

OFFICIAL REPORT

OF THE

STATES OF GUERNSEY

SCRUTINY MANAGEMENT COMMITTEE

Government Work Plan Public Hearing

HANSARD

Castel Douzaine Room, Guernsey, Wednesday, 12th January 2022

No. 1/2022

Further information relating to the Scrutiny Management Committee can be found on the official States of Guernsey website at www.gov.gg/scrutiny

Members Present:

Panel Chair: Deputy Yvonne Burford – President
Deputy Simon Fairclough – Vice-President
Deputy Gavin St Pier – Government Work Plan Scrutiny Panel Member
Deputy Adrian Gabriel – Government Work Plan Scrutiny Panel Member

Mr Mark Huntington – Principal Scrutiny Officer

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Scrutiny Management Committee

Government Work Plan Public Hearing

The Committee met at 10 a.m. in the Castel Douzaine

[DEPUTY BURFORD in the Chair]

Procedural – Remit of the Committee

The Chair (Deputy Burford): Good morning everybody and welcome to the Scrutiny Management Committee's public hearing session with the Policy & Resources Committee on the Government Work Plan and also welcome to all of those watching on the livestream today. I am Deputy Yvonne Burford and with me on the Panel today are the Vice-President of the Scrutiny Management Committee, Deputy Simon Fairclough; and Deputy Adrian Gabriel and Deputy Gavin St Pier. Also Mr Mark Huntington, who is the principal officer of the Scrutiny Management Committee.

It is not going to be possible to cover everything, obviously, in the Government Work Plan, in today's short hearing but, while we have been preparing questions, we have endeavoured to be as wide-ranging as possible, but also focusing on matters that we think are of particular public interest or involved large sums of money.

Following this session, the Scrutiny Management Committee will decide whether any further review or action is required and also a *Hansard* transcript will be published on our website. We will break at 11 a.m. for a short comfort break and I ask that everyone kindly now ensure that mobile phones are turned to silent please.

EVIDENCE OF

Deputy Peter Ferbrache, President, Deputy Heidi Soulsby, Vice-President, and Deputies Mark Helyar and David Mahoney, Members, of the Policy & Resources Committee;

Ms Bethan Haines, States' Treasurer; and

Mrs Joanne de Garis, Director of Strategy & Policy

The Chair: If I could invite today's witnesses to introduce themselves, please, and perhaps we can start at this end, with Deputy Mahoney.

Deputy Mahoney: I am Deputy David Mahoney, Member of P&R.

Deputy Helyar: I am Deputy Mark Helyar. I am a Member of the Policy & Resources Committee.

Deputy Ferbrache: Peter Ferbrache, President of Policy & Resources.

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Deputy Soulsby: Heidi Soulsby, Vice-President of P&R.

Ms Haines: Bethan Haines, States' Treasurer.

Mrs de Garis: Joanne de Garis, Director of Strategy and Policy.

The Chair: Thank you.

So kicking straight off, then, Deputy Soulsby, in your December statement, you said that P&R, as part of the development of the GWP, had critically considered inter-dependencies amongst strategies and actions, to maximise efficiency and effectiveness. Did you capture this work in a document that can be shared?

Deputy Soulsby: There are lots of documents, there is masses of paper, behind. I am sure we can find it if you need it. A lot of work has been going on, working with loads of different, every single Committee, officers, political level, to get where we are. A lot of the work of the subcommittee that was undertaken, as Deputy Fairclough knows, dealt with inter-dependencies. Masses of information on that.

Of course, whether we have got every single inter-dependency is another matter. As you said at the outset of this meeting, what we do and what the States of Guernsey do is very wide-ranging, whether we have picked everything up or not is another matter. But what our focus is and what it will be going forward is trying to focus on those areas that are of maximum importance.

We have had a Government Work Plan and we have got somewhere where we are in a good place, compared with where we were. We had previously a Policy & Resource Plan, which was everything to everybody and everybody could have what they wanted in there but it never meant anything. There was no performance management around it. But now, we have a Work Plan that covers off – (Removes mask) I will take this off, can I, because it is impossible to speak with it on – that links resources to the actions that we want. But we need to go further because although we have whittled down a lot and we have got much more focus than we had, we still cannot do everything that is in there.

The Chair: What do you consider have been the major stumbling blocks with the GWP to date?

Deputy Soulsby: Well we can always say resources, can't we? Obviously, it is an issue. I think one issue we do have is with our system of government. We come into, we all get elected and we are eager to go. We have all got our things that we want to do. We want to have a mark on what we have done when we are in the States. We have not got any discipline in terms of – I am not saying this is right or wrong – a plan from a particular area that we are going in with.

We are having to create, effectively, a manifesto, in the first year or two of the States and that is very difficult, especially when you have got a lot of new Deputies who might not be aware of what has already, previously, gone on, might not understand the intricacies of the States. So it is a huge learning curve at the beginning of the States to try to put in something that we can then use and develop as we go along.

The Chair: Deputy St Pier.

Deputy St Pier: Yes, I am just curious that you could always say resources is one of the challenges. I am just wondering whether we can say that resources are a challenge, in the context of a Plan that is designed to match adequacy of resources to the Plan?

Deputy Soulsby: That is why I said you cannot. But I can say, yes, if we wanted to do everything in one month, just throw resources at it. But we have done very well with staff who are really busy. And, quite frankly, I think I should say, pretty exhausted by the last two years. We have got small

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teams, as you very well know. Deputy St Pier will know this very well, doing the work they have done.

People have been taken out of their comfort zone doing what we did because I think normally in the States we go on and on, wanting to make things 100% perfect when they come to the States. People need to accept the 80-20 rule and say, right, it is not perfect but it is fine, we will get 80% of what we need here, rather than trying to maximise everything and we never get there anyway.

When I say resources, I just meant it. In any situation you can throw resources at, you can do more. But I am not saying we needed it. Really my hats off are to all the officers who supported us on this. That is not just within the policy team centrally, who do serve the rest of the States, but also the officers within every Committee, who have really taken it on board, and that is what I have been really pleased to see, the way the Government Work Plan is talked about, understood. The importance of doing work within the Work Plan, rather than Committees just going off and doing what they want to do. Creating that discipline, which I think will help us going forward.

Deputy St Pier: Just on the question of resources and ambition, do you think the Plan is still too ambitious? There is a whole raft of things, which the Plan had anticipated would be completed in the first six months, the VAT Protocol with the EU, competition legislation, completing the Inert Waste Strategy and the EIA appraisal on Leale's Yard, parole legislation, investigating waste water treatment, embedding pre-travel testing as 'business as usual' and obviously we have just had to abandon that.

Are those examples of, only six months in, we have been unable to deliver those as anticipated or as planned for? Is the Plan still too ambitious?

Deputy Soulsby: Actually, what I would say is that when it comes to the 10 priority actions, which is where the focus of resources has been, we have achieved a hell of a lot, actually. I think we can say that has been quite a success story. We have focused on those 10 actions because the other work has been hard to do. We have not got the resources there.

So when you say has it been too ambitious, I say it has been ambitious. At least there are goals there in a way that, under the Policy & Resource Plan, there was nothing at all. By the time it had been written, Committees were doing what they wanted to do. Yes, this is what I am saying. What we have done and what I am really pleased with is the Work Plan and where we have got it at the moment, we have got discipline, we have got a focus on areas of more interest and focus that the Committees want to do but we have not got everything that everybody wants to do and now we need to move forward and focus on the things we as an Assembly need to agree what are the most important things for us to do.

It is an extended term, but four or five years is not much. It is not easy when you have not got that discipline, you have got Committees versus the Assembly and you have got individual Deputies with their own pet projects, so it is not easy. But I would say, yes, the Government Work Plan is not something set in stone. I have said that from day one. This is a plan which will evolve and it needs to evolve.

The next phase of this is going to be really important. We need to make sure we get the Assembly to understand we cannot do everything. We do say if we need more resources to do this, we need more policy officers to do that. That is fine. But we just cannot do everything. You can then do the policy stuff but then how do you actually get it implemented? There is that lack of understanding sometimes. It is not just about getting something through the States, it is actually about making something people actually see happen.

The Chair: Thank you.

The whole of the States has signed up to the GWP, which was largely the rationale behind it. So can I confirm that all of the Members of P&R support all of the workstreams that are prioritised in it?

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Deputy Ferbrache: I can certainly say I do, yes. I think that is the view of all of us.

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Deputy Helyar: I think that is right but I would say I do not necessarily agree with their prioritisation, but that will naturally change as we go through it –

The Chair: Yes, but then that would be a decision for the Assembly, presumably?

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Deputy Helyar: That is right.

The Chair: Thank you.

Onto capital projects now. The States agreed to grant the Policy & Resources Committee an unprecedented level of delegated authority in the GWP, amounting to £568 million. That was an increase on the previous figure of £5 million. Deputy Soulsby, you have previously stated that this empowered your Committee to release funding. So my first question on that is what total level of funding has been released to date and for what purposes?

Deputy Soulsby: When it comes to that specific delegated authority, nothing has been released to date. What we have done during this period is put in place a system to ensure that we have got the necessary governance and insurance over that aspect of P&R's mandate. Also getting the Committees party to this. P&R and the Committees were involved upfront.

Previously it has been felt very much like the Committees had to go and tug a forelock at P&R part-way through a project and say, 'Can we do this now?' It has caused things to go like ping-pong backwards and forwards to get things done. I think that is part of the reason why we have had such a logjam when it comes to capital projects and that is something we wanted to address, at the same time as making sure that we got the necessary insurance from P&R. We have put that process in place now and that has been approved. You talk about unprecedented, delegated authority and I think I might refer to my colleague, Deputy Helyar, who can actually bust that myth actually.

Deputy Helyar: Yes, if that is okay and just for the sake of the public, it has been stated in the media that it is unprecedented and complete control. There are various public documents which point to that not being strictly correct. I could refer the panel, for example, to the Appendix 3 of the Budget from 2020 and, if we were to revert, there are six pages of this.

In the Budget there is a summary of delegated authorities, including for example, approving expenditure on progressing capital to the vote request stage those projects in the States-approved capital portfolio, approve opening capital votes for any project with a value not exceeding £2 million, approve opening capital votes for urgent capital projects of up to £2 million, approve opening capital votes for emergency capital projects without limit – no limit whatsoever, make transfers from the Budget Reserve approved by the States up to the amount available within that reserve, to decide whether to transfer the real-terms investment returns from the Core Investment Reserve to the Capital Reserve, approve the use of the future Guernsey Economic Fund with onward delegated authority up to a maximum of £100,000 per project, or £500,000 per annum to the Committee for Economic Development, to approve the use of the Transformation and Transition Fund up to the following authority levels, Public Service Reform portfolio, £2.1 million; social policy development, £750,000; transforming education and training services, £3.5 million; transforming health and care services, £5.3 million. I could go on. There is another page –

The Chair: I think those -

Deputy Helyar: If I could finish, that adds up to £164 million. When you move onto the capital projects, which are encompassed in the Government Work Plan, that is another £318 million, which adds up to £482 million of delegated authority, prior to the Government Work Plan.

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The Chair: Yes I think this is a slightly different thing, is it not? The things you have cited are all individual things, often with limits of £2 million, or they were transfers between funds. They were not actually spending –

Deputy Helyar: No, if you want me to finish the rest of the list, I am happy to. So –

The Chair: I think, given the time constraints that we are up against to date -

Deputy Helyar: Some of those totals are £30 million and £100 million, They are not £2 million here and there and the other capital projects are, as I say, including in the Work Plan, they add to a £482 million total of delegated authority.

Deputy Burford: I think the difference, perhaps, was that there was more requirement for things to come back to the Assembly.

Deputy Helyar: This is delegated authority. It means the Committee can exercise that authority.

The Chair: Perhaps we will leave that one there just in the interests of time.

Deputy Soulsby: Can I add to that? You talk about P&R have got that delegated authority but there is always the option, what we have put into the new structure, that if it is thought worthwhile and we should, because of the nature of the project, we could take it back to the States. Committees will, in some circumstances, want the endorsement of the States behind specific projects. But it does not mean they necessarily always have to.

The Chair: Thank you.

Moving on from that then, but still on capital projects, is the Policy & Resources Committee progressing the concept of utilising public/private partnerships? Have you made any progress in that area?

Deputy Ferbrache: The answer to that is, yes, we are. We have not made tremendous progress in that area yet because there will be a policy letter to the States March-ish, that is the time, I think, in relation to the eastern seafront. But, in relation to that, I and Deputy Mahoney, for example, had conversations with various people but it is still at an early stage. It certainly is something that should be progressed.

The Chair: Okay, because in the front of the investment plan, paragraph 6.6.1, P&R stated that they wished to pilot a public/private partnership scheme. So I just wondered if you had decided which particular project would be used as that pilot?

Deputy Ferbrache: No, we have not got to that stage yet.

The Chair: Okay, the way I read it, perhaps it is not correct, but a pilot is normally something you do to see how well it works and you look at the results. So is it correct, that you will be choosing one scheme for a public/private partnership and piloting it and then how long do you think it will take before you will be able to analyse if it was a success?

Deputy Ferbrache: Well, it would depend on the scheme. It would depend on how long that would be. Whether it is one project or two projects, you are right, pilots mean is it going to work and do you learn lessons from the way that it operates. But, as to how long it is going to be, what the value of that project is, that would be a matter yet for determination, I believe.

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The Chair: Thank you.

Gavin, you have got some questions.

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Deputy St Pier: Yes, Deputy Soulsby, you referenced some work around the governance around the capital programmes, so I do not know whether this question is for you or for Deputy Helyar or possibly the States' Treasurer, but in terms of the States' Portfolio Delivery Board, could one of you just speak to that a little bit, tell us a little bit about it? Who is on it? What is its purpose, which is stated to be to better manage change initiatives?

Deputy Soulsby: I am quite happy to do that. I have to say when we first took office I was particularly really concerned about the level of oversight on the projects. It took a while to actually get a list of what was happening throughout the various programmes and projects and getting a single version of the truth.

I think that was shared by Deputy Mahoney here, that the more questions we asked, we felt that we were not getting the information we needed and we felt that what was going on throughout the States, in terms of how programmes and projects were managed varied considerably. It was rather all over the place, I think, is probably the right phrase to use.

So the Portfolio Delivery Board sits now, has been created, part-way through last year, one of the areas that we introduced to improve governance to allow oversight over all the programmes and projects within the States. So that would cover the Hospital modernisation, EPR, MyGov, education and other capital portfolio work. So that meets on a quarterly – quarterly? – basis to look at how projects are going. Using RAG status being incorporated there, we think various aspects of each programme and project –

Deputy Fairclough: Sorry, Deputy Soulsby, could you just explain RAG status?

Deputy Soulsby: Yes, in terms of red, amber, green (RAG), how the project programme is doing in terms of various aspects of that programme. It might be in terms of costs, delivery time, risk areas. So that has been brought in, that has taken time to get that embedded, as work has been needed to find out where the programmes are and putting them on a different footing.

So, we are finding there was a lack of any political oversight and that is one of the reasons for the Portfolio Delivery Board, which myself and Deputy Mahoney are on, the interim CEO is on it, Bethan here, the States' Treasurer, the other senior officers. Not a lot, we do not want a cast of thousands. When we first got in, we were having a meeting and we had about 20 people around. You just cannot have a proper meeting when you have got 20 people around a table.

So the Portfolio Delivery Board sits at the top, and underneath that there will be various programme boards. We are ensuring that there is now political ownership of those boards as well, so we actually have a political representative on them from the sponsoring Committee. I think that is essential. We were finding that things were going on and, really, Committees were not aware of how those projects and programmes with quite a large amount of money involved and complexity, they were not on there.

So that is the programme board, and within that can be various different project boards if they are over it, there are large incomes sticking out of the programmes. That is to provide, again, greater governance, greater oversight.

Deputy St Pier: That is really helpful, thank you very much. So just to be clear, in terms of the political representation on the delivery board, that is yourself and Deputy Mahoney?

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Deputy Soulsby: It is.

Deputy St Pier: And the delivery board is accountable to who?

Deputy Soulsby: Ultimately, I suppose it should be through P&R and the States.

Deputy St Pier: Thank you.

In terms of the specific capital projects, I guess education as we know there has been one of the longstanding capital projects, over several States and waiting for a decision, which have now been made. Are you satisfied those decisions, having been made, with the progress on that capital project subsequently?

Deputy Soulsby: Sorry, can you explain that?

Deputy St Pier: Are you satisfied with the speed of progress of the delivery of the education transformation, the capital part of that programme now that decisions have been made?

Deputy Soulsby: I think, change again has been made there. I think there was concern about how that project had been going. There has been a change of programme management within that project and I think, yes, there had been concerns with delays but then that has been more political and the delays have happened because of various decisions being overturned and then being reviewed again and again.

Since then, a lot of work has been going on to make things happen now and changing the capital programme. So instead of things happening, one after the other, trying to get things being done concurrently, so that we can deal with what is quite a tight deadline for education.

Deputy St Pier: Specifically in relation to the Guernsey Institute, which again has obviously been a very much delayed project, for a whole variety of reasons, where is the timetable for the delivery of that? Is it now caught up in the rest of the development on that site or is it, going back to things being run concurrently –?

Deputy Soulsby: It is all being dealt with at the same time, I believe. Deputy Mahoney is on that actual ... We asked him to be on the programme board, because we thought it would be helpful to have a P&R representative to support Education on that programme board, so I think he can provide ...

Deputy Mahoney: Yes, thanks, Heidi.

Yes, the Transforming Education Portfolio Board previously had no one from P&R on it, so it was a joint request of us and them, I was added to that. We had our first meeting three or four weeks ago and that was useful for us, at P&R, to understand a little bit more about where things were.

In terms of the Guernsey Institute that obviously sits as a distinct workstream but of course it is caught up in the whole Transforming Education programme and really I do not think there is anyone sat on this table that is qualified to speak as to exactly where those things are, that is clearly a matter for the ESC to update the Assembly and/or the Committee.

Deputy Fairclough: Deputy Mahoney, you say there was no one included on the Transforming Education portfolio, you mean politically?

Deputy Mahoney: Politically.

Deputy Fairclough: Okay.

The Chair: I think, Deputy Fairclough, you have some questions?

Deputy Fairclough: Yes, good morning. We have mentioned education and I would like to come onto some off the top 10 priorities, education obviously being one of them. Another one of them

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is the seafront regeneration board. In June 2021, the States agreed to set up a new body to advise on the development of the Seafront Enhancement Area, with proposals for the mandate and membership to be presented to the States by the end of 2021, along with plans to develop the seafront master plan by the end of 2022. Could I ask who sits on the subcommittee of P&R for that workstream?

Deputy Helyar: I can answer that one. I am the only political representative on that committee. It was felt very important to take forward the work that was done on the Future Harbours project, that was primarily undertaken, as you know, by STSB, as a result of a requête, which was brought during the last term.

So Stuart Falla MBE, who is the Chair of the Ports Board and sits as a non-States' member on STSB, was a member of that. John Hollis, who has recently retired from a position on STSB. There is another member of the Ports, Simon Holden, who is actually on the Ports Board as well. Clearly because the eastern seaboard, a lot of the moving parts associated with the development are associated with the ports and the urban areas at St Sampson's and St Peter Port around which the ports being a major part of the infrastructure.

We had feedback from the majority of the senior leadership team, right across planning, the Chief Executive, the Treasurer, two policy advisers and so on, and we had some other members who were effectively brought into assist with developing the governance model for that.

The policy letter is late because you have not seen it. So *de facto*, it is not within time and there were some updates or there was some conversation about it certainly at the last States' Meeting in December. The policy letter is complete. We are just doing some more; in fact we have a meeting later this afternoon with some representatives of industry bodies to discuss the drafting, really to talk to them about what the proposals look like but I can say that it is very much based on not just the structuring but the experience in Jersey and in the Isle of Man where they have a development agency to do this kind of work, not just on the ports and coastal areas, but more generally speaking.

So if you think of it as the Government generating the policy, this kind of agency actually delivering the project. That is the intention, it will be a standalone entity of the States, similar to those bodies that operate in the Isle of Man and Jersey. But having learned a bit, Jersey, to be fair, did have some problems when they first set out, with the development agency and the seafront regeneration on their south coast. So that paper will be coming to the States at the end of March.

Deputy Fairclough: So no political representation from STSB on that board?

Deputy Helyar: No political representation, although there has been a lot of work with STSB members and civil servants in that regard and with other States' Members that are on that entity.

Deputy Fairclough: How do you see the Development Agency being structured, Deputy Helyar?

Deputy Helyar: It depends on whether the States approves it or not. In the policy letter, we talk a little bit about the scope and structure, but it will be an independent, effectively not-for-profit, organisation owned by the States, run by people independent of the States but with a governance organisation independent of it, which consists of a group of politicians, mainly from those Committees who are particularly interested in that part of developments, so Environment & Infrastructure, STSB, Policy & Resources. But it is down to States' Members really to decide whether they want to approve the structure when they see the policy letter.

Deputy Fairclough: I suppose one of the dangers potentially being the issue raised by Deputy Soulsby as to not having 20 people sitting around a table and trying to make decisions, but that is something that would no doubt come out in the wash, following the States' debate?

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Deputy Helyar: I am not going to structure because it is what it is and we have to work within it. There are always circumstances in which you do need, for emergency situations, the CCA being a good example, where a smaller group of people, better informed and more quickly informed, can make decisions more quickly on the ground.

The other issue, I suppose, in development, as well is that our history, perhaps for the last decade, is that lots of large decisions and developments and regeneration have been put off because of the electoral cycle, so a decision is made and the same thing has happened with education, obviously, and we flip-flop from one thing to another. Not us necessarily, but the Assembly generally, through lack of somebody to actually deliver in the interim.

The idea of having an agency is that it would be able to look in the medium to long term, 10-20 years horizon, rather than a four to eight.

Deputy Ferbrache: If I could just add to that as well because you rightly draw out that there is a delay. It was supposed to be before the States by the end of December, it is now going to be the end of March, so there is a three-month delay. But if the policy letter is in the form that we expect it to be, the agency will be mandated by the end of this year to bring local planning briefs for St Sampson's and St Peter Port. So the three-month loss of time should be, as it were, caught up with that period of time.

The Chair: Could I ask something on that one? Given there is significant public interest demonstrated in any and all plans that have ever arisen to do anything to the eastern seaboard, which you are well aware of, can you just confirm that there will be extensive public consultation on every aspect and phase of the development on the eastern seaboard?

Deputy Helyar: Absolutely. That has to happen. This is being done for the public, not to the public.

The Chair: I think there is a level of fear in the community whenever the east coast is mentioned that because we have seen plans before, sometimes, private developers, that grandiose schemes will be imposed on the public, who actually are not really over-enamoured with that idea.

Deputy Helyar: Absolutely. I think that is absolutely right. Quite a lot of work has been done at looking at what the opportunities might be all the way from the Vale Castle to the Vallette. The Vallette redevelopment is a really good example, which Deputy St Pier started, of a public/private partnership where, provided you have the right restrictions, I know not every member of the public is happy with the development, but it has happened. We are not still talking about whether we should or not.

That really is the intention of the agency, that we do not continue to have an ever-rolling sound of distant thunder as a political conversation. Once we decide that we do need to do something we can ask a body to deliver it on behalf of the States without politicians needing to get involved too heavily.

The Chair: Thank you.

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Deputy Gabriel: Could I pick up on the communication point? Would you agree with me that P&R have not necessarily been world leaders in communicating plans and strategy, for example the tax reform, recently? What methods do you plan to ensure that the public are adequately consulted and their views listened to?

Deputy Soulsby: I think that is a bit harsh, actually. We have done a lot of communication around the Government Work Plan, for a start, but the tax, while there might be various reasons why the tax communication might not have been brilliant, frankly, again, we have got staff who

have been pulled and pushed in various different directions. They cannot put all their resources into one area, when they have got a lot of other stuff going on.

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When we were having the Tax Review, we had all the education stuff going on at the same time. Being able to go out there and put that information out was quite hard. And around the time, around the summertime. I will defer to Deputy Helyar when it comes to the eastern seaboard stuff, but I do object to talking about poor communication. In fact there has been a lot of communication on various aspects throughout this term.

Deputy Ferbrache: I am sure it could always be better. That is a fair thing. But, again, it is this word, 'resource'. There are limited resources. Heidi has mentioned just now a couple of things, but also, we have had this thing called COVID, which has not gone away yet. Hopefully, it will soon, but it has not gone away yet.

That has taken a vast amount of resources from all over the States, including coms. But nobody is perfect. I am sure things could be better. You mentioned the Tax Review, when that comes before the States in July, as it is intended to be, or whatever, there is a whole plan, which has been disclosed to States' Members and which is about public consultation, and it will be detailed going through the next four, five, six months, whatever it might be.

Deputy Soulsby: Is there stuff that we could communicate better? Absolutely. But I also know there are things I would have liked to have communicated more. But it is having the people there to be able to do it. I accept that. It is no good saying, 'We should have done that better', or, 'That is not good enough.' We have to appreciate the fact that we have got limited resources and I say again we have got people who are pretty exhausted in there at the moment.

COVID, as Deputy Ferbrache has said, has not gone away. Constantly, it is in the public mind, of course, but that also means information that needs to be given out on all aspects of it, and that happens on a daily basis, and we have got a small team – a very good team – there who have been working their socks off over the last year. So I do object to that because people are doing the best that they can do in that circumstance.

The Chair: Yes, but does that not come back to the point that you are simply trying to do too much, then?

Deputy Soulsby: No, not at all. It is just trying to find how much can people do at any one time. COVID has sucked up a lot. Brexit does, as well, and of course that does not get the headline news, because it is quite dry – Deputy St Pier should know more than anybody when it comes to external relations and the work that is required – but that has stepped up quite a notch since we have taken office, because Brexit actually happened and now we are in the transition phase.

A lot of the work going on, a lot of information that needs to be imparted on a day-to-day basis. It is not because we have got this project and now we want to do lots of coms around it. Day-to-day work that causes more information being required, information needing to be put out explaining what we are doing, all the time.

Deputy Ferbrache: I do not think I can let your comment just go unattended about trying to do too much. We are trying to do what the States has told us to, which is implement the Government Work Plan. It is a States' plan. It is not just a P&R plan. The States could have said, 'This is too much. Don't do this, don't do that. Do the other.' In fact, what we did, and with the approval of the States, was actually bring forward something, which was, we hope, practical. I am sure we will not achieve everything – we said that at the time, it is impossible to achieve everything – but we brought forward something that was meant to be practical.

The Chair: Again, coming back to Deputy Soulsby's original statement, which said that it probably was too ambitious.

Deputy Soulsby: It is steps, is it not? Of course, we can say everything is too ambitious, but then we are dealing with 40 people, with 40 views, and getting from where we were, which was a complete mess, quite frankly, with the P&R Plan. It was just everything, absolutely everything was in there. It meant nothing and there were not any resources put to it. Now we have actually put resources to those actions and then we have said, we have taken the 10 priority actions and said, right, this is the focus, and those 10 priority actions have been properly resourced and the work has been done.

The one area where it has been slow has been on the eastern seaboard, and there are various reasons for that, but I think, otherwise, a lot of really good work has happened and progress has been made. I think, no, as I go back, it is not P&R that is being over-ambitious. What we have tried to do, as we did with the subcommittee, which Deputy Fairclough was on, was try and reduce the actions right down. But, as Deputy Fairclough will, I am sure, acknowledge, it is very difficult when you are in that situation, to say, 'We don't want this. We do want that. I know somebody wants that.'

Everybody has got the areas that interest them and that was very apparent throughout the whole process. We have the States, with people with 40 different opinions, some may be in more than one camp, than others, but they have all got an opinion. We have had to take that on board. But we have done that. For the first time we have got actions against resources.

But now we have to say we need to get down to work. It is what I said earlier. Get more focused on what really matters to the Assembly. Not what we might like to do. To say what is our focus. What do we want to achieve? What is the most important thing for the Bailiwick at this present moment in time? It is understanding. It is not what I want. It is what is the best thing for the community?

Deputy Fairclough: I think that was a tangent worth going off at but if I could bring the focus back to the seafront regeneration, I have just got a couple more questions on that. Following the successful amendment, and as Deputy Ferbrache says, this is a decision of the States, it was agreed that a timeline and set of steps be taken to develop the master plan including the St Peter Port Harbour Pool Marina, with marina facilities by the end of 2022. Is that work on course?

Also as part of the amendment that was placed quite late in the day for those who might remember that States' debate, States' Members were told the proposals would be funded to the tune of £975,000 through the recovery actions. At the time, I asked Deputy Helyar to explain this figure, but he was unable to do so, so perhaps, in addition to answering whether that work is on course, could we have an explanation of what that £975,000 was for and how it is being spent?

Deputy Helyar: I can answer but I cannot give the specific figures, clearly. It is not possible for me to turn up and do a sort of Marvo the Memory Man and tell you what every penny is spent on in the States, but with 5,500 employees and lots of moving parts. STSB is preparing the response on the pool marina. I understand it is going very well, I believe.

We have just had a letter requesting funding for the survey work within the harbour, because certain preparatory work needs to be undertaken to determine what lies underneath the sand and the silt of the harbour, as to whether it is rock, how deep it is, whether it would bear piles, whether they need to be driven in, whether they need to be attached in some way.

I understand that the cost of that will be about £1.7 million, but the survey work will be extremely important for the future development of the harbour because it will examine, for example, the depth of the foundations of all of the current stonework, and that is very important to understand whether, if we dredge the harbour, for example, to build the marina, there is sufficient underlay for those walls to make sure they are not being undermined and that they will not therefore collapse as a result of that work.

That adds considerably to the cost of any marina, so that needs to be properly established before we go any further. The other thing is we need to decide ... the States has effectively jumped over what would normally be a business plan. When a project, we are talking about capital process, there

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would be a business plan created to explain why what is being requested is being asked to be resourced.

In this case, the States jumped over that because it has basically said, 'We want a marina. Go away and do the work on it.' So we have already stepped beyond that. But we have not asked ourselves who we want that marina to be for. Do we want it to be for local boat owners, do we want it to be for small boats, do we want it to be for medium size boats, do we want a mixture of those two? Do we want it to be an economic enabler, in which case do we want to attract superyachts, half a dozen superyachts every year? What do we want this to be for?

Deputy Fairclough: Those are very good questions, Deputy Helyar, but do you think that those questions were on the minds of those Members who voted for the amendment? You have talked about the potential costs there of this pool marina and some of the implications, and I do not doubt for a moment anything you are saying, but do you think that that was in the minds of those Members who supported that amendment, understanding the full implications and perhaps costs of that bit of work?

Deputy Helyar: Well that can never be the case, I think, with any decision that is made. Budgets change, the cost of building materials goes up and down. The economy changes. We may find, for example, that superyachts and their engines are banned tomorrow, in which case, why build a marina to put them in?

There are always risks associated. I think you have to find what your elements of risk are. I think I understood, and I voted for it and I understood it to be an opportunity and an economic enabler. But, if you want to do a proper business case, an economic case for how much that space of water will generate, we need to decide who is going to use it, how much they might pay to be in that space. At the same time as building it, we need to relocate all the boats that are already in the pool, including the lifeboat, including St John Ambulance's vessel, various other work boats that work in the harbour and so on. All of those things need to be catered for within the plan.

Deputy Fairclough: My final question on this. It refers back to the £975,000 and I accept your answer that you cannot tell us how much of that money has been spent. Perhaps what you could tell is what that £975,000 was intended for.

Deputy Helyar: Engineers have been looking at the need to protect the inner pool. If you build a pool marina, it needs to be protected from wave action in some way. That has either got to be a fixed gate, across the centre of the harbour, or it has got to be some form of floating wave barrier. I have not been involved in any of this work at all. So what I am saying is extemporising what I have been told from those I know that are doing the work.

So all I can say is this is an STSB matter primarily, in terms of the work that will be brought back to the States. But the economic case has not yet been made out. We need, as a Government not just P&R, to decide what we want from it, whether for example it is an enabler for the blue economy, which was much discussed, or whether it has wider implications that should fit into a wider scheme of development for the whole harbour.

Deputy Fairclough: Thank you.

The Chair: Deputy Gabriel. Oh, sorry Deputy St Pier.

Deputy Gabriel: I have just one small question, I suppose, perhaps with a large answer or connotation. The harbours project, the eastern seaboard, is going to be a massive capital expense. I think in the papers one of the options was £760 million. Would you anticipate that this project could be a public/private partnership?

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Deputy Ferbrache: The answer to that is yes. It will depend. You have asked a very good question, could it be? It should be, I think – my own view, I am not expressing the view of P&R in relation to that because we have not come to a final decision on that – it should because it is, as you said, £760 million and as Deputy Helyar just said, we all know with projects, £760 million, could be £960 million or whatever.

With the best will in the world, building projects – and this would be a massive building project over a long period of time, because we are talking about this development, that development another development – the price will almost inexorably go up. I think there are very few building projects where prices go down, albeit the States does have a good record, recently, of containing, if it is a £3 million project, it comes in at £3 million.

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Deputy Helyar: I suppose it is horses for courses, really. In the course of the work on the regeneration there were a large number of opportunities looked at, all the way from the low-cost and across St Sampson's all the way down the eastern seaboard. Some of those are projects, which will enhance everyone's quality of life, and therefore not represent any form of income, others will represent a potential business opportunity for third parties, and they may want to invest in them.

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So there will be a difference. People often refer to: Government should be run as a business. Well, it is not a business. Its process can be business-like, but a lot of our outputs are social and they benefit the population more widely. So there will be a difference and those projects will have to be split up in that way, I suspect. But that will be a decision for, hopefully, the Development Agency.

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Deputy Ferbrache: I think that was your question, was it not? You appreciate that there can be some that can be public/private. Some, as Deputy Helyar said, are just social, which will be quotes for the States, really.

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Deputy Gabriel: I am glad you picked up on that. The social aspect of that. Is there a danger that this eastern seaboard project could undo some work, perhaps, that the Development & Planning Agency have done already, in the regeneration areas of Town, or perhaps influence Leale's Yard at St Sampson's?

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Deputy Ferbrache: I do not think so. The regeneration areas, I think, was an excellent initiative by the DPA, etc. I do not think that they will be prejudiced at all by any of this. Even though I think that whatever may come through in relation to Leale's Yard, I cannot see there is a conflict between the two. In fact, I think probably they will enhance each other.

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The Chair: Can I just interject here because I have just been advised we have a slight problem with the video feed, such is technology. So what I am going to suggest, as it is a quarter to 11, is that we take our brief break now for five or 10 minutes and then reconvene. Okay? Thank you.

The Committee adjourned at 10.45 a.m. and resumed at 10.50 a.m.

The Chair: Thank you, everybody.

I think we are all up and running with picture and sound now on the YouTube, which is great. So thank you for fixing that and I will just go back to Deputy St Pier to just pick up where we left off.

Deputy St Pier: Yes, thank you.

Just a final question from me on the seafront. Deputy Helyar, you have, I think, talked us through some of the governance of this, the subcommittee that you are politically represented on, or representing, bringing forward some recommendations around the Development Agency, which

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the States will get to debate fairly soon. As Deputy Ferbrache said, there will be extensive public consultation in response to Deputy Gabriel's question.

Just really, for the avoidance of any doubt, and for the record, to be very clear, that at some point there will be some proposal, presumably coming back to the States to say, 'Having looked at all of this, this is what we are now proposing, we want political sign off on it by the States of Deliberation', and then the Development Agency will be tasked with delivering that. Is that right? Have I understood that correctly? I just wanted to get that quite clear.

Deputy Helyar: Yes. There needs to be boundaries within which this entity will operate. I think if it works it has the opportunity to provide a delivery mechanism for the States to deliver all sorts of projects because – I am expressing my personal view rather than the Committee's now – but project expertise on capital projects is one of the things in which we lack expertise. We tend to, when a Committee wants to build something, it tends to gear itself up as a building company and that is not a very efficient way of doing it.

Because, as we mentioned earlier, in terms of having sponsors on capital projects, engaging at the earliest opportunity the sponsors on capital schemes is a very important way of making sure we get what we need, rather than what Committees want. I think we have had a tendency to do that in the past, develop a plan for what we want, decide how much that costs and then ask the States for the money and Treasury only gets involved at the last moment. I think we want it to be more front-loaded and more focused on what we need.

Deputy St Pier: Thank you.

The Chair: Deputy Gabriel, I think you have some questions on other top 10 items?

Deputy Gabriel: I have. We talked earlier about top 10 priorities so I would like to focus on some that you have not mentioned. Again, going on the consultation, Children Law reform. Is there going to be a formal and meaningful consultation on the proposed changes of the Children Law reform, with all of the affected parties, including the public?

Deputy Soulsby: I will take that, only because I was involved in this one in my previous incarnation on HSC. There has been extensive consultation around the Children Law and the consultation: early on Professor Marshall came over and did work; work done by Ruby Parry, previously; consultation with different parties involved in terms of dealing with children, such as the Convenor and the Courts. Extensive consultation has already happened and the work that is going on now is to put all that work together.

There has been consultation in relation to that, which will then come to the States. That is work that is being led by Deputy Le Tocq, who cannot be with us today. Yes, I can say that a lot of work has gone on that and preparatory work was done last year, last term, led by HSC. I can assure you there was extensive consultation at that time.

Deputy Gabriel: So I suppose the challenge, then, is what you take from the consultation, how that is fed into the Plan. Are there any plans that you can tell us about?

Deputy Soulsby: Obviously, the consultation, and we have had other work, which I have not mentioned, from Martin Thornton, who has done a review, in terms from a legal point of view, to try and make the whole process work far more smoothly. There were delays in the system, which have consequences on young people and it is trying to reduce those delays so we can manage those situations and enable things to work more smoothly. Yes, he has done that consultation and discussion independently of any political Committee, which has been really useful, which will then inform the work which will come to the States.

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Deputy Gabriel: Are you confident that there is going to be no resource implications for the States to get this through?

Deputy Soulsby: I am hoping that the result of the work that is done will help in terms of resources. At the moment the current system is quite resource-intensive, and there are issues around matters of fact, where cases go between the Convenor and between the Courts, and that uses up a lot of resource, in terms of the people working on the front line. I think that, hopefully, the result of what is put to the States – and I have not seen it, as I say, it is Deputy Le Tocq who is involved in this – will be in there, which will be long overdue and quite welcome.

Deputy Ferbrache: I think also Heidi has mentioned the Martin Thornton report, which we have considered. It is an excellent piece of work and we have considered it at length on at least two occasions, because there were some revisions to it. But I think your point, I think the essence you are thinking is, is it being got on with? The answer to that is yes. And is it going to be stymied because of resource implications? The answer to that at the moment is we cannot see that it will be. Thank you.

Deputy Gabriel: Thank you.

I am going to move onto physical and mental health recovery of Islanders. You quite rightly mentioned that the public service and Civil Service, some of them, are exhausted. I imagine that many people within the private sector are exhausted as well, and that is impacting on their physical and mental health. There is an action outstanding, providing for an occupational health scheme and a new pilot mental health centre. Is this going to be anywhere near enough to address the problem?

Deputy Soulsby: If I was, as I say, in my previous incarnation as President of HSC, I would have answered you. But I think really that is probably a question for HSC. I have got my own views formed by the whole time that I was there, but I do think it is something that HSC are probably, have more knowledge of, understanding, and have the expertise to determine that.

What we saw in the recent community surveys, the health survey, it has impacted some people's mental health, which is quite understandable. I know, I would expect we all might have had members of our family where that has impacted for various reasons. Other people have shown all resilience in this. We must not blanket and say it is for everybody and it is not because of it. But we do need to focus on those areas where we know there are impacts on mental health.

Of course, mental health is not just about the impact and threats that we have seen from COVID. A lot of mental health problems and stresses, and we know very well, are caused by people who have money problems, who are low income, concerned about their jobs, not getting enough money from their jobs, and we have seen the whole issue of household expenditure being very high compared with income. That is what is causing people mental health problems and stress, whether they can get enough money through the door to pay their bills at the end of the month. I think that is an issue for the whole of Government, not just P&R, not just for HSC. I have felt that for a long time. We consider mental health as an HSC issue, and it is certainly not. It is a Government one.

Deputy Gabriel: At the start, you said it is a question for HSC, effectively.

Deputy Soulsby: Well, that was from the question you asked. You said are there enough resources to deal with, you said is a crisis centre and the other thing that you said, is that enough? That is for HSC to determine, based on what they are being presented with. That is not prevention. What I am talking about is prevention and stopping people from becoming mentally ill and having mental health issues in the first place.

I think there are differences, of course, between mental illness and poor mental health, which are things that are not clearly understood, also. They are separate things. One thing can lead to another, of course, but it is far more complex than just saying, 'Ah, we will just throw all our resources

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and crisis centres at people.' For me, and it always has been the case, prevention is far more important, considering more widely determinants of health, which I know I bang on about a lot but I wish the whole Assembly really did take that on board. It is those wider determinants of health, which will help reduce the bills and the cost of mistakes in the long run.

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Deputy Gabriel: Okay, thank you.

Another top 10 priority, which we know is happening at the moment, because we have seen some communication on it, is the upgrade of the digital infrastructure. So my question is, will a plan be published soon, so that all Islanders can understand where they are standing in the five-year rollout of the fibre broadband upgrade?

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Deputy Ferbrache: I thought it had been. I thought there were details when the proposal was brought to the States about which areas would be done and when and I have not seen any variations to that. We can certainly ask Sure because, people forget or they may not have read it, we can certainly ask Sure to re-publicise that or to make it clear.

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Certainly, the idea is that if you are in Castel, it will be a certain time, if you are in St Peter Port it will be a certain time. That has all been well-published. That is part of the proposals that came before the States.

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Deputy Soulsby: I think it is a good news story as well. We are doing that, the action was taken very quickly. The States, thankfully, approved it, and we have gone ahead and it has already started and I think it is fantastic. I have met people who could not quite believe that was what we were doing. You cannot mean to the homes? Yes actually, it is. It is a good news story. Perhaps that is why we have not really heard very much!

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Deputy Gabriel: Perhaps some people will not see it as a good news story when there are roadworks holding them up.

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Deputy Soulsby: I can relate to that very much.

Deputy Gabriel: Will P&R be providing any tangible support for measures to reduce traffic congestion during the rollout for five years. For some people, five years of roadworks is going to be an absolute nightmare.

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Deputy Soulsby: That will sit with E&I, I believe. I am sure those discussions, I know, have been going on with Sure about how that can be dealt with in a more effective manner. I do question it when I am in St Martin's sometimes, whether I am actually going to get out of the house, because of all the roadworks, but hopefully that is being planned in and as I say, that sits within E&I rather than with P&R.

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Deputy Gabriel: One of the problems that we do have in Guernsey is that all of our infrastructure is under the ground, primarily. Can you provide any reassurance, I suppose, that P&R can give to any mitigations in the ongoing roadworks, for this ongoing five-year plan?

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Deputy Ferbrache: I think Heidi has dealt with that. It is for Environment & Infrastructure, really. But, clearly, P&R has been -

Deputy Soulsby: ... I think we are having a lot of discussions about the recovery actions, which is just priority three within the work programme. but P&R's area is to collaborate and co-ordinate the work of the States. Yes, to fund and resource and help support/resource it. But we are not there to micro-manage every project and programme within the States. I do not think Committees would really like us to do that.

Deputy Helyar: Also you will have some experience of this, Deputy Gabriel, from your own previous career in this area, we already have 500 km of fibre in the road. I understand Sure has been taking the opportunity, whenever roads have been dug up for other reasons put in conduit and to lay cable, which is not actually connected to the network yet but will be connected as part of this process.

The primary engineering works will be from that point in the road or the nearest box to the home, to the door, so across the last 100 yards to someone's front door or area within before the stuff goes in. But they also will be using overhead lines as well. It is not all about digging up the roads, it is about connection. The aim of this network is not just to connect a few houses, it is the whole Island.

The idea is it is a ubiquitous network. Everybody, if they want to use the telephone in future, will be talking down a fibre line rather than a copper one.

The Chair: Thank you.

I will move on now to the harbours and Airport. Deputy Soulsby, in your December statement, again, you said that the Committee *for* Economic Development has finalised a report on the runway extension and the Airport is developing a land use and infrastructure masterplan. My question is, Economic Development have already stated that the outcome of the second consultants' report that they have had done is essentially the same as the first. In other words, it supports a runway extension. So do you personally believe that a runway extension is essential to the Island's future prosperity?

Deputy Soulsby: If you are asking me personally, separate from P&R, I do not know. I have not seen the report that you refer to. My views on the runway are well known. But perhaps the report says something, which might convince me otherwise. The argument, for me, for a longer runway, has not been there, unless it can be incorporated within the current boundaries of the Airport. But we know that is going to be a contentious issue for a lot of people.

The Chair: Absolutely, and I think it is an issue of significant public interest. So I would just ask the other Members of P&R that are here today of their personal views on it.

Deputy Ferbrache: I have always been a great supporter of the runway, as Deputy Burford knows, an extension of the runway. But I come to it with an open mind because I think there are other views and I am not against the runway extension, but I need to be convinced now, where before I was convinced. I hope that logic is clear. What concerns me and I do not want to expand this point too much because I appreciate, we are here to answer other questions, is that I would be concerned that Guernsey can have access to London airports, really talking about Gatwick in particular, in years coming.

What I do not want to happen is, in seven or eight years' time, people are flying again, there is great pressure on the two runways now at Gatwick, albeit the second one is just used as an emergency one, and we are told, you have only got ATRs or whatever they have got, and you cannot land here anymore.

That is the kind of question that worries me. I think if I can be satisfied with that, we are going to get the next 20 years or 30 years, with that kind of airplane, I might have a different view.

The Chair: Okay. Deputy Helyar.

Deputy Helyar: I have not been involved in it. As a new Member I have not been involved in these debates in the past. I suppose, as I deal with Treasury, as one of the priorities, I would look at it in terms of the extent to which it may or may not provide an economic enabler for the industry.

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The Chair: Presumably, you have read the previous Frontier Economics report?

Deputy Helyar: I have read the reports and my view would be, if it provides a beneficial opportunity, then it is something we should look at.

The Chair: Thank you. Deputy Mahoney.

Deputy Mahoney: Yes, as with Deputy Helyar, in fairness, being someone new in, I do not have the benefit, we will call it, of previous discussions on the matter, so I have not seen the new report. Until I have read that then I am open-minded about it. If it does create what I feel are genuine benefits to the Island then I would be supportive of it. But if I view those as marginal then obviously I might take a different view on that.

Deputy Soulsby: We have not had those discussions within the Committee.

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The Chair: I understand that. If the States do resolve to extend the runway, because it would seem that Economic Development will be bringing a case for it, from everything that Deputy Inder has said, how will it be paid for?

Deputy Helyar: Actually, this goes back to the first question, which Deputy St Pier asked, which is do you think this Plan is over ambitious? *De facto*, it is over ambitious, because it requires us to borrow a very substantial money to pay for everything that is already in the list. I think we have to be, I would like to see States' Members, and I think it is starting to work, people realise that if they want to put something else on the list, something else is not going to get done

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The Chair: Of course, the runway is a pipeline project too at the moment, is it not? (**Deputy Helyar:** Yes, that is right.) Previous price tags in the first report, although there are some mutterings that it may be different this time, but the previous price tag was in the order of £80 million. That is a significant capital sum. So therefore, if the States resolved to go for a runway extension and going on what Deputy Ferbrache has said about maybe we will need it later in that case, if that Resolution was taken, would it mean that other things would have to come out of this five-year capital plan?

Deputy Helyar: Yes. Either something goes out of the Plan, of an equivalent amount, or you have to borrow the money.

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The Chair: The alternative is that you commit spending to the next term.

Deputy Helyar: You phase it, yes.

The Chair: Okay, thank you.

When are you intending to publish the Sea Policy Framework?

Deputy Ferbrache: I do not think there is a definite date yet, is there, in relation to that?

The Chair: I understand it has been completed. Is that correct?

Deputy St Pier: It was due by the end of the year, was it not?

Deputy Ferbrache: I do not think it is, I am sure it is not complete yet, frankly. So I do not think we can give a definite date. I hear mutterings ...

Deputy Soulsby: I am a little confused because I thought it was something we were putting on the –

Ms Haines: The policy letter was considered by the States, but we will double check that.

The Chair: Okay, you can come back to us on that.

Deputy St Pier: Will an air and sea links policy be discussed by the States or not? Is it intended, whatever the timeframe is, that whatever the framework is, you will be recommending that will come to the States for debate and approval? Is that right?

Deputy Ferbrache: Absolutely. It should. It has so many important aspects. But I would hope, hostage to fortune, that it should come before the States during the course of this year and then the States could debate and decide what they are going to do.

The Chair: Deputy St Pier.

Deputy St Pier: Yes, again, following up then on Deputy Ferbrache, you made some comments about sea links in particular, which were in the media fairly recently. Perhaps in the context of the Sea Policy Framework, what were you telling us? What is going on, what is happening with sea links? In particular, when you talked about security, what were you meaning?

Deputy Ferbrache: Hopefully, I have been told by a senior civil servant, by the end of this month, hopefully by the end of this month but shortly, the idea would be that we, i.e. the States of Guernsey, would enter into an arrangement whereby we would help fund a vessel. But that would be on certain conditions and then it would be leased back by the States to Condor.

But it has got to be subject to detail that we get protections, assurances in relation to sea routes to the Bailiwick of Guernsey, well, to Guernsey, really. That is what we are trying to say. That should come when, where are we now, we are 12th January, I would hope that in the next three or four weeks, that we have a more detailed view on that.

The Chair: So would that be a kind of model along the lines of the bus contract, where we as the States own the buses but we have another party contracted to operate them?

Deputy Ferbrache: Indeed.

The Chair: Thank you.

Deputy Helyar: Sorry, could I just ask to that, obviously, in terms of the buses we subsidise every person that travels to the tune of more than £3 a seat. I would not expect us to be doing a similar –

Deputy Ferbrache: No, no.

The Chair: Three pounds on a ferry fare probably is not a great deal.

Deputy Ferbrache: I do not think Deputy Burford was implying that.

The Chair: I was not.

Deputy Fairclough: Just one final question on that, if I may? Isn't it pre-empting a Sea Policy Framework coming before the States to make such a decision as that?

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Deputy Ferbrache: I think we can, because again, we have got to move forward. One of the priorities is making sure we secure air and sea links. But again, we will come before the States whenever, sooner rather than later, with a joined-up air and sea policy. But there are certain things that you do along the way. You cannot wait until, say, September/October, I am just making that date up for the purpose of our conversation now, before things that need to be done earlier are done.

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Deputy Fairclough: Thank you.

Deputy Soulsby: The Air Policy Framework, I knew there was something at the back of my mind somewhere, it was when we looked at Aurigny Group financial sustainability, to promote the Air Policy Framework, which includes the shareholder objectives for Aurigny. But of course that does not include the sea policy.

Deputy Ferbrache: I think Deputy St Pier's point is a good one. We should be looking at a joint air and sea policy because, obviously, what you do in relation to the air might affect the sea and *vice versa*. I accept that point.

Deputy St Pier: Fine, thank you.

But we are also just linking back to Deputy Fairclough's question, effectively what you are saying, as I understand it, Deputy Ferbrache, is that joined up Air and Sea Links Policy Framework will also link into the decision to potentially acquire a ferry. Is it not separate from that, which I think was your question?

Deputy Ferbrache: They are not separate but there will be stages of things that will be done. I would anticipate, but it is anticipation rather than a promise, that if there is a decision to buy a ferry, in the sense that I have confirmed to Deputy Burford that that will be done before then.

The Chair: Deputy Gabriel, you have some questions.

Deputy Gabriel: I have some questions around public service reform and staffing, particularly to Deputy Mahoney. Could you explain how you discharge the role you have in deciding on Committee requests for senior appointments?

Deputy Mahoney: Yes. That is the different policy we have put in for everyone above SO1, which is, as you have said, you mentioned a senior officer. I think it is public knowledge, that is anyone over about £1,000 a week, which in my mind is a serious amount of money, should be subject to additional scrutiny.

The process around that is that there is an OCAF form – you will have to forgive me, I do not know what the initials stand for – that is presented to a team currently of SLT, who then decide whether it should come forward or not. Anything below SO1 is not included in any of this. I then look at it, I guess with a business hat on, and say what is my take on this, is that a reasonable grading? Could this be done, in my opinion, at a lower level?

If I am satisfied with it then I just approve it and it goes through. If I am dissatisfied with it or think it needs further discussion then that comes to the full Committee and the full Committee will take a vote on that, either agreeing with me or disagreeing, as has been the case on several occasions.

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Deputy Soulsby: We are looking at though, Deputy Mahoney, and you have asked what the process is now, but looking at phasing that out as we have now got the Government Work Plan. Because, before, there was, as I say, no structure and nothing behind, justification or otherwise, of new posts, whereas the Work Plan says what the resources are and links to the work that is being

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done. There is going to be a phasing out of that process and, as well as the underlying structure, there is also a recruitment panel under that, which has been fine thus far, as I say, but we have not had that order but the Work Plan changes that. So we should see a smoothing out and a reduction in the need to have that level of oversight, as it becomes more BAU and we can bring that within the senior transformation, executive or senior executive within the States.

The Chair: Has it caused some friction with some of the Committees?

Deputy Soulsby: I am sure some of the Committees have not been happy about it and I think before the Work Plan came in there was, amongst some Committees, the desire for resources before the States had actually agreed what it wanted the States to do. Once the States gave direction, it meant it was easier to justify various posts and that is what has happened.

As a result, because we did have one post where it was postponed, the decision to appoint, until the States decided what the Work Plan ... and, after that, because of the decision of the States, it was approved. I think that discipline is important. It gives better understanding of where we are spending money and why.

Deputy Gabriel: Can you tell us who sits on that recruitment panel, Deputy Soulsby?

Deputy Soulsby: It was not political. It was senior States ... I think Bethan probably knows.

Ms Haines: The recruitment panel consisted of the Strategic Lead for Operations, the Head of HR and OD and the Strategic Lead for Supporting Government.

Deputy Soulsby: Of course, within Health, before that, a similar process had been put in place and I think, really, what happened there, what was working quite well within Health was then incorporated more centrally, which was great, and it absolutely served its purpose at the time. But, yes, that caused friction. I would not deny that and I think it may have caused delay where people wanted to move things on faster and we do not want delay, where those are required. Now, we have got, as I say, the Government Work Plan opens up the possibility to change that process that we have in place.

Deputy Gabriel: Thank you.

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Could you confirm how many senior appointments Policy & Resources have made since the approval of the Government Work Plan last year?

Deputy Soulsby: Well I do not know in terms of how many appointments we have had. I know since the interim CEO came on board; we have reduced the number of senior posts. We have not replaced the chief information officer post and the interim CEO's previous position has been done away, it has been disbanded as well.

The Chair: I think there was an advertisement in the *Press* last year, I think ... I will leave that one to Deputy Fairclough, he has a copy of it.

Deputy Fairclough: There was an advert placed on 27th August last year, I am sure you will remember it, 'Looking to head in a new direction? So are we.' A half-page ad saying the States was looking for 'exceptional individuals' to help drive change, specifically business change managers, project managers, senior transformation business analysts. I assume that those would meet the senior officer threshold, although you can correct me if I am wrong on that. So I would just like to know how many appointments were made as a result of that advertisement?

Deputy Soulsby: I think that was a generic advert saying if you were interested in joining the Civil Service we might have a job for you. That sounds likes that advert would have covered those within transformation, the business analyst team, because of information. Bethan will have more on that.

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Ms Haines: I think it was specifically to resource the public service reform requirements. Across all the different transformation projects, we have struggled to attract or to employ resources and so it was to employ directly, rather than having to use consultant resource. I could not tell you how successful the campaign has been, but I know that was what it was for.

Deputy Ferbrache: I think if we had had notice of that in advance, we would have been able to answer it specifically. To read out an advert from 27th August last year and say how many have you got, I think that is unreasonable.

Deputy Mahoney: As a general manner, Deputy Fairclough, one of the reasons for that, and I certainly do not remember an advert from August last year, is that as Bethan alluded to there, what we have historically done, and are currently still doing to a certain extent, is employ very expensive consultancy firms that come in, sit with us for a year or 18 months or whatever, and do the job needed. As soon as they are gone, we are having to replace them with somebody else from a consultancy firm.

Clearly, the smarter move is actually to get some project leads in that work for the States of Guernsey at generally, probably, half the money we are having to pay consultancy firms for them. The plan is that they will go into a pool of project managers or technical consultants of whatever nature that is and they will be working one year on with HSC, and one year with E&I, or wherever that need is, but certainly I do not have the numbers to hand. We can get them but I do not have them to hand.

Deputy Soulsby: I know Deputy Mahoney, particularly, has done a lot of hard work on this, because we found when we took office, a load of consultants had been appointed. They might have been there for a year's contract, six months, and were still there 18 months later, and that was something we wanted to address, and Deputy Mahoney has been very much at the forefront of trying to deal with that.

Deputy Ferbrache: But I can assure you as a general ethos that this Policy & Resources Committee and whatever it has spent on employment or consultants or whatever, the intent is we get better output from that. The money is spent more wisely than it has been. But of course there will be ... you may be able to produce an advert for 19th September or 12th July, which looks for certain people, but that is the way, if you have got an organisation of 5,500 people, there are going to be people come and people go.

Deputy Fairclough: I absolutely accept that, and I do not think that anyone would disagree with the motivation behind placing such an advert and looking for such staff. It is just that, you know, with the narrative around a bloated States, which is something that is often probably misunderstood within the general community, to place an advert such as this for the type of staff that we are talking about, one would have thought there would have been an assessment before that, that these staff were needed, where they might be employed and indeed how many were appointed ultimately and that is all that there is behind the question.

Deputy Mahoney: Okay. I am sure that whoever placed that advertisement, I am sorry, I do not know who it is, will have done that assessment and not just decided to place it. The other point, just before I go on, is that I am pleased to see that we are advertising externally for positions and we are not just re-employing within the Civil Service, which is something we have been pushing for.

To give comfort, we are not just employing, sorry, I cannot remember the details of it, just because it is good to have and the bloating of the Civil Service, as you describe it, because they are replacing consultants that we are hiring at twice, three times the cost. So it is not just that we are adding people, we are then able to remove the need for consultancy firms.

Deputy Fairclough: Absolutely, and I am sure many people would agree that project managers are much needed across the States, with flexible skills, who can work in many different settings, thank you.

The Chair: I think, given the timing of that advert, we rather assumed it was employing people to implement the GWP.

Deputy Soulsby: No, it is not. Well it is, in the sense that it has been approved within the GWP. So yes, ultimately, it links through to what the States have already approved.

Deputy St Pier: I think, from memory, Deputy Helyar may know the detail better than I, there was a substantial increase in budgets for external consultants in 2022, in the Budget approved within the last year. So how do we explain that in the context of seeking to reduce the number of consultants, as Deputy Mahoney says. How do we reconcile those two statements?

Deputy Helyar: I think it is those numbers which have driven this review of that position and it is not something, which when we started to ask the question, which is centrally reported, it is actually quite difficult to see the extent of which there is consultant expenditure across Committees. As Deputy Mahoney said, the actual cost of those individuals is significantly higher than it would be for a permanent member of staff. It could be say, for example and I think Deputy Fairclough alluded to it there, probably from his own experience, that having a multi-disciplinary team that can be just put onto projects and work across the whole of the States is a much more efficient way of doing it. So that is what we are working towards.

Deputy St Pier: A slightly tangential question to this line of questioning but is there still an expectation of an overall reduction in the number of full-time equivalents in the public service? Is the view that we need to recruit a bunch of senior people over here to manage change, which Deputy Mahoney has spoken about, to reduce the reliance on consultants? Are we doing that over here? Do we still expect to be stripping people out over here somewhere and, if so, how many?

Deputy Ferbrache: Let me just start, and I am sure others will come in with more detail than me. I attended, when I was President of the STSB, at Professor Shaw's building in St Martin's, a presentation by the then P&R and the then Chief Executive, where comments were made that we would be able to reduce posts by 200 and we were going to do this, that and the other. When I became President of P&R, mid-ish October of 2020 and shortly thereafter, it seemed to me that there was a lack of detail in there, a lack of substance as to how that was going to be achieved.

But, answering your question directly, there is an expectation that there will be a reduction in head count, but significantly less than the 200 people that were announced, without, I have got to say, real substance, back in 2018. I do not know if my colleagues would want to add anything to that.

Deputy Soulsby: Yes, I would like to add to that. This all links to the operating model, which you will know very well, Deputy St Pier, which we clearly inherited and as Deputy Ferbrache said, we were told, I was always sceptical of it as you know and I did work when I was in Health to show that if Health cannot do it, how can the rest of the States do it? But that does not mean that we did not see the benefits... Absolutely we do see the benefits of changing the way we are doing things, the whole idea of people having to touch points, as they say, with the States and having to go from

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pillar to post to find people they want, making better customer focus, a more efficient organisation, which is more digitalised.

But then we took office and probably about the first or second meeting we had, we were presented with a paper that said, 'You know these 200 posts which everybody was saying we were letting them go, we don't think it is going to be 200, we think it is going to be 150 now.' We said, 'Okay, right. That isn't what we understood.' We found out that these 200 posts were from some kind of table-top exercise, which was linked to the number of reports there were that various managers had, which I knew was stupid because within Health you have got a lot of senior people who have small reports, because they are very small areas of specific expertise. So I was really surprised and that was stuff done with Capita, who came up with the magic 200.

I think they actually thought it was going to be 380 at one point. We were presented with that, it was November, I think, of 2019, so that caused us quite a lot of concern at the time. That, naturally, was one of the reasons that led us to having the Portfolio Delivery Board. People were concerned about the Senior Leadership Team and how much they knew at the time. We were then presented with a request for more funding because the previous Committee, I think had put in £9 million, £8.9 million. Then, the request was put in for the second part of that, which the previous States had approved, £7.4 million and it came to us that we could not approve it at that time.

We were really concerned about the lack of detail and the extent to which the Senior Leadership Team was aware of what was going on and that was certainly a concern for us. Some of the stuff we read about, letters that were within scope, were going to go out and decisions made at Christmas. We thought that was not a really great idea, is it?

On the back of that, we did not approve additional funding back then because we wanted more information. We met with Agilisys because we were concerned there always seemed to be a barrier between us being able to talk to Agilisys, so we did not know what was going on. So we spoke to Agilisys. We got the Senior Leadership Team to review what was being proposed because we thought they needed to know. On the back of that, the States' Treasurer did work to look at potential savings, because the whole £8 million was around these 200 posts and the potential savings, which we have already said, have been reduced down to £4.9 million on the back of that.

So on the back of the work that was done there, we thought, right, okay, is it still worth going ahead and we said, yes, because of all the benefits that we know will be there and if we do not do it we are going to need, going back to your point, Deputy St Pier, we will need more people to do more work in an analogue way, as it were, and not in a joined-up way.

So we know it is the right thing to do, we know that 200 never made sense, so it is unlikely to be 200, especially on the back of the fact we have got all different models coming elsewhere so, within Health & Social Care, we know that demands we put on care, we need more people to look after what is our ageing population. The idea that the head count could be less than it currently is, is ridiculous. I had this when I was in Health as well. I would say, you are making all the savings, does that mean you are going to reduce the number of people? Of course not, because we have got demands coming up elsewhere.

That is where we stood. We are now in a place where we have got the appeals process still ongoing, due to complete, and then we will have a better idea about the number of posts that are likely to disappear. But it has been very difficult, and we have spent the last year trying to improve the governance around it because we were not happy, as I have said.

Now we feel we are in a better place. We have got a different senior reporting officer, who is heading that, who has got a good grip of what is going on, and on the back of that, also, we need, going back to Deputy Gabriel's comment about communication, because we are conscious that States' Members have not been aware of what has been going on here. Part of that is because we have been trying to make sure that we have got good governance around that, we know what is happening, and we are confident in what is happening.

We are in that better place than that but we also need now to work with the Committees, because I think they probably feel, or they are not aware of what the specifics are to each of their Committees. We have started that process. We have got, now, the new head of Property Services

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talking from the property transformation side and what that means in terms of rationalising the property structure, so the property is managed in more coherent ways. We are dealing with that and we are also looking at how the whole change in how we provide that delivery is going to need to go in detail.

We have gone round, and we have spoken to Committees about overall what it means generally but now we need to explain what that is in detail and work with everyone, explain how that will work, so they are happy with what is being proposed. And that is going on at the moment.

Deputy St Pier: Just to be specific, in terms of head count, the number is somewhere between zero and 200 but you cannot be more specific today, is that correct?

Deputy Soulsby: Savings have already been made and I mentioned that two or three posts have gone already. I think, probably, on the top of that, there are about 70-odd posts that have reduced. Some of that is to do with people leaving, to Agilisys, but that has already happened. But until we get that appeals process completed, and also until we have really worked with the Committees on the final stages of that, will we have a better idea. But it certainly will not be zero and it is probably going to be north of 75. But it is not going to be where that 200 was.

The Chair: I thank you for the comprehensive answer on that. I think I would like to move forward a little bit here, because I am very mindful of the time.

Deputy Fairclough: I would just like one final question, if that is okay, and that is just in regard to staffing and we have talked about the effect of COVID on all of us, including our own States' staff. Are you concerned about staff morale as a result of significant changes that are taking place? Do you feel that communication with staff has been adequate?

Deputy Soulsby: Of course I am concerned. I have been through, undertaken a similar process in the private sector and I know how difficult it will be for staff. Of course it will cause unrest. We know that it is necessary to do this to make a better service. This is not about the quality of the people working within the States at all, it is making sure we have got a States that is more customerfocused and that the taxpayer can be assured is the most effective and efficient that we can make it. This is not any attack on any individuals. It is really hard when these things affect individuals.

There has been, I believe, a good support structure in place. A lot of work has been done with the unions, to ensure that the process is right, for those members of staff and I know that the unions have been interviewed on this as well, to confirm the process is as agreed.

Certainly it is different from what would be in the private sector where, I think, one minute you are there and the next minute you might not be. A lot of work has been done to ensure that we treat the whole process with sensitivity and that is important to me because we are talking about people's livelihoods here. At the same time, work has been done to hold positions within the States so, where somebody might have left, there might be a temporary resource put in there, so that if the change is made, people will have opportunities elsewhere in the States. That is all part of the work that is going on, just to give that assurance.

The Chair: Thank you.

I am going to skip forward slightly on our plan here, because I want to make sure we have time to ask these questions because I think they are a matter of very current public interest and it is on housing and property, as I am sure you are not in the slightest bit surprised. So Deputy Mahoney, I have got a few questions, which have arisen out of your letter in the *Press* on Monday. The first one is, I think some people were surprised, I would just ask is it a new policy of P&R to give exclusive interview announcements on a major policy issue, to just one arm of the media? If so why did you choose the *Press*?

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Deputy Mahoney: I am not sure it was a policy. We have certainly never spoken about that this would be a policy going forward. That was a letter from me to the *Press*, which was aimed, certainly, to get information out into the public sphere, which it did. Then I followed that up with other media interviews with the radio station.

The Chair: Unsurprisingly, they picked up on it, once they had actually seen it, because it is a big story. As you know the feedback from the public and everything has shown over the last few days. It just seemed a little surprising, particularly that our own media arm that we have, which normally disseminates things to all members of the media, that it was just to one.

Deputy Mahoney: It was done through the coms team. It was sent through our coms team.

Deputy Ferbrache: Can I just say, in relation to that, there is a wider point, the *Guernsey Press* and I appreciate the point about treating all the media equally, etc., there are concerns in the Policy & Resources Committee, and this is a wider point, that people who are given regular columns in the *Guernsey Press* have got a certain political viewpoint. I am talking about politicians. We want to balance that out. We just want balance.

The *Guernsey Press* is well read, I know there is a lot of carping about readership, etc. I think most people in Guernsey still read the *Guernsey Press*. We want a balance. We certainly do not want to disadvantage any of the other media, but we do feel, I particularly feel, that the *Guernsey Press* has regular columnists who just have a certain view. We want a wider view of Members of the States to be heard.

The Chair: Do you not think the *Guernsey Press* would embrace the opportunity to have columns from people on the other side of the *Press*?

Deputy Ferbrache: I have asked the *Guernsey Press* that, without any assurance, without any response. I think the *Guernsey Press*, it is a matter for them, clearly not for Government to tell the *Guernsey Press* how to conduct its affairs, but I think they should be saying to, there are lots of new Members in the States, they should be saying to some of those, Deputy Fairclough, Deputy Bury, Deputy Haskins, I am just plucking those names out of the air, I do not necessarily mean those individuals, and give them a chance to contribute if they so wish – they might not want to. Not a regular column, so much, but an occasional column or an occasional viewpoint.

Deputy Soulsby: This was an article, it was written, it was Deputy Mahoney who said I want to put this letter to the *Press*.

The Chair: So it was not from P&R, it was simply from Deputy Mahoney?

Deputy Soulsby: Yes, Deputy Mahoney is our lead for property.

Deputy Ferbrache: We had seen it in advance –

The Chair: You had seen it in advance?

Deputy Ferbrache: Of course we had, had the input. And we made some input and what Deputy Mahoney published, and broadcast, was a document that was well known to us.

The Chair: Right, so my next question on that is what analysis did you rely on to decide that three-, four- and five-bedroom homes were a priority on the Castel Hospital site?

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Deputy Mahoney: That was a mixture of things. I was talking to the Developers' Forum, meeting with those and the Construction Forum, estate agents locally and then with the fairly obvious matter that the market price of that those three-, four-, five-bedroom houses is obviously well known and discussed on-Island and, as I think I said yesterday or the day before, this is a supply and demand game at the end of the day. The housing market is the same as any other market.

The Chair: But is it surprising that the developers and the estate agents would be keen to have more expensive properties rather than cheaper properties and certainly rather than properties, which might be created through the Guernsey Housing Association, where their opportunity to profit on that is not so great?

Deputy Mahoney: This is about balance in markets. We currently have, through the Housing Action Group and the GHA, I think, upward of 350 units, sites, whatever we want to call them, already earmarked and approved for social and affordable housing, which are one- and two-bedroom units. If we carpet the Island with 500, 600, 700 one- and two-bedroom houses then there is no balance. The people in those need somewhere to go to when they have children and want to aspire to something, a slightly larger house.

All this tries to do is seek to redress that balance. We have already 350-400 planned one/two-bedroom houses. To not do something for the other end of the market, which certain people have decided to just badge as luxury immediately, which is clearly not the intention, then there is no balance in that market.

The Chair: But is the waiting list on the GHA not in the order of about 1,000 homes?

1340 **Deputy Mahoney:** I think it is 500. I stand to be corrected but I understand it is 500, but I do stand to be corrected.

The Chair: But 350 is not going to fill that need, is it?

Deputy Mahoney: It will go a long way towards it.

Deputy Ferbrache: I am a member of the Housing Action Group, well-chaired by Deputy Roffey and the other member is Deputy de Sausmarez. Deputy Mahoney attends, as does Deputy Oliver. We have concentrated to date our efforts on social housing in the six months or whatever it has currently been. We need to expand that. That is no criticism of anybody because if you do not do something specific you are not going to do anything at all.

But Guernsey has a housing crisis, which is not just related to social housing. It is related to affordable housing and it is related to the housing market generally. Those issues have to be addressed. For example, rents we all know have increased significantly in the last 12 months, way beyond inflation.

I do not think, I am speaking personally now and not as a member of the Housing Action Group or a Member of Policy & Resources, that that can be sustained going forward. So we have to look at – I am not saying it will be implemented, it may not be practical, we know what happened previously – we have to look at, for example, whether we need some kind of rent control, some new rent control mechanism so that people can afford to rent reasonable properties at a reasonable price.

The Chair: In his statement to the media, Deputy Roffey, following on from your article, Deputy Roffey claimed that P&R had made a decision to sell-off two other States-owned properties. I do not know, I have not discussed this with Deputy Roffey, but this is taken from his statement, which ESS proposed for much-needed worker/key worker housing and that proposition apparently had the unanimous support of the Housing Action Group. So my question is, which two properties were

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these and, perhaps more importantly, what is the point of the cross-Committee Housing Action Group, if the States' property lead or P&R are going to ride over the unanimous recommendations of it?

Deputy Mahoney: Well the Housing Action Group has so far, as we mentioned, about 350 houses on there. This was for four units, I believe. Four units that were going to be put – five, I stand to be corrected – within those two properties. I believe one of them was Beaucette Place just off the Bridge. I think the other one was Sunnybrook House down at Cobo, but again I stand as ... I am pretty sure it is those two properties.

I had, through Property Services, they had identified those properties were previously used by HSC but were no longer needed and were now entirely vacant and, to some extent, falling down. Property Services were asked to do an assessment of those, what would be best to happen to those properties.

Deputy Roffey, sitting in on HAG as a non-voting member, I had made that clear to him. He obviously held a different view to that, and the vote was for, as you mention, it was unanimous in that first meeting, although when that then came through to P&R, it was also unanimous with P&R to sell that.

That was based on the fact we had had a report from, after the note from Deputy Roffey saying HAG wants those, I asked Mark Ogier and his team on Property Services to do a report for P&R to bring to P&R to be properly considered at one of our regular Tuesday meetings. They did that and, taking into account various matters, the clear recommendation from Property Services is that they should be sold, rather than being used for the Housing Action Group. A vote was then taken within P&R and that was a unanimous vote to then accept the recommendation of Property Services.

The Chair: Where do the proceeds of those sales go?

Deputy Mahoney: They will go into the States' coffers. Again, as I have mentioned in my note, I would propose, I would personally like to see those earmarked, ringfenced, whatever we want to call it, for the other capital projects that we are talking about for property.

The Chair: For housing?

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1400 **Deputy Mahoney:** For housing.

The Chair: Okay. In your videoed interview that you did for the *Press*, you said that P&R planned to build on the green fields around the Castel hospital. Do you not consider it would be much more appropriate to develop brownfield sites before losing more greenfield sites, particularly the biodiversity that goes with them?

Deputy Mahoney: Biodiversity is great, everyone throws it around. But it is not much comfort, biodiversity, when you are sat in rented accommodation that is not good enough for you. I would rather build the houses. That is a personal view. Greenfield sites are around the massive X-acre site that is the concrete site that the Castel hospital currently sits on. So that makes it a better site for a larger development. We do not have the brownfield sites that would cope with this kind of size of development.

The Chair: No, but you might not have a single brownfield site available at the moment but are there smaller sites that would be available to make up the numbers.

Deputy Mahoney: I am sure there are some. I do not think we have any of any decent size, otherwise we would be using them.

The Chair: I think, certainly, the public reaction seems to be very much supportive of the idea of providing more houses, as I think most people would be. But there does seem to be a big pushback against the idea of building on green land.

Deputy Mahoney: I accept that. I do not want to concrete the Island and that is certainly not the case. But we are talking about a development that would solve a large number of the problems that the housing stock in Guernsey currently faces.

Deputy Soulsby: Can I just interrupt on that on a couple of things?

1430 **The Chair:** Sure.

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Deputy Soulsby: It is not a decision that we are building on PEH, on a greenfield site. That decision has not been made, as Deputy Mahoney has said. It is his personal opinion and that was his personal letter. It might happen, it might not. I know the site, as you can imagine, quite well. There is the King Edward site obviously, which could well be knocked down or repurposed for accommodation and I, personally, think it should. But that is not what we, as a Committee, have agreed yet.

People are really getting the cart before the horse and getting very excited about opinions of politicians who are there to have their own opinion, as you know. I think people are getting very agitated over nothing on this and I think Deputy Mahoney was right there to put out what his views were and what needs to be considered in getting things moving, because nothing has moved for years and years.

On that, going to, talking about these two properties that Deputy Roffey got worked up about, that were not approved by P&R, P&R were presented with a report from Property Services, the new head of Property Services, which was an excellent report, which made it very clear that the right decision was not to hand it over and –

The Chair: I understand. I think Deputy Mahoney has made a comprehensive reply on that. What I want is to stick to the main issue here, particularly about the fields and just for clarity, first of all, what I would say in response to Deputy Soulsby is that your letter was signed off, the P&R property lead, and then underneath Policy & Resources Committee. I do not think we should be too critical of the public on this. I think people, rightly, reading that, will see the authority that comes with those titles and believe that that is the plan rather than just a personal opinion.

Deputy Soulsby: We are not criticising the public at all in this, in any way, shape or form. I think certain politicians getting excited about it, saying why are you doing this, that is a different matter. Some of the public might think it and it is certainly how, when it is reported as P&R, and we have made these decisions already. This is what we can do.

Deputy St Pier: Could I just seek clarity. Although P&R saw the draft of it and input into it, it is not a Committee position, it remains Deputy Mahoney's position? Is that right? Is it a position of the Committee or is it not?

Deputy Mahoney: This has been discussed at Committee and it is clearly my position because I wrote the letter. The discussion we had, albeit of course that Jonathan has not been on-Island for a couple of weeks because he is away on vacation at the moment, is that it has the broad support of P&R. Anyone can stop me as I am talking.

I wanted to say just very quickly that the safeguard, of course, is that this needs the approval of the DPA anyway. We are talking about greenfield sites –

The Chair: We are coming onto the DPA in a minute.

Deputy Mahoney: So in fact no one, certainly nobody in this room, had the authority to override them. So if the DPA decide, actually, that is a lousy idea, you are not doing it ...

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Deputy St Pier: Could I ask one more question before you move onto the DPA, which is this. Again, this is a question for you, Deputy Mahoney, your personal opinion. Do you agree with those that say that site is a prime site, which is just too valuable to be developed for affordable housing? Is that partly forming your thinking?

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Deputy Mahoney: My view is that we are already developing 350-400 units of affordable housing and that terminology, however you like it, one/two-bedrooms, whatever the phrase we are going to use is. Therefore we need a site for three-, four-, five-bedroom houses and that is in my view a great site for those.

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Deputy St Pier: Thank you.

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The Chair: In the States' ownership of the land at Castel hospital and around, if you look at the proposals map from the IDP, there appears to be some fields that are not zoned as agricultural priority area, and some are. The fields that you refer to, do they fall into the agricultural priority area?

Deputy Mahoney: I believe some of them do but I would have to check on that or ask Mark Ogier to check that for me.

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The Chair: Thank you.

You have mentioned the DPA. Of course there must be an approach through the planning process, obviously, before anything can be approved. In your *Press* piece, you said you were working very closely with Deputy Oliver at the DPA. I was just a little concerned, actually especially in my previous role, the same role that Deputy Oliver is now doing, when I was previously in the States.

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Do you not think your approach risks seriously compromising the independent and quasi-judicial role of the political DPA committee? They will subsequently be required to determine that planning application. In the light of that, do you not feel it could open up to a judicial review if they have not remained at arm's length, as perhaps they should?

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Deputy Mahoney: No, I do not. If asking another Member of the Assembly a question and for an opinion does that, then we are in a very bad place indeed.

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Deputy Ferbrache: Can I add to that? You would expect somebody with a private firm to go along to planners and say, 'Is this practical? Can we do this, and we would like to do that.'

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The Chair: Yes, I think they speak to the planners. But what they do not normally do is speak to the political representatives. The planners deal with a lot of applications and local authorities, but ordinarily, and certainly we have seen it in the States before on various developments, including the incinerator, where the Members were not even going to vote on it for fear of compromising their position.

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Deputy Soulsby: If the President of the DPA felt it compromises, it is for them to make their own considered opinion on that. At least what is happening is things are actually happening. We have been talking about this for years and years and nothing has happened. Tiny little pockets of building have happened and the one thing we managed was ... now you have mentioned Beaucette Place I do not know if it is the right place. But at least we built some key worker housing near the PEH. It was about the only thing, when it came to that, in the last States.

But just going back to the two properties which were meant to be earmarked for key worker housing, they were not suitable. I know both Sunnybrook and the other property; I have been in them. The best thing was to sell them off. The locations were not ideal, certainly if they want to be key worker housing for nursing staff. They are not an ideal location for that.

Frankly, what I know previously was that the two buildings, we were trying to get them all transferred from HSC, because HSC did not need the land, nor did we have anything to do with the property. That should be a resource that is dealt with –

The Chair: I will intervene there. I am really unhappy with the response –

Deputy Soulsby: Yes, but there is a point I want to make on this that we tried to transfer it to the social housing team within ESS, or Housing as it was at the time, and they did not want it because the conditions were so bad they did not want to spend the money to do them up. That shows we would be throwing lots of money that is better done and given to the private sector. So I have no problem with that and that is what the report made very clear and as I say it was an excellent report from the new head of Property Services.

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The Chair: Thank you, Deputy Soulsby.

I will move onto the section on reform of Government, if I might, with Deputy St Pier.

Deputy St Pier: Yes, thank you very much.

The subcommittee that has been formed, I think, Deputy Soulsby, you are heading up to look at the reform of Government, I think it has had its first meeting or maybe more. The terms of reference for that subcommittee's work, I do not think have been put in the public domain. I think it was one of the issues that came up in the States recently.

Deputy Soulsby: No, they have.

Deputy St Pier: Have they?

Deputy Soulsby: Yes.

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Deputy St Pier: What was the Committee's thinking into not seeking the endorsement of the States to the terms of reference for that committee?

Deputy Soulsby: I thought that question might come up. I do not know why, I just thought that question might come up. What is the need? What we did not want to repeat was the process that was undertaken in the 2012-16 States, where we had an initial meeting and a big policy letter for that and then we had another policy letter and then we had another policy letter and it was tortuous and we did not end up with anything better than we had before, I do not believe.

I think, really, we need to remember, we had a terms of reference, get people to do it and then it comes to the States and the States can do what it likes with it. It can make amendments, as it did despite all having that really complex structure to everything that was put forward in the 2012-16 work that was undertaken. So I have got no problem with the way we are doing it. We will see when it does come back to the States.

Deputy St Pier: Do you think that, given the increased delegated authority that we referred to earlier, particularly over the capital programme, that actually reform and actually fewer things come to the States anyway, that there is less of a pressing need for reform? In other words, by default?

Deputy Soulsby: I would say this is not about P&R. You are talking increasing delegated authority, which is P&R. I think it is more fundamental than that. I think it is the work and the roles

of Committees, the number of Deputies that we have got. I think that is something that we do need to address. The Scrutiny function itself that sits within it. I think we need to understand that, have we got that right?

I think those questions were not answered by the last reviews. In fact, I think it did not help when it came, certainly with Scrutiny. With all due respect, it is not a criticism of anybody on this panel at all, I do think something was lost when we lost the Public Accounts Committee role, because I believe the Public Accounts Committee was different from Scrutiny. Now we have to say, well is that the structure we want anyway. Have we got that element of it right? I absolutely do believe it.

As you know, working with other Members of the then States, I proposed a Requête at the time, which had ideas about how we could make things better, so not necessarily revolution but evolution. That did not carry favour with the previous P&R, quite clearly, but we will see whether elements of that or other decisions are made by the current committee that is part of it. But I can say that there are no hard, fast rules about exactly what is wanted. I think people have gone in there with a genuinely open mind.

The Chair: Thank you, Deputy Soulsby.

I think we are going to have to take a little bit of a canter through our remaining topics now, just to try and get everything covered. So I would like to just ask Deputy Helyar, actually, and you will not be surprised at this, a question on the Funding Investment Plan. What is the current position regarding the possible £200 million borrowing?

Deputy Helyar: So as was set out in the Budget, the Committee has been given the authority to either continue with a £200 million short-term borrowing facility, which is a revolving credit facility. We have been reviewing that because we have not drawn it all down and you have to pay for the money to be on call. So it costs money to have the ability to draw down that overdraft. So the Treasurer has been reviewing what the needs from a cashflow perspective would be in terms of the Government Work Plan.

There have been, I understand, although I have not been directly involved in them, discussions with lending institutions about what terms may be offered and how they compare with the RCF that we have at the moment. We have not entered into any borrowing arrangements.

The Chair: Okay, as you know, the Government Work Plan states that the Committee will 'seek to only borrow what is required to fund capital investment'. Although, I know you expressed your personal view that with interest rates being low you might quite like to borrow anyway, clearly the approval of the Government Work Plan does not allow for that. So is it not the case that we will not actually know how much we want to borrow until we know the pace of capital projects, we are able to push through?

Deputy Helyar: That is correct. However we are moving into an inflationary environment, and it is likely that interest rates will go up on the lending curve, as they do. We have an RCF with some borrowing. If it becomes more advantageous for the States, to borrow on a longer-term basis, to entrench the borrowing that we already have in the RCF and a little bit of headroom, and it is more advantageous to do that, then I would likely recommend that we do it.

At the moment I am not in a position to commit one way or the other and I do not think, and you are quite right, as I suggested earlier, we have a Government Work Plan which is larger than we can afford, very plainly. That was made out in the debate we had over it. Projects will phase, we will not do everything that is in the list in the period of the next Government. So it may not be necessary to borrow at all, in addition to the RCF that we already have. I think that is —

The Chair: Right, that is interesting. So it could be the case that we simply do not go down that route. Because I can see the attraction of, you know, borrowing now while interest rates are low and see the debt inflated away as inflation goes up. I understand all those things, but at the end of the

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day that is not what fits in with the Government Work Plan. So I think that is all I am going to ask for borrowing in that case. Deputy St Pier, do you have any questions in that area?

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Deputy St Pier: I suppose, just one in relation to the Tax Review. Obviously, with expenditure going up 4.5% this year and with no real substantive increases in taxation in 2022, and of course, indeed, we know some taxes are in terminal decline, like Fuel Duty, £20 million Fuel Duty, how comfortable are you that in essence all the eggs are in one basket in terms of the Tax Review, to deliver further taxation? That it has to deliver in order to meet the future needs of the Government Work Plan?

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Deputy Helyar: I am not comfortable. Ultimately, we have had various subsequent discussions with States' Members. We have increased, bearing in mind Deputy Gabriel's comments about communication, we have upped the pace of communication in terms of the review. We are actually briefing Members as we go, on separate topics, rather than bundling it all up for one meeting, so that people have the opportunity to give us feedback on the hoof.

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There will be a very extensive public consultation, starting in the next few weeks. It will be house drops, there will be information provided to the public. There will be a new website, the landing place for it. The fundamental part of the debate is do we want to seat the cost associated with our demographic on a shrinking working population or do we want to spread the load in terms of some form of consumption tax, which we do not have here, across the wider population in terms of what we spend?

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You are well aware of what the issues are. I am simply re-communicating them. We have to, and I agree with what Deputy Gabriel said, we have to take the public with us. Part of that is understanding the cost of public services. It is about earning trust that the Policy & Resources Committee and all of the other Committees and Members of the States are cognisant of the fact that we have limited resources. We must focus them. We must save where we can. We must spend on what we need rather than what we want. All of those things are necessary to generate the confidence in Government to deliver this outcome.

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But it is not a personal debate; if I lose the debate in July it will not be my loss. Somebody else is going to have to stand up in the next Government and make the same case, eventually, until we are able to raise the numbers that are necessary to pay for public services.

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Deputy St Pier: To be clear, you talked about public consultation, but you really meant public communication, did you not?

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Deputy Helyar: Yes, I think that is right. But if there is a wall of opposition to GST, we had this conversation the other day, I will not mention the States' Member concerned, they were talking about GST would really harm such and such a business. The point is your business will be harmed by the fact that the working population that spend the money in that business will be paying 6% more Income Tax. Because that is the alternative. And there are fewer people saddled with that burden.

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It would also put us a long way outside of our competitors if we have no form of taxation of that sort. It would put us in a high tax environment, compared to a low one and that will make us less appealing as a jurisdiction in which to work and live.

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The Chair: Okay, thank you. Deputy Fairclough has three brief questions on three topics we have not touched on yet.

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Deputy Fairclough: All are each topics in their own right and I appreciate the time. But if I could just touch on a couple of areas, please. Population policy. Deputy Soulsby, in your December statement, you said work was on track to determine what the Island's future population policy must

deliver to meet social and economic needs. Do Members of P&R believe that the Island population needs to significantly increase and, if so, by how much?

Deputy Soulsby: Well, I cannot speak for the rest of the Committee. It is not something that P&R are putting forward. As you say, that is a debate we could have for a long time. Should it significantly increase? What we need to make sure is we have got a population that can fill the jobs that are being created for it and then that is around jobs. I have always felt that if the jobs are there people will come and if the jobs are not there, people will go. That is what we saw in 2008, when we saw things go down, people on licences left. I think we do need to make sure we have got jobs for our community, our children, and make sure that we do not go into a terminal decline. That is my view.

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Deputy Ferbrache: I think, in relation to that, it is a very good question, it would be very easy to say we should have another 2,000 people or 3,000 people, whatever it is. I personally think we probably will need extra people. I would not like to put a figure on it, but it must be controlled because those people will have families, they will want housing, they will want health services and the like. It should be a proper, considered, States' debate, whether we have the population as it is or it would decline, because it will do if we do nothing, because people are not having as many children, etc. I think it is probably one of the most important, if not the most important, question for this States.

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Deputy Fairclough: You have kind of answered my follow-up question to that, Deputy Ferbrache, which is will a policy letter come to the States and when might we expect that?

Deputy Ferbrache: Yes, I think it will do. It should do, it will do.

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Deputy Soulsby: There is one planned for the second quarter of this year.

Deputy Ferbrache: So in the next few months.

Deputy Fairclough: Okay, thank you for that.

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Again, a huge subject within itself, we touched on Brexit and the resources that that continues to take up. Is the need for those resources diminishing over time?

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Deputy Soulsby: Far from it. I could show you, we have had something provided to us, I did not know whether we might need it today, but a significant amount, that is close together work on trade agreements, both with the UK and the EU, trade and co-operation agreements. We have got other trade agreements. We have got the WHO stuff.

Even just ignoring all the fishing issues that are going on at the moment, it is incredibly busy. Because it is always on the radar. It does not get people worked up as properties might do or jobs might do, quite understandably, but there is a lot of very important work going on there. Deputy Le Tocq, I am sure, could talk for another hour about it.

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Deputy Helyar: If I could just add to that, for example, we had the Bailiwick Council yesterday, just to give you an example, and that deals with our relationship with Sark and Alderney. There were four items on that agenda that were in relation to international conventions, or the TCA, or fishing. All really big subjects, even for us, but as the jurisdictions get smaller and smaller in terms of their governance it becomes even more of a problem. So the Paris Treaty, for example, was one of the things discussed yesterday. So it is not just Brexit, there is a whole raft of international regulation, OECD, tax.

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We are very lucky, I have to say, that we have an excellent external affairs team. I must say they do an absolutely fantastic job and I think we should put that on public record. They did an amazing

job with Brexit. They worked through the night during the Christmas before last in order to get things done and they continue to deliver right the way through.

Deputy St Pier: Can I just jump in with a quick, slightly related, supplementary on international standard, which is: how satisfied are you that as a jurisdiction we are prepared for the Moneyval assessment next year; in particular, as a Committee, how confident are you that we will actually come through that in the shape that we need to?

Deputy Helyar: I think I can answer that one because I have been generally dealing with relationships with regulatory authorities and liaising with external affairs because it is an important part of their jurisdiction. Part of the planning to enable us to get through the process, and I think it is fair to say we are quite well connected to Moneyval, so we have good information on the way in which their inspections of other jurisdictions have worked. Their requirements have increased very significantly since the last time they came.

I have personal experience of this because I represented the Bar Council and also an individual firm in terms of meeting with the IMF before it was Moneyval and with Moneyval itself. We have been making sure that resource is put particularly into the investigation of economic crime, because that is an area which we feel that there needs to be some ramp up. We have appointed a head of that department, through Home Affairs. We have also had several discussions with the Financial Services Commission about areas in which they felt there were regulatory gaps. One of those was the Credit Law, which we have now passed. I know that you had some involvement in bringing that forward as well. The other is in relation to banking resolution authority, which is also closely in hand.

So there is a lot of focus on that. I am happy to say that they have put back the date, so it is not necessarily next year, I think it is early in 2024, perhaps, now. So we have a bit more time. But that does not mean that there should not be a lot of focus on it, because very clearly, the last thing we want the Island to do is find itself on the grey list or, even worse, a blacklist.

Deputy St Pier: Thank you very much.

Deputy Fairclough: Just finally, and it refers back to in some way the discussions we were having on public service reform and that is the States' partnership with Agilisys. The question being, given the fact that Deputy Soulsby, earlier when she was speaking, spoke about historic barriers of talking to Agilisys, are you content with the performance of Agilisys and the work that it is doing?

Deputy Soulsby: I can say that, as I said before, we had concerns about that lack of political oversight at the time. I think it was very difficult to actually get to the bottom of what was going on. I think there was quite a protectionism around what Agilisys were doing and were not doing.

We changed that and now there is political oversight, via I think myself and I think Deputy Mahoney attends meetings with Agilisys, and I think we are putting the relationship more in terms I had in my previous role with the Medical Specialist Group. We meet on a regular basis and have our concerns discussed and dealt with.

I can say that I would welcome the Scrutiny Management Committee doing a review about where things stand with Agilisys. As I say, it is not something that this Committee was involved in setting up that relationship, it was agreed by the previous States, which is fine. As I say, we have spent the last year trying to make sure that we have got that relationship right with Agilisys and to ensure that we can hold them to account.

There are areas where we have concerns in terms of whether work is being done, whether they can allocate resources sufficiently to manage various projects and I think some of that might be learning and understanding where their strengths and weaknesses are. But I think, from our point of view, we would welcome Scrutiny's involvement to actually help us and to ensure that we can build on and improve, if we need to, that relationship.

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Deputy Fairclough: I am sure that is something we will be looking at. Just one final question on that, because again it is a huge area. Obviously, previously, the relationship between the States and Agilisys was made primarily, as I understand it, through the Chief Information Officer and that is a position that is now vacant and, again, I understand that is not going to be filled. I appreciate there is now political oversight there but how is the relationship between the States and the company and the contract, in the public interest, given its size, how is that now working and are you confident that it is progressing in the best way forward?

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Deputy Soulsby: Yes, that relationship, yes, has Senior Leadership Team involvement. I think now it is more about empowerment. I think previously – and that has always been a problem in such large structures in the States of Guernsey on that traditional hierarchical structure – it was very much relationships within a very small number of people. I think the importance now is empower people to have that relationship so that those senior officers within various Committees have that relationship, so it is not just stuck with one or two people at the top and so other senior officers within the States do not hear what is going on.

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I think the interim CEO has brought in what is called the Transformation Executive, which has started to empower those officers just below the Senior Leadership Team, so it is not seen as the Senior Leadership Team determining everything and people feeling that they have got to defer to that team totally. It is about empowering those senior officers and to build on for the next generation and build on our next Senior Leadership Team, I think.

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Deputy St Pier: So who is accountable for the management of that contract?

Deputy Soulsby: Well you would know, I would have thought, Deputy St Pier. That contract was signed with Agilisys, I would have thought –

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Deputy St Pier: In light of all of the changes of the senior leadership that you have described, who is now, in essence, in the absence of the CIO, who is managing that contract day-to-day, at an officer level? Who is the accountable –?

Deputy Soulsby: I do not know the specific title. Calling Bethan? I do know there are plenty of people who –

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Ms Haines: As you will be aware, when we set up the Agilisys contract, there was an internal team retained, retained IT team, and the head of that team, the head of Digital Services, is now the main conduit with Agilisys on a day-to-day basis,

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Deputy Soulsby: I could tell you their actual name, but I do not think it is appropriate within this context. But I do know.,

Deputy St Pier: So there is an individual who is accountable for managing that contract?

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Deputy Soulsby: Yes absolutely.

Deputy St Pier: Fine.

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Deputy Soulsby: But the important thing here is that, yes, there is that accountability, but it is all about people taking responsibility and working together and I think that, to me, is the most important thing here. It is not just stuck amongst one or two people who are that conduit. We have got to get those lines of communication working because if we do that and work with Agilisys directly, with Committees and their officers, that will make the difference. I have always believed

that in everything else I have done. It is working together, empowering people and making sure that they can do that.

The Chair: Final question for Deputy Soulsby. Can you advise when the three-year lead time for IPSAS will be triggered?

1840 **Deputy Soulsby:** Well I told you at the last committee meeting (**The Chair:** I know you did.) and I do not believe that anything has changed since the last time that we spoke.

The Chair: I think it is more the case that we were advised, well, by yourself, that it would be done by the end of this term. We have got three years and five months to go and there has to be a three-year term, so I am hoping your answer is in the next five months.

Deputy Soulsby: Well I hope so too. As you know, other stuff has come in between the last meeting and this but I can see the States' Treasurer chomping at the bit to respond to that one.

Ms Haines: So I can answer, which is probably the same answer that I gave you last time. In the 2021 accounts there will be an appendix to those accounts which includes all of the States' assets. We cannot include them in the accounts this year because we do not have a prior-year comparison. So in this year's accounts, it will be an appendix to the accounts. In the 2022 accounts, we will have those fixed assets as a main part on the balance sheet.

The Chair: Are those valuations all complete now, then?

Ms Haines: They are being completed as we speak. So they are expected to be completed by the end of this month.

The Chair: Because that has been the hold up, essentially?

Ms Haines: That has been a mammoth exercise, as you can imagine. So that will allow us to commence the trigger, which gives us a maximum of three years to transition. We do not have to take three years to transition.

Deputy Soulsby: Do not forget, it is my amendment that said, look, get a move on, I want this done. So nobody wants this more than me.

The Chair: Right. Well thank you very much

I think we have slightly overrun but we do appreciate your patience with that. Thank you to all the witnesses for attending and increasing the public understanding of the work that the Policy & Resources Committee does. Thank you to the members of the media for your interest and thank you, of course, all of those who have listened and watched on the livestream.

Scrutiny undertakes regular public hearings with all of the Principal Committees. The next one is on 25th January at 10 a.m. and that is with the Committee *for* Education, Sport & Culture. So thank you again, and the meeting is now closed.

The Committee adjourned at 12.16 p.m.

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