	Deputy Le Tocq		
Deputy Kazantseva-Miller	Deputy Mahoney		
Deputy Leadbeater	Deputy McKenna		
Deputy Matthews	Deputy Meerveld		
Deputy Parkinson	Deputy Moakes		
	Deputy Murray		
	Deputy Oliver		

3035 **The Bailiff:** Members of the States, in respect of amendment 6 proposed by Deputy St Pier and seconded by Deputy Burford there voted 18 Members in favour, 20 Members against, 1 Member is absent, and therefore that amendment is also declared lost.

We turn to the final of the 12 amendments, Members of the States, and that is amendment 3, which is proposed by Deputy Kazantseva-Miller, and I invite her to lay that amendment if she so wishes now.

[Amendment 3:](#)

To delete Proposition 6 and substitute with:

“6A: To agree that it is within the existing mandates of the Committees of the States of Guernsey to drive Government Work Plan workstreams forward and where more complex recovery actions are involved such as those spanning multiple Committees, that creation of new governance structures, if deemed appropriate, will be established by the Committee(s) in question, as has happened on numerous occasions to-date within the existing system of government.”

Or, if Proposition 6A shall have been defeated:

“6B: To direct the Policy & Resources Committee to return to the States with detailed proposals on the issue of governance, including identifying which specific Government Work Plan workstreams require new or different governance arrangements, full terms of reference, resources to be allocated from officer and project management perspective and any other relevant information required to inform and effect the new arrangements”

Deputy Kazantseva-Miller: Thank you, sir.

3040 Proposition 6 of the Government Work Plan asks the Assembly:

To agree the governance arrangements for the workstreams within the four priorities of the Government Work Plan, as set out in Annex 3.

When I review Annex 3, it does not specify what workstreams require new governance structures. One could only guess which workstreams this Proposition refers to. Well, we have four priorities within the Government Work Plan, there are 10 critical recovery actions focused on the immediate issues, there are 14 delivery actions within priority 3 of recovery actions, there are 44, if I count
3045 correctly, workstreams within four priorities of the Government Work Plan and there are about 217 specific actions within the four priorities. So quite a lot of things.

So which one of the many combinations of options above require new arrangements? We do not know. So the policy letter asks us to agree in principle to something we do not really have any further information about, which workstreams, who will make the decision to constitute them, who
3050 will chose which politicians populate these workstreams, what terms of reference and powers will they have to make decisions and so on.

There is nothing that currently prevents Committees, where and when required, from creating subgroups, advisory panels or other governing bodies to advance projects and workstreams. Just a few live examples include Digital Guernsey, Skills Guernsey – both of which I am involved with –
3055 another one is the Housing Action Group. These bodies are constituted, populated and changed according to the workstream needs and developing circumstances. Other bodies have come and gone including advisory panels relating to Brexit, for example. These three examples provided would not have, for different reasons, fitted the constitution criteria outlined in Annex 3. For example, the Housing Action Group contains four political representatives. The constitution criteria says only
3060 three are allowed. Digital Guernsey has more than four officers involved because the workstream spans multiple Committees. It also has a separate external panel of industry experts and representatives it engages with. The structure is being adapted this term to suit the changing needs and workstreams. It would not fit into the criteria outlined in Annex 3.

This leads me to the point of bureaucracy. Such structures are needed but they undoubtedly
3065 create more layers of meetings and bureaucracy. Skills Guernsey is an important workstream and one that is crying out for a project manager to lead the initiative. We have only been able to progress so far by using existing officer resources. The creation of Government Work Plan-driven governance structures can be seen as a new and potentially unnecessary layer of bureaucracy. New structures are likely to require a lead officer, project lead, a chair, minute-taking, convening and other
3070 administrative actions.

The States' Civil Service has a very steep hierarchy with only a small group of senior officers at the top. Annex 3 mentions the need for each new governance body to have a senior responsible officer. There are of course different levels of seniority in the States but based on my limited political
3075 experience Deputies seem to only be allowed to work with the most senior ones. Those most senior officers are in short supply and have significant workloads already. They already take part in numerous Committee meetings, subgroups and are pulled into all sorts of other initiatives. Using the same few people at the top will only create further bottlenecks.

This term most Committees have also gone a long way to appoint non-States' Members to improve Committees' governance through increased diversity and skills. This will provide valuable
3080 external insight into the many workstreams that each Committee is progressing within its mandate. The policy letter has not built a case as to why the existing Committee system is not capable of delivering on robust governance arrangements to progress most of the Government Work Plan workstreams. Each Committee has a defined mandate and is resourced and staffed accordingly, and follows an annual budget process to fulfil the mandate. Committee operations are also governed
3085 by rules and procedures which provide guidance for good governance. This touches upon what you need to be quorate, release of any confidential information, conflict of interest and so on.

Project management and monitoring: if the core motivation is to have a good monitoring system in place on how projects progress, it may be more useful to improve the internal project

3090 management capability as well as the corresponding monitoring and reporting tools and
processes – less bureaucracy and better project management and reporting. Members, especially
colleagues at the Committee for Economic Development, will know my views on the need to
improve upon this internal project management capability. There is a delineation between officers
in operational roles to those working on strategy and policy. Leading on projects and workstreams
really requires a blend of both, as well as agility and nimble organisational mindset and design.

3095 The States of Guernsey displayed this level of behaviour and organisation during COVID but at
a huge cost, especially in terms of the number of staff diverted or redeployed to deal with the crisis.
As I said above, we have over 200 specific actions to progress. We cannot throw COVID-type
resources at 200 workstreams. So we need to work in an agile way and I am really not sure that this
can be delivered through a highly hierarchical organisation where the Committees only get to work
3100 with the most senior officers. I have worked in many organisations where the introduction of these
product and project management functions were transformational in their ability to deliver and I
believe we need less new governance structures that create bureaucracy and better internal project
delivery capability, including monitoring and project management tools. This will have to come with
new training and upskilling as well and elements of organisational design.

3105 So I considered whether it was necessary to bring an amendment on Proposition 6 or whether
just to speak in debate and ask for this Proposition to be voted down. I thought it was appropriate
to bring the attention of the Assembly to this specific area and seek an appropriate signal from this
Assembly and Policy & Resources as to the real direction of travel. This amendment, together with
my earlier amendment, received an interesting response from colleagues in Policy & Resources. In
3110 fact, this amendment was said to be of particular concern in terms of presenting significant risks to
the success of the Plan. (*Interjection*) Well ... Thank you, Deputy Gollop. I was dumb-founded to hear
that because actually I considered my amendment to be quite benign. Clearly this amendment has
pulled on some sensitive strings of colleagues in Policy & Resources. They go further to say that
both cascading Propositions within this amendment will add delay to the delivery of actions and
3115 particularly those identified as progressing within the first six months, both will draw on resources
to progress them much more heavily than that proposal set out in the policy letter and will divert
resources away from delivering against the actions. Well, I am really dumbfounded on what basis
the Policy & Resources Committee are making such claims, given that they have not gone into any
length whatsoever to describe the approach. Annex 3 takes two pages long and how it might fit
3120 with the Committee system, not to give examples of any relevant workstreams that might benefit
from this new approach. I really would like to ask colleagues in debate to explain how they think
that continuing with the existing system of Committees will draw on *more* resources than this new
approach.

3125 The P&R response further states that it is their role to provide leadership and co-ordination of
the work of the States, which also includes governance. I am concerned again, I have mentioned it
before, that governance is becoming a catch-all phrase for everything. The only point that I could
find within the Rules of Procedure that relate to possible governance arrangements was of that P&R
to promote and facilitate 'cross-committee policy development'. This goes to the core of my point
with this amendment, that it is the Committees' responsibilities to drive their mandates forward and
3130 to do so in the best way possible. Cross-committee work already takes place on numerous issues
and Committees establish new subgroups and advisory structures as and when needed.

The response says that the proposals set out will enable the actions in the Plan to be delivered
at pace. Again, I do not really see any detail within the pages of the proposals in Annex 3 that show
exactly how this would be done. I cannot see how P&R can make these claims without providing
3135 the Assembly with further details. They then say that the governance groups will predominantly
monitor the progress of the delivery of the workstreams to enable timely and consistent reporting
to the Assembly. So far from delivering and enabling action, the core purpose now seems to be that
of monitoring. If that is the core purpose, and as I said early in my speech what is required is better
project management and monitoring tools, not governance boards. So given the response of P&R,
3140 I am actually quite glad that I brought this amendment forward to enable debate on this specific

point. I fail to see how the scant detail provided in Annex 3 and dubbed as 'proposals for new governance structures' deliver anything more than more bureaucracy and more resources and time wasted in meetings. So instead I have brought forward this amendment which has two cascading Propositions attached.

3145 Proposition (a) of this amendment highlights that there is nothing within the existing Committee system of Government that would prevent new governance arrangements to take place anyway and seeks the Assembly's nod that their interpretation of our system of Government is the same. By not
3150 constraining Committees with another level of bureaucracy, they will continue to have the flexibility to deliver on their responsibilities in the way they see best fit, drawing on their broad experience and without having to be confined to constitution criteria in Annex 3 which is limiting in nature and may not be applicable or appropriate in all circumstances.

3155 If the Assembly does not agree with the above and Proposition 6A is defeated, then Proposition 6B seeks further clarity from the Policy & Resources Committee as to what new governance structures may be suitable for delivery of what specific workstreams. This is necessary to ensure that the Assembly and Committees have a letter of future scrutiny before new arrangements take place to ensure that they do not lead to unnecessary bureaucracy, lost time and resources, and that Committees' responsibilities and delivery of their mandate as prescribed by rules and procedures is not bypassed by other bodies with new decision-making powers. If Members feel
3160 the above does not really capture their thoughts, I ask Members to vote against this Proposition in general debate.

Thank you.

The Bailiff: Deputy Burford, do you formally second that amendment?

3165 **Deputy Burford:** I do, sir.

The Bailiff: Thank you.
Deputy Fairclough.

3170 **Deputy Fairclough:** Thank you, sir.

I will be supporting this amendment and I thank Deputies Kazantseva-Miller and Burford for placing it. While I am broadly supportive of the Government Work Plan and was involved in the work of the Subcommittee, I do have concerns over Proposition 6 and the principles set out in Annex 3, as already referred to, on pages 114 and 115.

3175 Now, while we are told that this is our, the Assembly's Plan, we are told in P&R's letter of comment that the leadership and co-ordination of the work of the States, including governance arrangements, sits within the mandate of the Committee as set out in the Rules of Procedure of the States of Deliberation and their Committees, and does not require it to seek agreement from the Assembly. Well, that is just as well because I do not agree in this instance. In section 7.1 we are told
3180 that 'after consideration of several options,' although it is unclear what all of those were:

it is recommended to establish cross-committee governance groups for monitoring purposes across the 14 recovery action work streams ...

7.2 The establishment of ... governance boards will be co-ordinated by the Policy & Resources Committee, in consultation with the relevant Committees, to ensure the most effective use of resource for delivery of the Plan.

And who can disagree with that?

3185 Sir, we have 14 proposed workstreams from, just to give you some examples, investing in the finance sector under 'Sustainable Economic Recovery', through to securing future energy requirements as part of 'Connectivity and Infrastructure', to enabling accessible and affordable 21st century healthcare and services under 'Community Investment', and everything in between. We are told not every workstream will require a governance board. It will depend on if a governance structure already exists or not. While I am sure, like many of my colleagues, I support the effective

3190 use of resources, here, for me, is where we seem to be straying into the territory of overdesigning
the vehicles or structures to deliver our actions, thus defeating what I believe to be the objective of
working quicker and smarter. The point being that we already have a governance framework. We
3195 have good governance principles that we should adhere to and I make no apology for reminding
Members what those are: focusing on the organisation's purpose and on outcomes for citizens and
service users; performing effectively in clearly defined functions and roles; promoting good values
for the whole organisation and demonstrating the values of good governance through behaviour;
3200 taking informed, transparent decisions and managing risk; developing the capacity and capability
of the governing body to be effective; and engaging stakeholders and making accountability real.

Whether we like it or not, until the States agrees otherwise we have a Committee system, and I
will speak again on the fourth priority, reshaping Government, when it comes to general debate.
One of my fears, Members, through you, sir, is that these boards will become another layer of
3205 bureaucracy as was already being suggested. Whether we like it or not, boards will use scarce staff
already supporting Committees, each will have to inform the work of the other, not to mention the
fact that whether you agree with the top 10 priorities in this Plan or not, work is continuing on other
not insubstantial workstreams already.

Time and again in this Plan, which I must emphasise I do support, I saw references such as the
3205 one highlighted in section 4.8, 'Often an action requires input from the same group of politicians
and public servants.' I do not disagree. And yet setting up governance boards will simply place more
time demands on staff and create more work for scrutiny. By way of example, it is suggested on
page 114 that the:

Committees will need to support the reporting of the workstreams to the governance boards by sharing relevant
information.

3210 If this is not creating more work for all of us, then I do not know what is. How many more groups,
subcommittees or project boards do we have to set up?

I hope I am wrong. I hope that establishing up to 14 governance boards will streamline decision-
marking processes and that we will hit all our targets on time and on budget. But I will be supporting
this amendment, and if it is unsuccessful I will be voting against Proposition 6, and I would ask for
3215 a separate vote on that when it comes to the time, please, sir.

The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you very much, sir.

3220 I do not think I feel as strongly as Deputy Fairclough does about Proposition 6, but of course he
and Deputy Kazantseva-Miller, who has placed the amendment, have had the advantage that I have
not had, although I did in a previous Assembly, they have sat almost on a ministerial level on the
Government Business Plan working group ... Well –

Deputy Kazantseva-Miller: Point of correction, Deputy Gollop.

3225 **The Bailiff:** Point of correction, Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: Thank you, sir.

3230 I have not been involved with the Government Work Plan subgroup but I have been involved
with Digital Guernsey and Skills Guernsey.
Thank you, sir.

Deputy Gollop: Ah, yes.

3235 **The Bailiff:** Deputy Gollop to continue, please.

Deputy Gollop: Thank you.

Well, the Government Work Plan group ... I think when you are designing structures that work within it, one needs to be as flexible as possible and within the Government Work Plan there are, for example, even within it little mistakes. I spot on page 12, figure 4.1, 'Government Work Plan approach', which is always a good word in marketing speak, 'approach', because it is impossible to define but always suggests something new and original. But in stage 1, 'Setting the direction of travel', March 2021, it says 'States agreement on its three priorities for this term'. We have actually of course already multiplied that into four. And some of those are perhaps a bit obvious because, for example, the transition from Brexit, although extremely important and fundamental to the success of our community, our fisheries industry, our finance sector and so on, is not of itself a priority, it is more of a necessity. It is like me making a priority of breathing or eating, although I do perhaps do the latter at times. So I wonder about some of that.

But although it is worded a little bit in a cumbersome way, the amendment at least gives us more chance to reflect and move more precisely because when one looks at Annex 3 there is a degree of overly academic, perhaps, rationalisation. You not only have these principles:

All groups must:

- o be established from existing resources;
- o draw on representation from community partnerships, where relevant; and
- o make most effective use of existing capacity drawing on core functions such as IT ...

And then it goes on:

Governance groups should be suitably sized to ensure effectiveness:

- maximum of three political representatives;

Well, I sit on one group that only has two but there is another group that is really going places, the Housing Action Group, that has four, and arguably should have perhaps one more than that. And 'maximum four officers' – well, again, there are some groups where the complexity, for example a group that is looking at something that involves technology or planning, might need more than that.

So I think that we are being too prescriptive with this and maybe we are subconsciously delegating more than we should to officers within the Civil Service structure. It is not also clear whether three Members would be Committee Presidents or Members of Policy & Resources or delegated Members from those Committees and whether they would be representative of Committees, because as I have said umpteen times we do not really have a ministerial system. So that is another consideration.

It is true the amendment goes into certain groups that have met. Digital Guernsey has been a success but perhaps could have gone further over the last decade or so. Skills Guernsey has been more mixed and perhaps one of the motivating forces behind Education, Sport and Culture's work today is to take up some of the work that Skills Guernsey could not fully deliver on. I think we do have a problem when we mix groups together because sometimes they lack authority or robust togetherness. To give you two examples from the previous Assembly, because this is still a baby, or at least a toddler in its infancy, this Assembly, two groups that struggled in the last term and I am not even referring to the Seafont Enhancement Group here, but the two that spring to mind, one would be the family allowances group, because although they have come up with results, at times the relationships between Health, Social Security and Education were strained with different perspectives and perhaps political and curriculum issues mixing with policy issues. Another one which has been the bane of everyone's life, I think even Deputy Soulsby would agree with me here, would be SLAWS, which started its life in about 2007 and was in those days featured upon a kind of eco-architecture on how older people should live in community villages, and it has mutated all over the place, everything from care home regulation to sustainability of finance. And we do need to go better, and I actually would prefer Proposition 6 to make it than be completely disposed of,

3280 but I suppose the amendment actually gives us a degree of flexibility, so depending on the
circumstance we can either go with the P&R model in the Plan or adopt something different.

The Bailiff: Deputy Soulsby then, on behalf of the Committee, please.

3285 **Deputy Soulsby:** Quicker than I thought, but then hopefully I will not have to speak too long
on this because I think it is evident from listening to Deputy Kazantseva-Miller, as well as the
amendment itself, that there has been a complete misunderstanding here of what we are talking
about. We are not talking about having new governance structures for every single action, but each
workstream. That is completely different.

3290 I will give you an example workstream, and dig it out of here, this tome. So a workstream: 'Meet
housing needs'. That comprises actions on 'Establish the Housing Action Group' to 'Introduce a
General Housing Law', include the 'housing provision strategic review and the GHA and housing
operational review and reach States agreement', 'Develop and seek States approval of the States
Strategic Housing Indicator'. 'Assess the future use of States-owned affordable housing units',
3295 'Review availability, provision and funding of accommodation for elderly people in Guernsey',
'Review housing provision for key workers', 'Review the provision of emergency accommodation in
Guernsey'. We are not talking about a governance board for every single one of those actions. What
we are proposing is a governance board of whatever hue it would be to look at all those
workstreams, all those actions in the round, and that is the purpose of why we are trying to bring
3300 in a new form of governance structure.

So this amendment basically seeks to remove the concept of governance groups by workstream
and instead encourage individual Committees to establish groups for more complex actions which
might require cross-committee working. Should this not be agreed it then seeks to require the P&R
Committee to return to the States with more detailed governance proposals! So Proposition 6A
3305 seems to suggest P&R will not consult with Committees on governance, as it has done and we have
done throughout the development of the Government Work Plan, including the priority
establishment of the Housing Action Group. The governance groups at the workstream are for
reporting and monitoring purposes and build on the experiences to date of successful cross-
committee working. Government at the action level via Committees will result in consistent
3310 approaches and in efficient use of resources to monitor and report back to the Assembly on
progress. Recovery alone has 92 actions, and that is the point: this is what the whole problem we
had with the P&R Plan last term. It was a huge number of loads of actions and it was impossible to
find out where everything was. It was a really difficult task, I am sure, for the last P&R Committee,
and it is the officers that are actually saying this is one of the weaknesses of the last Plan, we just
3315 did not what was going on, we could not co-ordinate, it meant when things had gone to a certain
level we could not manage it or get the resources in when we needed it. So it is very much seen as
a means to make things work better.

So if this amendment is successful it risks duplication of effort and missed opportunities by
removing the workstream level view from the Assembly. The actions have been grouped into
3320 workstreams where there are dependencies or relationships, as I just explained, and it goes against
the principles agreed by the Assembly in March 2021, namely Resolution 6 directing:

the Policy & Resources Committee to establish a pragmatic and proportionate monitoring framework to report annually
to the States ...

It will also make it more difficult to report on the Plan's progress to the States due to the potential
gaps in information availability and different data-gathering practices.

3325 So the policy letter governance arrangements do not prevent the development of working
groups for specific actions. That is entirely at the disposal of Committees themselves who are
involved. Working groups have often been established by Committees to drive forward complex
actions and facilitate communication and collaboration between Committees.

I would just correct ... expansion on Annex 3, it does not specify which recovery workstreams require new governance. This was to enable flexibility to only establish where needed. It will not impact on Committees' existing arrangements. So if Proposition 6A fails then we have got Proposition 6B and if Proposition 6B is successful, boy, well, P&R will have to return to the States with details on the governance approach for States agreement, despite the governance arrangement already sitting with the Policy & Resources Committee's mandate. So this has a potential – no, that is wrong, it *will* lead to delay in progressing on actions and divert resources to support the political consultation approvals process. Why? Just ask why. This is a responsibility of P&R but now Deputy Kazantseva-Miller thinks it should not be and I would like to know why.

Also Proposition 6B contradicts Proposition 6A which suggests it is in the mandate of the Committees, but then asks P&R to return to the Assembly with details for approval. So there is a conflict there. It goes further than the high-level framework set out in the policy letter requesting details, terms of reference, allocated resources, again which will result in delays in progressing.

So Deputy Kazantseva-Miller thinks, mistakenly, that what we are proposing will lead to another level of bureaucracy – far from it. No, it means better co-ordination and oversight where actions can be looked at together to ensure there is co-ordination. For example, there are actions within workstreams which will be managed by different Committees. What we are proposing means that all those actions can be seen in the round, progress tracked and resources, if needed, can be co-ordinated across the workstreams appropriately. This is not about managing the actions but ensuring workstreams are moving along well and are being tracked. I am therefore surprised that Deputy Burford as Scrutiny Management Committee President would object to this, and to a fellow Member on the Scrutiny Committee who read out the six principles of good governance. But that is exactly what the proposals within the policy letter are all about: it is about improving good governance – absolutely.

Now, Deputy St Pier asked us a question prior to this debate about how many governance boards will be required for the 14 recovery actions. Well, again, it is not about recovery actions, it is about workstreams. But anyhow, the response that we sent was saying subject to the Assembly's approval of the 14 workstreams that form priority 3 and the governance principles in Annex 3, the Policy & Resources Committee intends to discuss at the next President's meeting how to take governance forward. In some manner or other there will be 14 conduits to manage efficient reporting to the Assembly through the annual report and it is expected that some current arrangements could be adapted and other management may be workable from within the Committee structure. So on paper and prior to discussion it looks like there will be several new governance groups but not 14 new ones and the Assembly has recently agreed development of a regeneration board for one aspect under recovery without the need to see the detail, so why should we be going over such detail for any of the others?

Deputy Gollop raised some excellent examples of the problems that we had in the previous term in cross-committee working where there was not a governance structure or a consistent governance structure in place. He mentioned schools, I could talk about CYPP, there was the long-term care as well. We know that the governance structure at the moment is not right and that is precisely what the current Committee is trying to put right. (**A Member:** Hear, hear.) This is not about power grab, it is not about trying to get in there where we are not wanted. P&R, as I said in my opening speech, very much has wanted to work as a facilitator this term and since we took office, and we have done things differently to previous Committees in that regard. So each of the different Members has taken a lead on different workstreams and that is at the heart of what we are proposing here – nothing more, nothing less.

So I do ask Members to reject this amendment.

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The Bailiff: I invite the proposer of amendment 3, Deputy Kazantseva-Miller, to reply to that short debate.

3380 **Deputy Kazantseva-Miller:** Thank you, sir, and thank you to Deputies Fairclough, Gollop and Soulsby for contributing to the debate.

3385 So Deputy Fairclough I think raised the issue that he has concerns with Proposition 6 and the principles set out in Annex 3, and this is about also the leadership and co-ordination, and that P&R thinks they do not need to seek further approval from the Assembly. So we talked about 14 different workstreams and I will make reference to them a little bit down the line. He talked about really the overdesigning, delivering structure of actions, and I think that stayed with me. That overdesigning and over-engineering is what this Proposition is actually asking us to do. Another layer of bureaucracy, using of scarce resources to inform the work really of others.

3390 Deputy Gollop talked about the importance of being flexible and I really agree with that. He talked about how academic, restrictive and too prescriptive actually Annex 3 sounds like. To try to confine the work, the complex work of governance, into Annex 3, which is not even two pages long, is extremely prescriptive and I really do not need why we need to over-engineer what we are all desperately trying to do, which is get on with the work, into such a restrictive Annex. He also went to share some actually examples of types of governance structures that really did not seem to succeed, such as the Seafront Enhancement Group, family allowances, and I am sure there will be lots of others that have come and gone.

3395 So Deputy Soulsby started by saying that there was a misunderstanding that this amendment was about creating ... that my understanding was that it was creating governance structures around actions – not at all. It is clearly about the 14 workstreams. But Annex 3 in its detail does not actually make it clear at all, whatsoever, what actions, workstreams, priorities it was referring to. So I think that lack of detail is really not helpful.

3400 I am just astonished how the interpretation of certain amendments make it sound like these amendments are creating more effort, they are creating duplication of effort, are going to use to more use of resources, and actually what this amendment is trying to do is that we are getting on with the work, we can get on with the work, the work is happening, structures are created to keep progressing the work in the fastest way possible, what else do we need?

3405 So I wanted to go back to those 14 recovery actions that we have. So 'Invest in the finance sector', well, that is very much led by Economic Development, we have Guernsey Finance, we have a finance lead, so that is taken care of. Accelerating 'digital economy': I mentioned we have Digital Guernsey, which has been an evolving structure, it is going through a new phase, we are looking to create a new panel from September and so on. So this is taken care of. 'Unlocking enterprise': again, something the Economic Development Committee is leading on. Investing 'in the visitor economy': again, something Economic Development, with Deputies Inder and Vermeulen, are leading on. So taken care of. Investing 'in nature and the natural economy': something that Environment & Infrastructure is taking care of. So I have now mentioned five that do not need any new additional structures, I believe.

3415 Enabling 'opportunities for regeneration': I think that is an interesting one, interesting, complex undoubtedly there. We have talked about the regeneration board, I think we can see opportunity there. Securing 'future energy requirements': again, complex, cross-committee work is taking place right now there. 'Secure transport connectivity and infrastructure': we are working right now, Economic Development, P&R, STSB and others on this. Promoting 'education, skills and learning': again, I have said Skills Guernsey, we have that. 'Meet housing needs': Housing Action Group, we have that. 'Keep the island safe and secure': I think that is very much Home Affairs Committee's responsibility. Promote responsive population management measures: again, Home Affairs, and I know Deputy Vermeulen is leading on that role. Supporting 'healthy living': Health. Accessible and affordable 21st century healthcare services: again, Health.

3425 So out of the 14 actions, just from a first quick sight, I have only identified one action around regeneration which might require some kind of new governance structure. I think this is my point, that we have a Government system of Committees, we have rules and procedures which really define how we are working, we have offices committed and staffed to be supporting all of these workstreams. We are doing the work. We have all come with fresh thinking, fresh energy, we have

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got our teeth, we have rolled our sleeves, we are really getting on with this work. To say that this amendment is derailing somehow this process, is creating more duplication of effort, pulling on more resources, total nonsense. What I am trying to say is actually the original Proposition in the policy letter is actually redundant because we are already doing the work, we are getting on with doing the work and this is what this amendment is saying. Proposition 6A is actually saying just leave us, accept that that is what it is, and leave the Government, leave the Committees to continue doing the work and we will continue to talk with other Committees and P&R, and establish cross-working groups when needed. We do not need to have this original Proposition. And if you do not accept that actually we have all the tools in the box to actually continue just with the work of Government, then, well, please, P&R, come back to us and just give one example of what we can do with this governance structure. I am sure if it makes sense we will be supportive. I just have not seen any case for or any example of what else we need to be doing outside of what actually we were originally doing.

So I urge Members to either support this amendment or just vote against the original Proposition, because let's just get on with the work, and this is what the amendment is all about. Let the Committees do the work. We stood up for Deputies in the last election to get work done, okay? I just want to continue getting the work done and not have other ethereal structures above me that I have to report to co-ordinate. We are very capable for continuing the work and getting the work done in partnership and working together with the Committee.

Thank you.

The Bailiff: Well, Members of the States, there is a request for a recorded vote on amendment 3, which is proposed by Deputy Kazantseva-Miller and seconded by Deputy Burford.

Recorded vote, please, Greffier.

There was a recorded vote.

Not carried – Pour 13, Contre 23, Ne vote pas 1, Absent 2

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Queripel	Deputy Prow	Deputy Dyke	Deputy Oliver
Deputy Roffey	Alderney Rep. Roberts		Deputy Trott
Deputy St Pier	Alderney Rep. Snowdon		
Deputy Burford	Deputy Soulsby		
Deputy Bury	Deputy Taylor		
Deputy Cameron	Deputy Vermeulen		
Deputy de Sausmarez	Deputy Aldwell		
Deputy Fairclough	Deputy Blin		
Deputy Falla	Deputy Brouard		
Deputy Gabriel	Deputy de Lisle		
Deputy Gollop	Deputy Dudley-Owen		
Deputy Kazantseva-Miller	Deputy Ferbrache		
Deputy Parkinson	Deputy Haskins		
	Deputy Helyar		
	Deputy Inder		
	Deputy Le Tocq		
	Deputy Leadbeater		
	Deputy Mahoney		
	Deputy Matthews		
	Deputy McKenna		
	Deputy Meerveld		
	Deputy Moakes		
	Deputy Murray		

The Bailiff: Members of the States, the voting in respect of amendment 3 proposed by Deputy Kazantseva-Miller, seconded by Deputy Burford, is as follows. There voted Pour 13, Contre 23, 1 abstention, 2 Members were absent, and therefore I declare that amendment 3 lost.

We start general debate. Deputy Queripel.

3460 **Deputy Queripel:** Sir, thank you.

Sir, as we all know, the Lieutenant-Governor often sits alongside you during States' debates and he is not permitted to speak during debates, and when I asked a former Lieutenant-Governor, the late Peter Walker, if he ever felt like getting up and saying anything during a debate, he said yes. He said, 'I often feel like getting up and shouting out, "You're all missing the point!"' So with that in
3465 mind, sir, I am now going to go off on a bit of a rant for a few moments, because I do feel on occasion that there is a very real possibility some of my colleagues in this Assembly may miss the point, and some of my colleagues in the previous Assembly certainly missed the point I am about to make.

Sir, one thing that absolutely infuriates me is even when we know we have a problem we still
3470 have to spend tens and sometimes hundreds of thousands of pounds on a review and the double whammy, as if one kick in the teeth is not enough, is that the review will be carried out by an overseas consultant. So all that money goes off Island and surely that culture has to change? **(A Member:** Hear, hear.) And it is up to us to change it, because at the moment it is like an incoming tide: you will drown unless you move further up the beach, and that is what we are doing. We are
3475 drowning in this whole review process. Here is an opportunity for us to address that via the resizing and reshaping Government initiative, and I want to give three classic examples of where this nonsense of having reviews for everything could and should be stopped right now.

We were discussing primary schools yesterday, the issue being that some of them are
3480 overcrowded and some of them have the capacity to take more children. So we are going to have a review. Why? Why can we not just relocate the children? Take some from the overcrowded schools and put them in the schools that have the capacity to take more. Job done! That makes perfect sense to me. **(A Member:** Hear, hear.) Why can we not just do that! Simple; logic!

Now, two more. Here is a second. Recently, when I was asking Rule 11 Questions of
3485 Deputy Brouard in this Chamber, I asked if HSC were aware of any gaps in service provision within our mental health service. He said HSC were very much aware of gaps in service provision and they will shortly be undertaking a review – pfffft! Why do you need a review to tell you what you already know! It is utter nonsense! It is madness!

The third one is complete and utter lunacy, and I am disappointed Deputy Oliver is not in the
3490 Chamber at the moment, because even though we know policy GP11 has not provided a *single unit* of affordable housing since it was introduced in November 2016, we still need a review to tell us what we already know, to tell us it is not working. How crazy is that? **(A Member:** Hear, hear.) Absolute lunacy and a *waste* of taxpayers' money, because those three reviews *alone* could cost a total of £1 million. I am not exaggerating because as far as I recall the review that will be undertaken by the DPA would cost £½ million. Utter madness that has got to be stopped and needs to be
3495 stopped right now via this resizing and reshaping government initiative. Do not just talk about it, *do* it. It needs to be done. Now, I think that is my rant over. *(Interjection and laughter)*

When Deputy McKenna was speaking on the NICE drugs amendment laid by Deputy Roffey and
3500 myself, and Deputy Soulsby and Deputy Ferbrache, he made an extremely poignant point which really resonated with me, because he said very soon we will be asked to agree to spend £130 million – it is £132 million actually, but he said £130 million – on modernising our Hospital. So we will end up with a state of the art, top of the range hospital with state of the art, top of the range facilities, but would it not be perverse if the building became more important than the people in it, and we could not then afford to give them top of the range drugs? Now, I realise he did not say that in so many words, sir, but I think that is what he was inferring. Madness.

3505 He said his friends Gavin and Jeremy Rihoy were building the Admiral Park complex for £26 million. Now, if that is not what he meant when he spoke, it is certainly what I mean. I say that no building, *no* building, be it a hospital or a school or any building should ever be more important than the people in it.

3510 So on the point of our building back better and living with COVID, I am really very concerned about discrimination because that has already reared its ugly head in the form of freedom to travel for those who have been double vaccinated while severe restrictions are placed on those who have not. On the front of a national paper, I forget which one it was, three months ago there was a headline 'No jab, no pub'. So where is this going to end? Deputy Burford touched on this recently in a question to Deputy Ferbrache and this is all relative to our building back better and recovering, 3515 or learning to live with COVID. I do not think learning to live with COVID should be learning to live with discrimination. I am *totally* against that. So no jab no pub, no jab no nightclub, no jab no job, no jab no cinema or theatre, no jab no café or restaurant, no jab no shop or supermarket, no jab no accommodation, no jab no care home, no jab no doctor, no jab no dentist, no jab no hospital, no jab no social club, no jab no sports club, no jab no hairdresser or barber, no jab no gym, no jab no Beau Séjour. Where is this all going to end? (*Interjections*) That is only a short list, I am sure you can all add to it. Now, sir, colleagues are laughing, but this is no laughing matter.

Hundreds of ambassadors for peace and equality have lost their lives fighting against discrimination and it has been going on for thousands of years and we are still not free of it. We are still not free of it. We now have a new threat to deal with and it is a very real threat. It has already 3525 kicked off big time in other parts of the world and we cannot afford to be lulled into a false sense of security by thinking, yes, but this is little old Guernsey, ah, those sort of things do not happen here, because they do and they already are happening here.

As we all know, sir, Martin Luther King had a dream. It was a simple dream. That black and white people could walk together hand in hand one day as brothers and sisters, and we all know what 3530 happened to him. Like many ambassadors for peace and equality, his life was taken by someone who did not want that and was prepared to kill those who championed it.

Now, as we all know, sir, one of Deputy Ferbrache's great heroes is Sir Winston Churchill and he often quotes Sir Winston in his speeches in this Chamber. One of the most recent quotes has been 'Action this day', and we really do need to see action this day when it comes to discrimination on 3535 our road to recovery, because one of my great heroes was Martin Luther King and in 1964, when he was making a speech against discrimination, he said 'Let freedom reign'. He said that 57 years ago, and here we are still fighting discrimination. It seems to me we have as much a battle on our hands in this modern day ... (*Noise from vehicle*) against noisy motorbikes more than anything else. (*Laughter*) There should be a law against it. (*Interjections*) Hopefully there will be. (**A Member:** There 3540 is!) Enforce it then, if there is. It seems to me we have just as much a battle on our hands in this modern day as anyone who has fought for equality down through the years, many of whom have lost their lives.

Now, sir, just in case any of my colleagues think I am exaggerating the issue of discrimination here, I would remind them there are court cases going on all over the world as I speak where 3545 individuals and organisations are challenging their own governments on the restrictions and regulations that have been put in place by those governments. In fact, we have had a court case going on in this very building the last couple of days where the CCA and our own Director of Health are being sued by an individual for the regulations we have put in place; would surely justifies my saying we cannot afford to be lulled into a false sense of security because things like that do happen 3550 *here*, in little old Guernsey.

So sir, I would like to hear the views of Deputy Soulsby on the very real issue of discrimination here in the Islands when she responds and how we are going to deal with it if it does kick off in the way I envisage. I do not think I am being pessimistic. I am being realistic. It is happening all over the world, it is happening here. How are we going to deal with it? What policies are we going to put in 3555 place to prevent it happening? What policies are we going to put in place for those that do not want to be vaccinated for whatever reason? What policies are we going to put in place if it becomes no jab no pub, no jab no club, no jab no job?

Sir, moving towards a close, I just want to say one more thing on the issue of discrimination and inclusion, as opposed to exclusion. Recently in this Chamber there was a meeting of the Youth States. (**A Member:** Yes, Youth Parliament.) You, sir, and the Deputy Bailiff, presided over that 3560

meeting and I was one of nine Deputies who sat in the public gallery. There were three items on the agenda. The items were ... Oh, the young people present had to choose which one of the three items they would prioritise, the other two would just fall away. The three items were: healthy and active lifestyles, which received two votes in favour and 16 against; the environment, which received
3565 four votes in favour and 14 against; and finally, inclusion, which received 15 votes in favour and three against. So an overwhelming victory for inclusion on that occasion. (**A Member:** Hear, hear.) Which left me wondering which option would this Assembly have favoured if those three options had been laid in front of us? Healthy and active lifestyles, the environment or inclusion?

Thank you, sir.

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The Bailiff: Members of the States, is either of your contributions going to very short, Deputy Dudley-Owen, Deputy Prow? I will take Deputy Dudley-Owen then.

Deputy Dudley-Owen: Thank you, sir. Deputy Prow and I had a competition to see who could get up quickest – I won, thank you, Deputy Prow.

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Sir, I rise briefly to make some comments related to the mandate of my Committee and the Government Work Plan. With such a large and diverse mandate this Committee rose to the challenge and responded to the somewhat restrictive opportunity to put forward only three Committee priorities for submission to the Government Work Plan. Members I hope appreciate that
3580 we did this in the spirit of supporting the development of a prioritised and realistic Government Work Plan.

We identified the following three priority areas: Education estate modernisation programme; securing excellent education outcomes for all; Sports Strategy – Active 8: A Plan for Sport. All of these priorities are important but there are other workstreams that we also deem as equally
3585 important. So whilst they did not make the final cut for the GWP, we as a Committee want to reassure the States and the wider community that work does continue to development of an art strategy for a Bailiwick and to bring that to fruition, and that remains a significant priority for us.

Being frontrunners with regard to the aspirations for better commissioning as described in the Government Work Plan, we are in the very fortunate position that the Guernsey Arts Commission
3590 has been able to develop this workstream with us without reliance on swathes of scarce Government resources, and in fact I must pay tribute to the work of our arts commissioners, all of which dedicate hours of volunteer time to assist the Committee (**A Member:** Hear, hear.) in ensuring that we can all engage with and benefit from the arts in all its forms. (**Two Members:** Hear, hear.)

We recently reviewed the draft plan for the arts and we will be working further over the coming
3595 weeks to determine how we can secure the resource requirements which are relatively modest to deliver its ambitions. I am very pleased with the debate that we have had over the last couple of days. I think that it has invigorated everybody and everyone has benefited greatly from airing a lot of the issues, and hopefully we can embrace this as *our* Government Work Plan, not just that of the Policy & Resources Committee.

3600

Thank you.

The Bailiff: Members of the States, it has just gone half past five and therefore I am proposing that we now adjourn to 9.30 tomorrow. Nobody is suggesting anything different.

Deputy Dudley-Owen: It may a bit premature to suggest that I would, given that we will be entering hopefully the education debate some time tomorrow, after general debate, if we can be
3605 swift, that I would propose that we meet earlier after lunch recess and perhaps sit later tomorrow afternoon to get the business done.

The Bailiff: There is no proposition that we extend our sitting this evening, that is the first thing. It is fair to say, Members of the States, that once we conclude this special Meeting what I will be
3610 doing is potentially, depending on the time of day, putting a motion to you just that we continue

3615 straight into the resumption of the ordinary Meeting with those who are present being present as
we have done before where we have had two meetings, but I will be asking the States' Greffier when
we have risen to contact all of you by email just to explore what happens if the business of the
Meeting that you want to complete before we close the ordinary Meeting cannot be concluded
tomorrow, in which case what day do we adjourn to. Is it going to be Saturday, is going to be
Monday, it cannot be Tuesday I am afraid, but it could be Wednesday. So that is the sort of
3620 consideration that we will be trying to get some feedback on overnight, please, Members, *if* it is
needed.

We will now close the Meeting for the day, please, Greffier, and adjourn to 9.30 tomorrow.

The Assembly adjourned at 5.32 p.m.