



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Thursday, 26th May 2022

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Present:

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

Law Officers

M. M. E. Pullum, Q.C. (H.M. Procureur) Morning;
R. Titterington, Esq. Q.C. (H.M. Comptroller) Afternoon

People's Deputies

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

Representatives of the Island of Alderney

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

The Clerk to the States of Deliberation

C. Foster (Deputy Greffier)

Absent at the Evocation

Deputy M. P. Leadbeater (*relevé à 10h19*);
Deputies J. A. B. Gollop and J. P. Le Tocq (*indisposé*);
Deputy V. S. Oliver (*absente*)

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States of Deliberation

The States met at 9.30 a.m.

[THE BAILIFF in the Chair]

PRAYERS

The Deputy Greffier

EVOCATION

CONVOCATION

Billet d'État IX

COMMITTEE FOR EMPLOYMENT & SOCIAL SECURITY

9. Secondary Pensions: Implementation of Your Island Pension – Debate continued – Sursis approved

Article 9.

The States are asked to decide:-

Whether, after consideration of the Policy Letter entitled 'Secondary Pensions: Implementation of Your Island Pension', dated 7th April 2022, they are of the opinion:

1. To rescind resolutions 6, 7 and 9, made by the States of Deliberation on 5th February 2020, following consideration of the Policy Letter entitled 'Secondary Pensions: Detailed Proposals for the Introduction of Automatic Enrolment into Private Pensions and the Establishment of "Your Island Pension"' (Billet d'État IV of 2020, Article II).

2. To agree:

a. that Your Island Pension be established as a private trust, managed by a trustee appointed by the Committee for Employment & Social Security, and for which the States of Guernsey would act as settlor, as set out in sections 4, 5 and 6 of that Policy Letter; and

b. that the Committee for Employment & Social Security be given authority to determine the terms of the trust instrument and the Rules of Your Island Pension, and to amend either if/when considered necessary.

3. To agree that the compliance measures, including the enforcement regime and anti-avoidance measures described in section 7 of that Policy Letter, should be specified in legislation.

4. To direct the Committee for Employment & Social Security, following consultation with the Revenue Service and the trustee of Your Island Pension, to report back to the States during 2027

with an update on the introduction of these proposals, and proposals for the introduction of a pension saving regime for self-employed and non-employed people.

5. To direct the preparation of such legislation as may be necessary to give effect to the above decisions.

Sursis (2)

The States are asked to decide:-

To sursis the propositions until 23 November 2022.

5 **The Deputy Greffier:** Article 9, Committee for Employment & Social Security, Secondary Pensions: Implementation of Your Island Pension – continuation of debate on the sursis.

The Bailiff: Deputy Dudley-Owen.

10 **Deputy Dudley-Owen:** Thank you, sir.

Why do we need to sursis the Propositions on secondary pensions? It is quite simple. It is about relevant context and strategic, joined-up thinking. If I discuss the economic outlook briefly, I hope I can illustrate a bit more about why the context is so important. The outlook is, I am afraid, far from positive. I am not one to talk the economy down. The 2021 figures were bad but we are talking 15 2022.

It is not the stock market we need to scrutinise as the barometer to our economic or fiscal wellbeing. Even GDP is not reliable. We cannot over-simplify this, sir, and my colleagues know this. Many indicators must be taken into consideration to gauge the health of an economy. Analysts publishing financial commentaries are helpful and here PwC have published their April outlook and I hope that colleagues forgive me, sir, and are patient with me, because I am going to read this out. 20 The impact of the war in Ukraine is starred.

Despite the recovery of the economy from the pandemic and the Government's move to a Living with COVID plan, the impact of the war in Ukraine is expected to slow growth in the UK and other advanced economies.

They do not say this but that is like Guernsey. They go on to say:

Earlier this year, the UK economy had confidently grown beyond its pre-pandemic size and most sectors of the economy were growing. The UK labour market was running hot with the unemployment rate dropping below 4% and the Bank of England starting to raise its base rate back to levels before the pandemic.

25 It is all good news. Sounds like Guernsey. They go on to say:

Since then, the war has presented a significant shock to the global economy and is expected to impact the UK economy in three key ways: higher commodity prices and the disruption of supplies; financial contagion, which is the spread of economic crises from one region to another; lower trade in investment flows.

Of these, PwC expect higher commodity prices to have the biggest impact on the UK economy. So far, the economic impact is on the financial contagion and trade investment channels appear to be contained and relatively small. Now they go on and I will just read a little bit more from that to 30 look at UK growth outlook:

The UK growth outlook has deteriorated.

PwC's outlook is based on two scenarios, with different assumptions on how the resilience to Russian crude oil and natural gas will be resolved, along with more detailed assumptions on military performance and the nature of economic sanctions. They look at a contained conflict scenario, assuming there are no further sanctions imposed on Russia and they look at economic escalation 35 scenario, assuming further sanctions are imposed on Russia, leading to a dramatic restriction of crude oil and natural gas imports into the EU.

40 So, depending on either scenario, PwC expects UK GDP growth to average between 2.8% and 3.8% this year, compared to a previous consensus growth of 4.5%. The reason I am reading this is because what is really important for me is that they say the main driver of their revision is slower household consumption, which in turn is driven by higher commodity prices. A factor that we had not anticipated here in Guernsey.

45 Real earnings are already contracting in the UK and are expected to continue to do so until the end of at least this year, 2022, with lower income households being disproportionately impacted. Another commentary, recently – yesterday – by economist Duncan Weldon, he says we are suffering the ‘worst pit to the cost of living since records began’.

Real household disposable income, this is net income after taxes, is going to decrease in the UK by 2% and this is the biggest forecast fall since records began in the 1950s.

50 So, this is different from a recession, this is different from inflation, this is different from a stock market shock, this is about how much individuals have in their pocket after receiving their wages or benefits, paying out their taxes and taking price adjustments into account. The combination of factors causing this is very high inflation caused by events outside of our control, is slow wage increase, is the prospect of tax increases. That will be our perfect storm.

55 And I want to be prepared so that we can weather this storm with a degree of confidence because that is what will get our economy through, even if it is hard, even if it starts to shrink. Not supporting the sursis today is to plough ahead as if none of this economic outlook matters. Some have said it is a good time to take money out of people’s pockets. I do not understand that and I definitely disagree with it.

60 Mr Weldon also commented that we are undergoing a ‘deeply negative terms of trade shock’ and this means that the things we are buying from abroad are getting more expensive. Guernsey relies upon a high level of importation for its goods, more so than the UK. So this observation is far more acute for us here in this Island than for our cousins over the Channel.

65 Making the decision today, in isolation, in a seemingly disparate approach, when we are in an economic situation we have not been in before – and we really have not been in this situation before, this is different to the economic shocks we have experienced in our recent past, definitely in this century.

70 Duncan Weldon thinks that we could be looking at another 12-18 months of inflation, whilst supply chains normalise yet again. We were starting to see the normalisation of supply chains from the pandemic and the effect of Brexit, though I understand that Sloggi underwear is still very difficult to get hold of in Guernsey because of importation tax from Europe, and parts of China have just been in lockdown again. Just when we were thinking we were seeing something resembling coming out of the woods, the second Russian invasion of Ukraine happens.

75 So, to be asking the question what will the time the sursis delivers buy us, well it is a much better understanding of the financial situation that Mr, Mrs and Ms Guernsey will find themselves in, taking into consideration global events, the economic shocks, the local context and policy choices we have, such as our tax landscape, population requirements linked to economic growth and the impact of anti-discrimination legislation.

80 Sir, I want to be clear, in communicating this. There is no illusion from either Deputy Meerveld or myself, or I suspect supporters of this sursis that we are going to be in better financial times by 23rd November, or even by Christmas. That is fantasy. There is no Harry Potter wand conjuring up a magic money tree for Deputy Ferbrache, certainly not this year. We are going to have to ride this out and we really can if we are prepared, if we are not subjecting the Guernsey economy and community to death by 1,000 cuts, as Deputy Inder likes to say.

85 But let us make sure that we are thinking, deciding and doing in a joined up, logical and fully informed way. Making decisions based on information which is four years old has got to be a flawed platform in anyone’s books. So let us not throw thinly veiled personal barbs across the Assembly, designed to belittle, about populism and the like, certainly not today please. It is unnecessary and

it is not professional. Because both sides of this debate have valid views. I understand the need from some to push on but personally I cannot without a fuller view of where we are headed.

If like me, Members need that strategic context and big picture view, please support the sursis.

90

The Bailiff: Deputy Burford.

Deputy Burford: Thank you, sir.

Inaction this day! The harbours, secondary pensions, discrimination legislation. If I were Deputy Roffey I might be starting to get a little paranoid. This sursis represents the worst form of governing. I doubt that the Tax Review, something else this States of inaction have deferred, will be decided by November in order to solve this secondary pension issue then and I question, again, the whole premise of not doing anything until we can do everything because, as everyone knows, it leads to doing nothing.

100 I am very fortunate. I can go to Waitrose and put stuff in my trolley without having to give it much of a second thought. There are people on this Island who have to think about whether they can afford to eat. I spend my spare time raising money for the food bank but the food bank is not a solution, it is the evidence of failure of policy. It is a sticking plaster.

105 I and people like me should be taxed more. I support a redistributed taxation policy. So, sir, I am as mindful as anyone that there are going to be people who will not feel they can afford to stay in a pension scheme and will therefore opt out. I accept that some employees in our community are not going to be able to afford pension contributions, even at the low rate and the incremental pay specified in the policy letter, and I accept that inflationary pressures will exacerbate that.

110 I hope, from what we know, about the intended effects of the Tax Review on lower income households, that it will make their situation better, not worse, whatever types of tax are introduced. But there is no case for waiting for the Tax Review before considering giving people the opportunity to save for their retirement.

115 But maybe this sursis is not really about struggling employees after all. Maybe it is about businesses. I am having a hard time of buying this idea that everyone was in favour of this policy letter until a few weeks ago and it is the current economic conditions and forecasts that have made it fall out of favour. If so, where are all the emails in the past few weeks from local businesses asking us to defer because they do not want to implement the scheme next October? I have not seen a single one. The only businessman who has made that kind of claim to my knowledge is the Chief Minister himself in declaring his various interests yesterday.

120 Sir, if Members are implacably opposed to the policy letter, they should simply vote against it and have done with it. If Members want a forecast, here is one: economic conditions are not going to be notably rosier in November than they are today and therefore those opposed on such grounds and who support this sursis are only engaging in soft option can kicking, by definition.

125 This sursis is the worst solution. It is a vote against the policy without the stress of having to make a decision. Well, we were voted into this Assembly to get on and make decisions. COVID-speed, they said. How is that working out now? I urge Members to bin the sursis and get back to the job of debating the policy letter.

Thank you.

130 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, sir.

135 It is time. It is time. I am going to read a little bit of an extract to say why we do not need to wait another six months or whatever. This was written in the days of sharpened seagull feathers and parchment but it was written by myself and it goes like this:

I have had a concern for a long time that Islanders in general may not be making sufficient provision for their Old Age Pension. With the demographic changes occurring in the population, with a trend that a smallish percentage of the population will be in active employment to support the rest of the economy, gives cause for concern. I feel we, as a

society, should be making our own arrangements where possible to enhance what may be an unsustainable level of Old Age Pension. I hope this position does not occur but I would rather acknowledge the challenge than ignore it. I feel we as a Government have a role to play in encouraging private initiative.

This whole subject touches on many areas of the States and hence my letter to you, yourself, as Chief Minister, to see if we are of a like mind to raise awareness of the issue. I would suggest some form of working party to review this whole area and see the level of private pension that is there, the drivers to increase it if need be and, if necessary, incentives from Treasury & Resources that are sufficient and working.

Consider also, the new ideas. Perhaps we could run a private pension scheme, along that of Social Security, which may encourage a top-up pension. It may also give Commerce & Employment an opportunity to encourage companies to provide pensions etc.

I have many ideas at this stage, I just want to gauge the opinion as to where we are and if there is a feeling we as a Government should actively encourage our citizens to consider pension provision. If you feel we should be doing more, not necessarily spending funds but facilitating, may I suggest we set up a meeting?

That was 2005. So what has changed since then? What wording did I use that is not relevant today as it was back then?

140 We set up a working party. It went on for a while and when the Norwich Union pulled out of the Island, that then fizzled, We took up the challenge again in 2008 to 2012, when I was Deputy Minister of Social Security and we started thinking about something called a second pillar pension, which has morphed into what we have now, and I served on a working party as the P&R representative in 2016 to 2020.

145 So, I say this to you, Members, for the long-serving Members it is time to do this. If you joined the States in 2012 or 2016, it is time to do this and if you recently joined us in 2020, it is time to do this. There will always be an excuse why we cannot do this but this is something that has been on the cards for the last 20 years and I am not the only driver. There have been other people in other places who have come up with this idea.

150 So I say to you it is time. There is nothing, I think as Deputy Sasha Kazantseva-Miller said, that is going to change or be of material evidence to you in the next six months. So either, as I think Deputy Burford said, vote against the whole Proposition, if you do not want it, which is an understandable position. I do not agree with it but it is understandable. Or let it become a reality and we can provide our future pensioners with some more security in their old age because that is when the time will get really difficult.

155 Thank you, sir.

The Bailiff: Deputy Dyke.

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

I am very much in favour of the secondary pension arrangement. It is precisely the sort of thing I would be in favour of, taking personal responsibility for your savings for the future, encouraged by the contributions from the employer and the way this is structured, I think, is just fine. But I have to say that I do not agree with Deputy Brouard, I do agree the Chief Minister and Deputy Dudley-Owen who spoke very well just ahead of me.

165 In terms of the economic background, Deputy Dudley-Owen I think has said it all and in terms of, perhaps I could just remind Deputies of the points that Deputy Ferbrache was making. We are loading up business with extra costs. We have Social Security increases, we have potential tax increases, although I might have something to say about that.

170 We have the Discrimination Law, which could have massive cost implications for business, and now we have this. So it makes great sense to me to try and look at it altogether at the same time to see where we are before we have this now. As I say, I think this is a very good paper and something that we must do. I genuinely believe that. But not at this particular point.

175 Having said that, a couple of side issues. Deputy St Pier and Deputy Mahoney made a couple of points about the structuring of the trustee administration arrangements and the relationship with the governance committee –

The Bailiff: Deputy Dyke, I am going to interrupt you there because that sounds like you are straying into general debate and it is not relevant to the sursis.

180

Deputy Dyke: Alright. Sorry, I will drop that point.

One last point, which is directly relevant, I think. There is a slight red herring out there that if we delay this the potential trustee might walk away and then we will not have another option. I do not think that is a realistic proposition –

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Deputy Bury: Point of correction.

The Bailiff: Point of correction, Deputy Bury.

190

Deputy Bury: I do not believe that Deputy Dyke has evidence to that matter and at ESS we have indication that that is the case.

Deputy Dyke: Thank you for that information but there are quite a lot of administrators out there and it is not rocket science to look after one of these things.

195

Anyway, that is all I have to say, so I will be voting for the sursis with a view, in due course, to bringing this in. But not right now.

Thank you.

The Bailiff: Deputy Queripel.

200

Deputy Queripel: Thank you, sir.

Seeing as I am a poet, I thought I would start my speech against this *sursis motivé* with a two-line poem.

205

The Bailiff: It is just a sursis, Deputy Queripel. There is no *motivé* about it.

Deputy Queripel: Sir, I thought I would start my speech against this sursis with a two-line poem, which goes like this:

I cannot support this delay
Because I want to see action this day.

210

A Member: Wordsworth! (*Laughter*)

Deputy Queripel: Now, having said that, sir, I get what Deputies Meerveld and Dudley-Owen are trying to do. They are trying to ensure that all the ducks are in a row and everything is in place before we make a decision.

215

Now, I very much appreciate they are trying to do that with the best of intentions, but the reality is they are being completely unrealistic. I say that with the utmost respect for both of them, because I value them as colleagues very highly indeed.

The reason I say they are being completely unrealistic is because the essence of what they are saying is let us wait until the world sorts itself out before we make a decision. Of course, the reality is the world is not going to sort itself out. There is always going to be a war going on somewhere, a famine, a drought, financial crisis or a crisis of some kind.

220

In relation to that, I want to focus on what we are told in the explanatory note in paragraph one. We are told in that paragraph that significant financial pressures are accumulating for individuals as well as the companies, from the combination of Brexit, COVID, the war in Ukraine and potential tax increases. What has not been included in that paragraph is the possibility of a worldwide shortage of food, shortly.

225

230 So if we adopt a negative approach to all of that, then we will never introduce secondary pensions. We really cannot wait until the world sorts itself out because it never will. That is a point we all need to bear in mind when we come to vote on this sursis, the fact that the world has never sorted itself out and never will sort itself out, and we as a Government have to make the best of it and do what we think is right for the community.

235 Supporting this sursis and putting a delay in place is not doing what is right for the community, in my view. Now, when Deputy Falla spoke against the sursis yesterday, he made at least two extremely valid points, which I picked up on. He said, are Sovereign Pension going to wait around until we make a decision? I suspect the answer to that question is that is highly unlikely, as Deputy Bury has just indicated. We will probably lose them if this sursis succeeds, which would put us in a real mess, as far as I can see, despite what Deputy Dyke has just said.

240 Deputy Falla also said that a vote in favour of this sursis is a vote against introducing secondary pensions. And he is absolutely right because it is all about delaying introducing this scheme until things get better, until the economy improves and the time is right. But the time will never be right to ask people to pay more money into a scheme where they will reap the rewards decades down the line.

245 This sursis is asking us to support an indefinite delay. It starts off by saying 'to delay until November 2022' at the top of the sursis. Then the last line of the explanatory note tells us:

If the tax debate has not taken place by 23rd November 2022 there may be need for a further deferral.

But if we look at paragraph three of the explanatory note, we see that it says:

Whilst affirming the principles of secondary pension proposals it is important that the Assembly should delay debating the introduction of such a scheme for a year ...

250 We should delay debating the scheme for a year. So anyone who supports this sursis is signing up for a repeat of this debate in a year's time, possibly. We do not know that. By then, we will have probably lost Sovereign Pension anyway. So then what do we do? The answer to that question is we then go out and try and find another company who are prepared to take on the scheme and at least match the terms that Sovereign Pension had already agreed to undertake. So that will cause even more delay and what are the chances of finding that company anyway? Not only that but we will then be going backwards when what we really need to be doing is going forwards.

255 We often hear amendments referred to as wrecking amendments and if this sursis succeeds today then it will be a wrecking sursis and I very much appreciate that that probably is not the intention from Deputy Meerveld and Deputy Dudley-Owen but I think it is exactly what it will be. It will be a wrecking sursis.

260 And, if the majority of the Assembly decide to support the sursis and put a delay in place because of concerns about how we are going to deal with events that are happening in the rest of the world, that affect our economy and our community, then shouldn't we also forget about spending hundreds of millions of pounds modernising our Hospital? Shouldn't we also forget about spending £17 million or whatever the figure is on restructuring our education system and every other big ticket item?

265 I say that because, on the one hand, Deputies Meerveld and Dudley-Owen are asking us to introduce an indefinite delay in one area, yet they are silent on the hundreds of millions of pounds that are going to be needed to progress developments in other areas and that does not make any sense to me.

270 What they are saying is life can go on in other areas but cannot be allowed to go on in this area. An area that will be just as beneficial to the community as the other two areas I have just highlighted.

I want to go back to what we are told in paragraph one of the explanatory note. We are told at the beginning of that paragraph, the introduction of secondary pensions will reduce employees' disposable income and increase costs for businesses. But, sir, employees can opt out if they choose

275 to do so, a point which Deputy McKenna completely overlooked when he spoke yesterday and Deputy Bury had to remind him of that fact.

And as the policy letter tells us, there have not been any objections to the scheme from local businesses, as Deputy Burford highlighted when she spoke. Surely, if businesses were concerned about the scheme then they would have relayed those concerns at some stage along the way, so what is the problem?

280 The reality is we cannot afford to put a delay in place. As I said in my speech yesterday, the current system is completely unsustainable. The vast majority of pensioners get every single penny of the money they have paid into the scheme back within five years of first receiving their state pension and Deputy Mahoney said I was wrong when I said that, when he spoke. But the figures have been verified by the officers in the ESS in 2018. So he cannot argue with the facts –

285

Deputy Mahoney: Point of correction, sir.

The Bailiff: Point of correction, Deputy Mahoney.

290 **Deputy Mahoney:** Whilst I do not doubt that the number is correct, the value of the money that you have got. It is simply not correct sir, that you got the money back in that time. Fifty quid in 1975, is not the same as fifty quid now.

295 **The Bailiff:** The area that you are moving into at the moment, Deputy Queripel, by referencing what was done in general debate yesterday, is not strictly relevant to the sursis, is it? So can you confine yourself to commenting on the sursis please?

Deputy Queripel: Sir, indeed.

300 My great fear is if this sursis succeeds, it will cause such a delay, we will be heading towards the next election before we know it and it will be left to the next Assembly to sort it out. If any of my colleagues think I am exaggerating, sir, I would respectfully remind them we are already one-and-a-half years into this term and time is flying by.

305 Sir, colleagues in the Assembly who champion 'Action this day!' really do need to vote against this sursis. Let us dispense with it and vote in favour of the Propositions in the policy letter because that is the only way we will attain action this day. And it is an action that will benefit the whole of our community in years to come.

In closing, sir, I ask for a recorded vote, please.

The Bailiff: Deputy de Sausmarez.

310

Deputy de Sausmarez: Thank you, sir

315 This policy letter was published in early April and we have known about factors that have been mentioned – the invasion of Ukraine, inflation, cost of living crisis, all those factors contributing towards the current economic backdrop for most, if not all, of that interim period. Deputy Meerveld told us, in his opening speech that it occurred to him last week that now was not the right time. Yet he waited until the day of debate, in fact half a day into general debate on this, to bring a sursis, which I think is really disappointing.

320 The irony will not be lost on anyone that this was brought by two of the Members from whom we hear most about governance. This is an example of very poor governance indeed. Deputy Meerveld has talked previously about bringing in rules to prevent last-minute amendments or secondary Propositions and, although personally I think there are plenty of circumstances in which they are perfectly acceptable, this is certainly not one of them.

325 This sursis is a textbook example of on the hoof policy making and if it succeeds I think it will be used as an example of exactly why they should be potentially regulated in future, because I think this a particularly dangerous and destructive sursis.

That said, I have no doubt that the proposer and seconder bring the sursis in good faith and genuinely believe in its face value, high-level intent. The problem is really in the unintended consequences and the reality of the situation, rather than the theory. Now, had Deputy Meerveld come to talk with the Committee when these concerns first occurred to him, last week, then we could have explored the likely consequences. We could have discussed it in more detail with the service provider and we could have been able to properly inform this Assembly's decisions.

But those options are not available to us because of the last-minute, on the floor of the Assembly, on-the-hoof policy making that we are now being asked to do and it is a position which I find very uncomfortable. I do not think it is an example of responsible policy making at all.

So, although its sponsors and supporters perhaps do not realise it, this sursis is a wolf in sheep's clothing. The Proposition calls for a six-month delay but in the explanatory note it says the Assembly should delay even debating the introduction of secondary pensions for a year and Deputy Meerveld himself has admitted that he would lay another sursis if, as seems likely, we reach the November deadline without having debated or decided anything on the Tax Review. Especially as, as I understand it, we are aiming to debate the Tax Review in December and Deputy Ferbrache is nodding his agreement. So I do not understand why we have got November here in this short but highly damaging Proposition.

So, I think if we are honest about the reality of the situation, this is not a six-month delay, it is nothing like it. As Deputy Queripel quite rightly pointed out, this is an indefinite delay. It really is. We need to be clear-eyed about what such an indefinite delay would look like in reality. First of all, the commercial reality. As others have touched on, can we really expect the service provider to keep this deal on the table indefinitely? Can we really expect if the service provider does withdraw this offer –?

Deputy Taylor: Point of correction, sir.

The Bailiff: Point of correction, Deputy Taylor.

Deputy Taylor: Sir, the sursis does clearly have a date on it. So, although it might be Deputy de Sausmarez's thought that it might be indefinite down the line, the sursis does have a date on it,

The Bailiff: Yes, I do not think that is necessarily a misleading or inaccurate statement, as such, because it is clear that it has a date on it and that is what Members will vote on, but it is the consequences of what is being indicated about other matters that might come before the Assembly in due course that Deputy de Sausmarez was referring to.

So, please continue, Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir.

I will speak to Deputy Taylor's point of not correction. He is quite right, there is a date on the paper. What I am trying to explain is that is not what the date will be in reality. If Members read the explanatory note, as actually I think Deputy Queripel actually quoted from when he spoke just earlier, the paragraph over the page says:

Whilst affirming the principles –

I am not giving way, I am reading Deputy Meerveld's own words and he will get a chance to reply.

Whilst affirming the principles of secondary pension proposals it is important that the Assembly should delay debating the introduction of such a scheme for a year to allow the Assembly to determine what taxation changes it will make and better to understand the economic impact of Brexit, COVID, and the war in Ukraine.

375 Now, the date 23rd November 2022 does not align with any determination on what taxation changes might happen because, as Deputy Ferbrache has just visually confirmed, the tax debate is not even scheduled to be debated until December, which is the month following the date on this paper. So I am explaining how the words on this paper differ from the reality.

380 Deputy Meerveld again confirmed, when he opened on this sursis that he would seek to sursis this further had those decisions not been made and the explanatory note makes it quite clear that the anticipated delay is a year. But that would presuppose that, in a year's time, let us say it was a year, let us say we were able to come back this time next year, that presupposes that a deal, indeed this deal, or any deal, would still be on the table.

385 Now, Deputy Dyke said, 'Ah, well it is easy. There are loads of pension providers. This Committee has been through this process twice. It has been an extremely lengthy and detailed process and I can confirm it has not been easy to find the kind of provision, the kind of service, the kind of scheme that works in terms of value for money, in terms of user-friendliness, in terms of meeting the needs for our Islanders.

I can assure Deputy Dyke that it has not been easy and I really think Members should understand that the deal that is on the table at the moment, in reality, very well may not be – I mean, if I had to put money on it, this is an indefinite delay, it is a delay of effectively at least a year – I would not like to put money on whether this deal would be on the table after that length of time.

390 Secondly, we have got the logical reality. So, one of the arguments put forward has been, well, you know, it will be much easier if we debate secondary pensions at the same time as tax. No it will not! It makes it altogether harder. In fact, I think it is actively unhelpful if we do not have a decision on secondary pensions ahead of debating the tax review because how will we know how much tax we need to raise? It adds in another layer of variability. It adds in another layer of complexity. It makes that decision so much harder and, as Deputy Burford and others have alluded to, Deputy Kazantseva-Miller yesterday, we do not have a great track record of making decisions anyway.

400 So how will a decision on our tax structure for the next decade or so change the reality of our demographics and the fundamental reason we need to introduce a secondary pension scheme at all, to help support Islanders for the next few generations? It does not. We know that we should introduce the secondary pension scheme now and we know that the need for that will not have changed by November, or in a year's time, or even in a decade's time. We know that the fundamental facts, the fundamental rationale for introducing this kind of scheme will still be there. Why delay?

405 The third is an interesting one. It is the ideological reality. Supporting the sursis and ushering in this kind of open-ended delay does guarantee one thing. We will be delaying our support for greater personal fiscal responsibility and we are accepting, in that decision, a heavier burden on the state.

410 So supporting the sursis is a proactive vote, effectively, in favour of expanding the welfare state. And for an Assembly that talks up personal responsibility and small government, it has got a funny way of showing it if it supports this sursis.

415 Fourthly, the political reality. I was laughing in disbelief and rolling my eyes in despair yesterday as it dawned on me that this Assembly is on the cusp of yet again running away and hiding from a grown-up decision that needs to be made. We have got form. We have got harbours, tax, Deputy Burford covered this, and now this. I am really beginning to suspect that this Assembly has not got the backbone that our community needs and deserves from us.

420 Others have spoken about, those supporting the sursis, have talked about the economic situation. They argue that now might not be a good time to introduce the scheme but the Committee is not proposing to introduce this scheme now. The proposal is a very gentle, phased implementation that is not due to start until late in 2023 and, when it does, it is just 1%, and only for the biggest employers, many of whom already have such a scheme.

For small businesses, that first step of implementation, that 1%, will not be until 2025 and the whole scheme will not be fully implemented for 11 years. We are not talking about introducing this now. If we think how much has changed in terms of the economic backdrop, just think, how can we

425 predict what is going to happen in that 10 years? How can we make, in six months' time, or seven months' time or 12 months' time, any accurate predictions that are really going to sensibly help inform that decision?

We know the fundamentals will not have changed. We know what our demographics are doing. We know about our dependency ratio. We know how inadequately provided for many members of our community are through their retirement. And we will be letting them down. We will be letting
430 down those who most need our help. The people on lower incomes, who do not already have access to workplace pensions, and especially younger people, who will be there to pick up the pieces. They will be the ones taking the responsibility that we are too frightened, it feels like, to accept.

Now, in terms of that economic background, as well, other jurisdictions have introduced similar schemes at various different times against various different economic backdrops. Those jurisdictions
435 experience now the same economic ups and downs as the rest of us. Are we seeing a marked difference between those jurisdictions who have a secondary pension scheme, compared with those who do not, in terms of how their economies are currently faring? No.

Does Duncan Weldon, or anyone else's analysis, draw that distinction? No, of course not. Those jurisdictions have introduced their schemes, they have recalibrated and the only difference between
440 them and us is that their long-term outlook is stronger than ours and that more of their citizens will have more adequate pensions to support them in their retirement and their dependency ratio will have less of an adverse impact. That is the only difference. I challenge anyone to come up with some economic analysis of the current situation that draws in secondary pensions provision, in anything other than a positive light.

So this sursis introduces more uncertainty – I am not giving way – this sursis introduces more uncertainty. Deputy Queripel was quite right. We have not been lobbied by businesses, we have
445 worked really hard as a Committee, we have worked really hard with businesses, we listened, we have already adapted, the proposals already take into account what businesses felt was necessary. That is all great. I do need to again stress that many of the smaller businesses, in particular, are actually waiting for this scheme to be implemented. They are looking forward to it. As I explained
450 yesterday, they do not want the hassle or expense of having to set up their own.

It does just make a mockery of what was once touted as the mantra for this States, this Assembly, this action this day. It really does feel like inaction this day.

Deputy Fairclough, when he spoke yesterday he talked of kicking the can down the road and he
455 said that it felt like we were still building the road. I am beginning to think that this road is less of a road, with a start and a destination, and more a circular, maybe one of Dante's Circles of Hell – I do not know – but it seems like a circular track. And I am worried that we are never even going to get to the start line, let alone the finish line.

We seem to be utterly incapable of making any decisions. We owe it. We are in Government.
460 These decisions are not easy. They are not supposed to be easy. But someone needs to take them. I really do think we need to be grown up about this. I really think we need to reject this sursis and get on and support the Committee's proposals.

Thank you.

465 **A Member:** Hear, hear.

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

Deputy Leadbeater: Yes please, sir.
470

The Bailiff: We will mark you as present.
Deputy Murray.

Deputy Murray: Thank you, sir.

475 I sense the angst in the Assembly, sir, and I understand the frustration from many points of view
that have been expressed in the last day or so. My concern, coming into Government, has been
frustration too. And we had an a-ha moment for me, yesterday, which I will get to in a moment.
What I get concerned and frustrated about is how this Assembly deals with issues in total isolation.
Because we work very hard. We work very hard in Committee and we are charged with certain
480 responsibilities, many of which we have inherited, and we do our best to bring them here.

So I have a lot of sympathy for the ESS Committee, for the work that is being done. I could be
seduced by this. In fact, to some extent, I am seduced by this because I see the need. I absolutely
see the need. But as to the sursis I think what happened yesterday, for me, was when Deputy
Ferbrache recognised the need to look at things together and it has been one of my greatest
485 frustrations that we, as an Assembly, do not have a vision, we do not have a shared vision of where
this Island needs to be. Not even today, let alone tomorrow or five years' time.

I am very concerned that we are approaching a tipping point here, because of the external forces
that we have no choice over but to react to and to deal with the best that we can. Now, if we are to
support the sursis I would not be comfortable if we were to just come back in six months' time and
490 say do another six months, do another 12 months, whatever. I want that six months to be used to
determine what our response to the economic climate that is being forced upon us is going to be
and what the priorities are that we are going to actually put ourselves, our resources behind, to do
our best to navigate through the future. Because it is not going to be easy.

Because we are talking about spending millions of pounds to get this under way and that is
495 acceptable. Long-term, obviously, perhaps, it will be returned. Nobody knows what is going to
happen in six months. Nobody knows what is going to happen in a year's time. But the reality is
that the economy that we have relied upon, our levers are changing.

They have been under pressure for a very long time. Our reliance on finance as our primary
source of income is under threat. It has been under threat before but it is getting much worse. But
500 the Ukraine situation has changed things quite dramatically. Because it has caused stresses in all
areas of the economy.

As an Island, we have got limitations. We import just about everything. We rely pretty much on
business overseas to support pretty much everything, and we are good at it. But it is changing. The
other economies for which we fish are also under considerable stress and strain now. That is very
505 worrisome.

Yesterday, Deputy McKenna talked about being scared. Well I am scared. I am scared that we as
an Island may run out of money at some point if we put our eggs in the wrong baskets or we put
our ducks in the wrong row. Because at the moment we are not even trying to achieve some
consensus on where we think we need to be.

510 We never do. It is not the nature of our parliamentary democracy because in Committees we
deal with things in total isolation and, with the best of intentions to do our best underneath what
we are actually expected to do in those particular Committees, we come back to this Assembly and
we try to convince our fellows, that that is actually the right thing to do, given that we have got
some expertise in this area, having researched it.

515 That is natural. That is absolutely natural. But there is no leadership here at the moment in terms
of the priority of the enormous amount of work that we actually have before us. Even the GWP,
which is a valiant attempt to try to find the money for some of the priorities, does not tell us whether
or not those are the right priorities. It tells us that those are the ones that we probably can get the
most support for. But that is not enough. We have to have a vision for the future and we have to
520 find a consensus on that vision.

Otherwise, this toing and froing between tribes in this Assembly will continue, and we will not
achieve very much at all and the Island expects better from us. It really does. So my concern at the
moment is that I think this is an excellent scheme, as it happens. There are some governance issues
that have to be addressed. But I do not know whether we are in a position to be in the starting
525 blocks for this right now. I do not know.

I think there are other very serious issues and I would like a grown up conversation, such as Deputy Ferbrache mentioned, which for me was a ray of light. For once we do not look at things in total isolation. We look at the related nature of a number of issues that we are trying to deal with here and we try to find a consensus in this Assembly about what priority we give these things.

530 Undoubtedly, we need our people to be saving for the future. There is no question about that. I do not think anybody disagrees with that at all. But there was a saying, I think it was in 1992, Bill Clinton's administration, 'It is the economy, stupid.' Because if the economy is in trouble, all of the rest of what we are doing falls away. It is affected by how the economy functions.

535 There will be no money for X or Y if the economy is in trouble and the economy is being challenged severely at this time, more than ever. More than it was three months ago. Now, that is frightening, to me, that things are moving and gathering pace so quickly.

540 And we can think, well, back in 2003, we wanted to do X. Well, the context was different in 2003 to what it is today. That is my worry, that we are so frustrated with getting things to this Assembly that we think, we have just got to do it, we have got to get on with it. But is it still as relevant now? Do we still have the resources now? Are there more important things now that we need to spend our time dealing with? That is my concern.

545 Now I would not support this sursis if it was just a delaying tactic. I would not, because it will just kick the can down the road. I want the six months for us as an Assembly, under the leadership of P&R, who are our senior Committee, to put together with all of us, representatives of us, a vision for where our options might be and we do not have many options, I have to be perfectly honest. We need that vision before we make serious decisions about the sort of money and the sort of impositions we put on both business and individuals in this community.

550 I ask, I plead that we actually use that time or we can carry on as normal, and we can hit the buffers – when we hit the buffers there is a consequence. Because we will, if we do not plan for the future. So I would ask you to support this sursis not to frustrate the ESS Committee, not to be poking Sovereign in the eye as a consequence but to use the time to see how important and in what order we deal with some of these serious issues. So, please, support the sursis on that basis, not because you think it is an escape from making a decision.

Thank you.

555

The Bailiff: Deputy Leadbeater.

Deputy Leadbeater: Thank you, sir.

560 I just really want to make one point. During yesterday and today, many Members have said that small businesses, I think Deputy de Sausmarez said most small businesses are looking forward to it and people are saying that small businesses are not opposed to the secondary pensions, or to these proposals.

565 I do not agree with that. Most small business owners are too busy to have the time to engage with us. A lot of them do not even know we are discussing this today. There are hundreds and thousands of self-employed people, sole traders, already paying self-employed stamp, maybe employing one or two people, they do not want this. It is going to be onerous. It is going to be burdensome. So can we not keep ploughing ahead with this narrative that they are looking forward to it and they want it – because they do not.

570 I am actually with Deputy McKenna. A lot of people are scared. A lot of business owners are scared. One business owner said when this comes in, I am packing up. I have had enough. We cannot deny that this is what people think. So let us stop this nonsense and say that people are looking forward to it and people want this, because they absolutely do not.

575 I am going to support the sursis. I am completely opposite to Deputy de Sausmarez, because I think the sursis is good governance and I would ask everybody to follow Deputy Meerveld and Deputy Dudley-Owen and to support the sursis and to not continue this narrative that people want this.

Thank you.

The Bailiff: Deputy Blin.

580 **Deputy Blin:** Thank you, sir.

I have found today and yesterday quite remarkable through the debating. I have really felt this and I believe almost everybody in the Assembly is actually of the opinion that the secondary pension is a very important part of our future society. I listened with interest to Deputy Brouard when he mentioned, he read his letter from 2005, I believe. And I believe in 2016 we had come to some
585 decisions about agreeing with this.

Now, we are always going to have tricky times economically and I always know that every time we think we do not know the direction we are going. But small businesses, let us start off with them. Remember, small businesses actually constitute 50% or 60% of our economy. I know that the financial institutions are the biggest wealth creators and most of them, I believe, having come from
590 a recruitment background, it is very few or 1% who will not have pension schemes for their workforce, etc.

For smaller businesses, I will refer to Deputy Leadbeater's comments regarding small businesses are fearful of it. Actually, I think he is half right and so are others. It is not that businesses do not think about it, it is actually they have probably kind of half-accepted that this is going to happen.
595 They have talked about the fact that actually it is in the pipeline, it starts this year, then it has been delayed to next.

So that is kind of what has happened. They are not keen on it, it is going to be hard but actually they also know it is going to mean that we are going to have fewer people later on in life who are going to have to come to Social Security for Income Support or something later if they have started tucking some money away.
600

Even if, and I have taken on board the arguments and some good arguments saying it is about the spending power, the money we have got left in our pocket, if that money, if it is a choice between the food or the travel, actually also if part of that money is just put aside for their plans and also the employers are putting something to help the employee where they remain opted-in, this over years,
605 if we had started this in 2005 or 2016, we would already be half way down the road and it is always going to be painful.

But I know personally and from a lot of other sort of colleagues in businesses, who are self-employed, the small businesses, the Social Security money we put away, unless they have actually had their own plan, it is trouble, and most employers, will have the ability that they may not be wealthy enough from their business but they want the best for their employees too. They want to keep them in the situation.
610

Employees will be grateful, it is a hard time to save, that actually later on they will have money in the bank. Now it is a hard point to say that because how dare I talk about what the employees will feel but the reality is we will get to that position where we will look back and we will have something tucked aside, however you save your money.
615

So the timing, now the timing is the bit that I am most struggling with. I will give way to Deputy Inder.

Deputy Inder: Thank you, Deputy Blin, for that very impassioned speech. But can I just remind
620 him, like Deputy Leadbeater, I do not recognise exactly his version of smaller businesses and I think Deputy Blin, through you sir, you are saying something similar. But figure 51 of the BWCI report says that effectively by the time the contributory rate is 6.5%, revenue loss will be in the figure of £8.8 million. Now, would he then not agree, as a businessman, it would make some sense not to do this isolation and wrap this up in some way with the Tax Review, which indeed, of £88 million,
625 included as far as I am aware the £8.8 million? Would it not make more sense to do it all at the same time?

Deputy Blin: I thank Deputy Inder for that interjection and, yes, it does make sense to review everything at the same time but also how many things at the same time? You know, I will level at

630 this point, I was going to continue in my speech with another but I will add it now. My opinion for
this is that we need to look at this now. I think it will have a knock on effect. So if we do not look at
everything together, as Deputy Inder is saying and as is being mooted here, the other aspect of
looking at it is actually well, we have dealt with one piece already, we dealt with the secondary
pension now. So now we can do our calculations for the others.

635 I rarely take this approach when I 100% believe in the idea of joined together thinking as Deputy
Ferbrache has pointed out but here, actually, what am I saying? Well, part of it will have already
been done. One piece would have already been done, which means that we can look at it. It does
also mean that the flipside of this is I will be looking with a different set of economic lenses, let us
say, towards increases in Social Security, or I will be looking with a different scope when it comes to
640 legislation on discrimination. I will be looking in different senses in all aspects of where we are
seeking for money because one piece will have been done.

I feel very strongly about this, mainly because of the fact that actually this secondary pension is
the long-term gain. It is something that, we have all said this, I do not think I have heard of one
single Deputy in this Assembly who has not said that they agree with the principle of the secondary
645 pension.

So, the six months, why do we have to go through this? I do take on board Deputy Dudley-
Owen's comment that the economic PwC report and the aspects said. These are very critical
important aspects but we still need to continue with the other side of it for our working population
and the employers and if we discovered some really difficult information it is not going to be just
650 in six months, it is going to be in a year or longer.

So I would like to come back to the fact that actually why would I consider supporting the sursis
and it would be to allow that planning. Is six months enough time? I do not feel it would be sufficient
time and therefore we would have to find other ways or affect other parts of our economic controls,
the knobs, to make this work.

655 There are little things that concern me but I do not know if this can be explained here but we
have had Social Security on for many years and I know many of our core key workers have been
guest workers and those guest workers, they pay in, and we have a very special difference to other
nations and jurisdictions with having our employment permits.

660 So what happens to those people when those restaurants and the hospitality businesses and
bars and clubs, whatever, cannot ...? They are all really going to struggle with this, I get that. But
what about those employees who actually are going to leave? What are they going to get? Is their
fund or their pension going to be transferred to one in a European country for something? Those
are aspects and those are costs there.

665 So those are some of my concerns I have had for a delay for that. But, okay, I will come to a
conclusion here but the reality is that this has troubled me enormously for the last two days on this
but I am convinced, and listening to all of my esteemed colleagues, I accept all the facts about
debate that we could look at, etc. But I am strongly convinced that actually we can start this now
because also, if this sursis does not go through, then we are going to have to debate it. The whole
thing starts again.

670 I would rather have this battle now rather than waiting for a year or later to do this because we
are an Assembly and a Government of action. I am part of that. I believe in it. It is our decision. I am
not going to talk about adult decisions or populists or electorate. It is actually what we need to do
as an Assembly and we can do this and I still respect all of the opinions of all of my colleagues
speaking but now is the time that we can get on to do with this.

675 So I feel it is the time to actually not to go with the sursis and actually let us get to the debate
and let us do this now and let us have one mechanism in place and all the others will have to follow
after at least we know this one fully.

Thank you.

680 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Thank you, sir.

685 I will not repeat what Deputy de Sausmarez said about the incongruity of Deputy Meerveld laying this last-minute amendment. I do look forward to when we debate his Committee's policy letter on the new Rules and I think it should make for an interesting debate indeed. I am not going to focus on that I am going to focus on the way he has dealt with the Rules in Rule 4(1)(b), in preparing the Proposition, there has been no consultation with stakeholders or the Committee for Employment & Social Security, but more so, (d), there are no financial implications to the States of carrying the proposal into effect!

690 I am trying to work out how that calculation has been done. What thought process has gone into Deputy Meerveld's head from the moment he suddenly had this epiphany last week that now is the time for a sursis because clearly this is going to have an impact. This is the whole point of why we are doing this. This is the whole point of why the thought process of having supplementary pensions was put in in the first place, was because we are looking at a train crash at the other end –

695

Deputy Meerveld: Point of correction, sir.

The Bailiff: Point of correction, Deputy Meerveld.

700 **Deputy Meerveld:** The sursis is to say to take the exact policy letter that is here today and move it to 23rd November. The implementation date of the pensions in 2023 through 2025, through whatever date, do not change. Nothing changes. You are simply changing the date on which you make a decision to proceed therefore the financial implications do not change one iota between now and 23rd November and the implementation of this can go ahead, as normal, or be amended, or decide not to proceed with. All of those decisions will be made just as they are today. The financial implications do not change.

705

Thank you, sir.

710 **The Bailiff:** And I think that is right, in the circumstances. There might be indirect consequences but there are no direct consequences, so the information is accepted on that basis, Deputy Soulsby.

715 **Deputy Soulsby:** But that might not strictly be true, though, is it, sir? Just because he says all it is is delaying it for six months and that will have no implications, well of course it could. We know that the Committee cannot now do anything in terms of promoting a scheme if it doesn't know where it is going. Employers cannot learn more about what is going to happen with the scheme. I do not know how fast it will be to get in the legislation and then do everything that is needed. So I think it does have a direct impact.

720 Just looking at the explanatory note, it talks about 'should delay debating the introduction of such a scheme for a year', so clearly, there is a different intention here. Then, further on, it says, if the tax debate has not taken place by 23rd November 2022 there may be a need for a further deferral. Really, I think Deputy Meerveld is being disingenuous. I will not give way. I think he will have time to sum up at the end, given that it is his wonderful amendment ... sursis.

725 We hear, talking about the economy, that is the most important thing, and we always hear this, it is the economy. There is a view that there is the economy and then there are all these social and environmental things that really are not important. But they are all joined up together. We do not consider our employees, we do not consider our workforce, we do not consider our environment. That will impact the economy.

730 We know we are struggling to get people here to work on the Island. Well, just think, we do not offer any secondary pension scheme. Do you think that makes any difference? Well, given most of the people we might be attracting come from the UK, where they do have a national pension scheme, that is one thing that gives us less of an attraction for some people who might want to come over here. They think, 'Well, I am not going to get a pension.' Surely that is impacting our economy at the moment, trying to get the workforce that we say we need?

735 The whole point of this is we are thinking short term. By voting for this sursis it is a short-term tactical decision. It is not thinking long-term and strategically and that is the point of secondary pensions. That is why the whole process has started a long time ago and Deputy Brouard says even longer than before it even went to the States and decided to do this. It has been going for years and years and for years and years we have kicked the can down the road. People have said, 'Oh, it is not the right time.' We are kicking the can down the road. If we decide to delay, then the impact
740 on this is a delay. The longer we leave it, the more it will cost us.

If we think that it will not, you are saying in the future, we do not care, by that point we are not going to support people, we will not have a welfare state, we will not be able to support these extra people who will be in destitution because we do not want to put tax rises up then, either. So we are going to be in quite a pickle.

745 Deputy Inder, and there was this you have to look at things in sequence. It is like if you put a whole bonfire together at the start and we debate it, we have a mega debate, that is what we will do. We will take up the whole of the summer and we will debate absolutely everything in the States and then we will come to a decision. Well, how would that work, then? What a mother of all Billets that would be. I would love to see how anybody starts with that.

750 So I am really surprised how we think that we can sequence things, particularly given what we are debating now has been going on for so long, it has been known about for so long. We have had three policy letters, legislation has been drafted on the basis of decisions that have been made to continue this. So does this mean everything stops? Do we say we are not going to do anything now? Well, we did not think that before when a lot of people who are calling for a sursis voted for the NICE drugs.
755

And it is also interesting to hear both from the President of Education, Sport & Culture, who has seconded this Proposition, and from her deputy Vice-President that we should not be spending this money now and both the President and Vice-President have come to P&R wanting more money.

760 **Deputy Dudley-Owen:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Dudley-Owen.

Deputy Dudley-Owen: In my speech, I never said that we should not be spending any money.
765

The Bailiff: Deputy Soulsby to continue.

Deputy Soulsby: Yes, but Deputy Dudley-Owen said now is not the right time to be spending all this money. The implications are the same.
770

Deputy Dudley-Owen: Point of correction, sir. Maybe –

The Bailiff: Point of correction, Deputy Dudley-Owen.

775 **Deputy Dudley-Owen:** Maybe Deputy Soulsby did not hear my speech. At no point have we said that we should not be spending this money now.

Deputy Soulsby: Deputy Dudley-Owen may not and I was not saying that she was but for me the irony of Deputy Dudley-Owen saying we should not be spending money and we should not be
780 implementing secondary pensions but at the same time saying, coming to P&R and actually coming to the States when we have the debate of GWP and saying, 'Our budget should go up by £1 million a year.' This is what we are talking about. For some people it is, 'Oh, we would not spend it on that.' For other people, 'We would not spend it on this.' It is ridiculous. I just find it entirely ironic, especially given that we have not got in the Funding and Investment Plan anything to do with
785 increasing the budget of the Education Committee by £1 million but we have factored in –

The Bailiff: Deputy Soulsby, the relevance of this to the sursis?

790 **Deputy Soulsby:** Because this will cause delay, sir. Because people are saying that we need to look at all this in the round and that is what the sursis and that is what Deputy Meerveld was saying. We need to hold this so we can look at everything in the round and I am saying we look at everything in the round but we have already factored in the secondary pension scheme within the Funding and Investment Plan.

795 So this is not exactly out of the blue. We are told things are out of the blue. It absolutely is not. Just to pick up on Deputy Burford's comments about business and we have had this and about how small businesses do not even know about it and they do not like it. Well, actually, I did meet somebody last night who said they already thought this had been passed. They thought they had actually gone to a presentation by one of the large local actuaries who were saying what the scheme would be. So, they have already started training on this and now we are saying that is not going to happen, so that is going to cause even more confusion than is already out there.

800 But, for me sir, this might be a Deputy Ferbrache sort of thing, I know he likes putting about old souls that he remembers from his youth and I was thinking about one just last night, actually, when I saw this sursis come along. It just seems to me that back in the day, when I was still in nappies I think, a bit later than that, there was this Greek singer called Demis Roussos – people might remember him. A great big tent of a kaftan and his warbly voice. It was not my thing, I have to say, 805 but one of his most famous songs came to my mind and that is *Forever and Ever*, and for me that is what this sursis is all about. It is not about just delaying it and let's have a big chat, put everything together and have the mother of all debates, this is about kicking it down the road forever and ever. That is why I do urge Members not to vote for this sursis.

810 **The Bailiff:** Deputy Helyar.

Deputy Helyar: Thank you, sir.

815 I was stopped by a member of the public a couple of weeks ago, in the fruit and veg section of Waitrose and asked a very difficult question, 'What are you going to do about the cost of living crisis. What are you going to do?' I said, 'Well of course I can't do anything. We have the Committee system. I have delegated authority. I could decide to do all sorts of things tomorrow, the Assembly can say no to them.'

820 But, and this goes to some of the points that Deputy Trott made, because he made a very compelling speech in the original, prior to the sursis. The problems that we are facing at the moment are a bit like *Space Mountain* in Blackpool. We are not only going onto a rollercoaster, we are going to do it in the dark.

825 So it is doubly difficult. Now, I believe firmly in secondary pensions, as I think everybody else in here has said. I think the proposals are probably a cop-out if we are honest. Because we are saying that those who are most in need of a pension in the future will be able to simply not do it.

830 If we were being honest with ourselves about needing to provide for secondary pensions in the future, we would make this compulsory for everybody and we are not doing that. I absolutely believe that this will come back in 10 years' time and there will be another debate in this room, where we say, 'We should have made that compulsory.' Because all of the people that most need it now have decided that they do not want to sign up to it. Or they cannot afford to sign up to it. What –

Deputy Kazantseva-Miller: Point of order.

The Bailiff: Point of order, Deputy Kazantseva-Miller.

835 **Deputy Kazantseva-Miller:** Rule 17(6), this is not debating the sursis. This is veering into general debate, thank you.

840 **The Bailiff:** I am going to give Deputy Helyar a bit of latitude there, rather than saying he has got to come back strictly to the sursis, although that is what is there, because he is, I think, laying the ground for where he is heading. So, Deputy Helyar.

Deputy Helyar: Indeed, thank you, sir.

845 So, my point is, in answering that question about what we do about the cost of living crisis, the answer is there is very little here that we can do. So a delay is a sensible thing to look at because we are in the same fiscal area of the UK, we do not set our own interest rates and we cannot print our own money.

850 The only thing that this Government in this Island can really do is try to avoid adding to the inflation, which we are definitely going to see. I spent six hours with some of the finest investment advisory brains in the UK on Tuesday, in lieu of interviews for the States' Investment Board, and their views were not just inflation we were facing, but stagflation. That is inflation squared. It is inflation in an environment where there is a recession.

855 That will very quickly eat away at people's ability to pay for ordinary things of life. I think that we should not necessarily have to make this decision in the round with the Tax Review, although lots of things have been said about the fact that the Tax Review, GST might not be necessary, people are saving more and various other things, this is pre-baked. The cost of this is pre-baked into the Tax Review already. So, if you are voting for secondary pensions you have to do that and I think it is a sensible thing for us to provide for. You have to accept that the loss in tax revenue, which will arise from it, will need, necessarily, some kind of increase in taxation in order to cover it, whatever that taxation may be when we come to it.

860 But I think this is the –

Deputy Kazantseva-Miller: Point of correction.

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

Deputy Kazantseva-Miller: The Tax Review assumes that 85% of deficit assumes that secondary pensions are going to be approved. So this is completely incorrect to say that approving this policy will have a different implication. It is the other way around.

870 **The Bailiff:** That is not a valid point of correction because, as I heard Deputy Helyar, he was saying exactly what the point of correction was, but maybe using slightly different words. So, Deputy Helyar to continue, please.

875 **Deputy Helyar:** Yes, just to say it in a different way, perhaps, so perhaps it is understood this time, the cost of secondary pensions in terms of loss of tax revenue does form part of the deficit calculation, which is what I said.

880 There is no harm in a delay. Six months will not change the outcome. I am very certain that this will be supported when it comes down to it. But I think the point, which Deputy Meerveld was trying to make, is that we must acknowledge that, where tax rises are necessary, they are necessary because we are making difficult decisions like this.

885 Things are changing all the time. The day before yesterday, the OECD announced that its provisions on pillar one and two, which are also part of the assumptions in the Tax Review for £10 million of corporate tax, have been put back a year. So that is another headwind that we are going to be facing into because we cannot do that unilaterally. That would be disastrous for our economy to try to do something like that unilaterally. So that is potentially another £10 million that we were hoping for in that deficit, which would put us up to £95 million that we need to find.

So there are some real issues that we need to debate in the round in terms of what the costs of these particular things are and I think Members should draw breath, have the opportunity to think

890 about it for a little bit longer. I would be more likely to support a proposal that said secondary pensions are compulsory. I would be more likely to support that.

I met with the Guernsey Association of Pension Providers more than a year ago and their message to me was, 'When are you going to get on with this because most people are already going to be signed up to these provisions in the private sector before the States start this scheme?'

895 I would not have created a scheme that looked like this if we were starting with a blank sheet of paper. I would have said we are going to bring in legislation, which would require all employers to provide secondary pensions for their employees and let the private sector sort it out. We would not be having this debate now, it would have already been done.

900 I see no harm in trying to put ourselves in the best possible position for our economy for the next nine months, six months, because the decisions we may need to make in the interim may be very difficult. We do not know, for example, how our investments will grow over that period. There are many, many factors in terms of things that we cannot control in the macro environment, including the war in Ukraine, which will have an impact on not only our economic fortunes but also other decisions that we need to make in terms of tax and I see no harm in a short delay in order to really think about what we are doing from a tax perspective.

905 Thank you, sir. I would ask you to support the sursis.

The Bailiff: Deputy Vermeulen.

Deputy Vermeulen: Thank you, sir.

910 I looked at this sursis last night and I gave it a smart review. SMART, as you know, is the technical term for Specific, Manageable, Achievable, Relevant and Timely. It has got five green lights. It is timely, you know. The economy in Guernsey is struggling right now. There is not a person in Guernsey that has not felt the increases in their shopping basket, that has not felt it at the petrol pump.

915 My ear, sir, is very firmly to the ground. I speak a lot with small businesses and large businesses too and they are talking right now that if they do not see any growth, anything positive from the States that they will not be investing on Island. Now that will bring on exactly what Deputy Trott was talking about earlier: stagflation.

920 We do not want to get into that situation on Guernsey, where you actually have stagflation. Deputy Ferbrache suggested we look at things in the round, and that is a step change and it is a welcome step change. It is a good idea because at the moment small businesses are hearing 8% GST, possibly – the retail sector were fuming – 9% increases in electric. We have got kitchens that run, commercial kitchens on gas, their gas bill has gone up 15%. They are just seeing a wall of increases.

925 So I think the idea of the sursis, going forward, is a good idea, especially if they are saying they are less inclined to reinvest. Now, I have spoken to other business people in different spheres, their take on a secondary pension is it is another cost for us that will just be passed onto the consumer. There are many businesses in Guernsey that already provide their staff with a secondary pension so if I were to consider going to work for a company, if there was one that said they were caring about their staff and they had a voluntary scheme in place, that would probably encourage me to work with them and it would probably improve their retention too. But does it have to be socially engineered? Does it have to be Big Brother leaning on you? I am not so sure.

930 So that is the pulse test, if you like, on our economy at the moment. You are in crisis. There is a jobs crisis. There is a housing crisis and there is a cost of living crisis happening right now. I have not got any rose-tinted spectacles to put on but obviously some other people have. They are saying it is not going to happen, it might happen. So I would wholeheartedly ask my other Members to support that and I think, in closing, I asked the CGI, the former chairman, the view of the CGI on secondary pensions and he said very clearly, 'It is a nice idea but it is the wrong time.' So I will be supporting the sursis, sir.

940

The Bailiff: Deputy de Lisle.

945 **Deputy de Lisle:** Sir, I just want to make the point that delaying secondary pensions saves money all round. It saves money, not only to people but also to the States. Because employers are being asked to place 10% of their income in the savings scheme, which is 6.5% of their gross earnings and asking also for 3.5% –

Deputy Soulsby: Point of correction, sir.

950 **The Bailiff:** Point of correction, Deputy Soulsby

Deputy de Lisle – 3.5% of gross earnings from the employer.

955 **The Bailiff:** Deputy de Lisle.

Deputy de Lisle: Yes.

The Bailiff: I have called a point of correction for Deputy Soulsby. Please can you sit down?

960 **Deputy Soulsby:** I might be wrong and the Vice-President of ESS might be able to confirm or not, but I do not think people are being asked to take 10% of their salary and put that into the pension scheme.

965 **The Bailiff:** Yes, I think if one looks at the policy letter, Deputy de Lisle, I am not sure I saw anything to do with that. But please do continue you with your speech on the sursis.

970 **Deputy de Lisle:** Over time, sir, the individual is being asked to contribute £68,872 over their career. Will these people live to retirement age of 70 to reap the benefits? I think people have to think very carefully before they actually indulge in this secondary pension scheme. Any delay, of course, saves Government revenue of around £10 million in the short to medium-term. That is something else that we have got to consider very carefully at the current time.

975 And while it has been mentioned, £8 million-plus Income Support also will probably take another million, so it is more like £9.8 million. So £10 million in terms of the annual reduction in Government revenue. And secondary pension contributions will reduce a household's income and result in some additional households becoming eligible for Income Support and that is calculated at about another £1 million.

980 So I think we have to think very carefully before we push, as a Government, unless of course Government is thinking of the revenue that they will receive as a result of taxing these pensions further down the line. So I support the sursis in that it is giving everybody a break to think more carefully about what is being proposed.

Thank you, sir.

The Bailiff: Deputy Moakes.

985 **Deputy Moakes:** Thank you, sir.

990 Sometimes, listening to this debate it sounds almost like you are either for this or you are against this and I mean the policy letter. Listening to everybody talking, though, I think everybody is for it. The only difference of opinion appears to be timing. So this is not a for-or-against, this is a timing issue and I think that is a good thing because everybody seems to be on the same page – not so in the terms of timing.

I also am in favour of the introduction of secondary pensions. As I say, I do not think anybody that I have heard so far speak is opposed to the idea. However, I have listened to both sides of the

995 argument, there have been great speeches from a number of different individuals but we are living in very uncertain times. Globally we have the fallout from the coronavirus pandemic. There is notably a lack of raw materials and also supply chain issues.

We also have the war in Ukraine, which apart from the human cost, which is tragic, has led to a huge rise in the cost of food, energy and fertiliser, amongst other things. We are not immune to what is happening in other parts of the world. Yesterday, the head of the World Bank, probably one of the most informed people on the planet, warned that Russia's invasion of Ukraine could cause a global recession.

He said:

As we look at the global GDP, it is hard right now to see how we can afford a recession.

1005 We need to do everything that we can do to help business on this Island across all sectors. If we look closer to home, we have the ongoing impact of Brexit. But we also have a housing crisis. The housing crisis has resulted in the lack of housing for local people and it is inhibiting our ability to fill hundreds and hundreds of open positions across every sector of our economy.

1010 As a Member of the Committee for Economic Development, I hear on an almost daily basis how the lack of housing is affecting recruitment. This is completely unsustainable. We have not only a housing crisis but a jobs crisis too and these are both issues that we should be focussing on right now. Let us not forget about inflation, which is currently 6%-7%, and growing. Or the possibility of an 8% GST further down the line.

1015 Faced with so much uncertainty, I do not see that delaying – not cancelling but delaying – this decision for a relatively short period of time, is kicking the can down the road. It is not. It is a sensible approach, give the global and local political and economic uncertainties that we face at this point in time.

As was suggested yesterday, we should not be looking at important policies – and I reiterate that – important policies like this in isolation. We should be looking at them in the wider context or we run the risk of unintended consequences.

Thank you.

1020

The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, sir.

1025 Monkey pox. That is the only thing that has changed in the last 58 days. Monkey pox is the only thing that was unknown. The invasion of Ukraine, rapidly rising inflation, the falling stock market. They were all known at that time. Why 58 days? Because of course that is the period since 29th March, when the P&R Committee, our leadership, our senior Committee, as Deputy Murray has said, when P&R unanimously advised us, and I am going to quote again because Deputy Ferbrache quoted it yesterday:

1030

Members continue to support the introduction of secondary pensions, which was prioritised as part of the Government Work Plan, within the long-term sustainability of Government finances' area of focus. It is considered to be a responsible and sustainable initiative that gives today's working population the opportunity and assistance to prepare for a more financially secure retirement.

Neither Deputy Helyar, nor Deputy Ferbrache, have yet provided sufficient explanation as to what has changed since they signed that quote off unanimously. So it must be monkey pox.

1035 It is only 51 days since 5th April when the Policy & Finance Committee of the States of Alderney also unanimously supported the policy letter. Deputy Brouard spoke about his letter to Deputy Trott, then Treasury & Resources Minister, in 2015. Since then, we have had the global financial crisis and we have had a subsequent global recession, we have had Zero-10, we have had Brexit, we have had a pandemic. None of which were forecast or predicted.

1040 Just imagine how much better our community would have been had Deputy Brouard's call for
action this day, in 2005, been acted upon. They would have had 17 years of contributions under
their belt and the benefits of a 10-year bull run in markets. So let's not have our successors in 2039
look back to say, 'If only our predecessors in 2022 had made a decision when they had the
opportunity.'

1045 As the States' Treasurer has advised Members by email today, of our 5,700 one- and two-
pensioner household, approximately 630 – 11% – claim Income Support and many more could make
small claims but do not. As a rough estimate, if one member of the household had been able to
save an average of £100 a month between themselves and their employer, through their working
life, more than half would not require Income Support today. Based on the current claim. The
Income Support saving made if one member of each householder saved, with their employer, £100
1050 a month, would be £150,000 to £200,000 a year.

This sursis is ultimate short termism. Six months' delay. Pensions can have a life of between 40,
maybe 60 or even 70 years, if an individual starts contributing when they are 18 and lives until they
are 88. The ultimate long-term commitment. As Deputy Soulsby has said, this is a very short-term,
tactical decision, the States is faced with, with this sursis.

1055 Deputy Queripel has described it as a wrecking sursis and we have been here before, with a
pause and review requête, when we had the pause without the review that many were reasonably
expecting. And for the reasons that Deputy Queripel and indeed Deputy de Sausmarez have set out
this will prove to be a longer delay than six months, particularly if the Sovereign Group do walk
away, as Deputy Bury has indicated, they are likely to do.

1060 Contrary to Deputy Dyke's inaccurate assertion there are not a plethora of service providers.
I will give way.

Deputy Roffey: There has been a lot of talk about whether the Sovereign Group would walk
away or not and I think it would be helpful for me to explain exactly where they are coming from in
1065 order to inform the debate. Sovereign have said that any delay will delay the implementation date.
They have also said that they would probably stand by their fee offer for a period of 12 months but
only if there was certainty that the scheme will be introduced within the next 12 months. Now, the
way I am seeing it is that if the sursis is passed today that certainty will not exist so that is the
situation.

1070 **Deputy St Pier:** Thank you for that.
I will give way again, to Deputy de Sausmarez.

Deputy de Sausmarez: I am grateful to Deputy St Pier for giving way. I completely, obviously,
1075 endorse the accuracy of Deputy Roffey's comments but think it is important to caveat that
information with the fact that, because there has not been sufficient time to consult, that is simply
one individual's impression of the situation within Sovereign, without them having had time to fully
consult the rest of the Board.

1080 **Deputy St Pier:** Thank you.

I am not going to give way again. I wish to press on and make the point that if – I said *if* – they
do walk away, then there is not a plethora of service providers who are ready, willing, and able to
undertake the administration of a plan of this size and that has been proved through the
procurement process twice.

1085 **Deputy Dyke:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Dyke.

1090 **Deputy Dyke:** We do have administrators on the Island who would be capable of doing this, it is not a particularly difficult area to do. To say we have only got one option is just completely wrong.

The Bailiff: That is not a valid point of correction, Deputy Dyke, in my view, on the basis that what Deputy St Pier was saying was his view on what has already been said about the number of service providers that are out there. So he is not misleading the States. He is not making an inaccurate comment. Therefore, when Members consider points of correction, you can have valid disagreements of interpretation of materials.

1095 It is not misleading, it is not inaccurate. It has got to be factually wrong or it has got to be something that is misleading to be a valid point of correction. That is something I would simply encourage Members before they leap to their feet to try and express a different view, to respect.

1100 Deputy St Pier to continue, please.

Deputy St Pier: Thank you very much, sir.

1105 Indeed, whilst we may have many service providers we do not, as I have said, have many that are ready, willing and able, and that has been proven through the procurement process, which has now been run on two occasions.

Sir, if anyone believes that if this sursis succeeds there will only be a delay of six months then they are either very naïve or living in cloud cuckoo land. They do not have their feet grounded in reality.

1110 Now, Deputy Murray has said that he is frustrated that we are working in total isolation. But this piece of work sits within the Government Work Plan. It sits within the holistic, long-term sustainability of Government finances area of work that the Policy & Resources letter of comment refers to and, as the States' Treasurer has said, in her email today, the £85 million deficit has assumed, as Deputy Helyar has told us, that secondary pensions will be implemented and it will have an impact on income and expenditure. But in the short-term, whilst the deficit will worsen, as we lose Income Tax on pension contributions in the earlier years, which is Deputy de Lisle's point, this will balance out in the long-term because of course the pensions will be taxed when they are paid out.

1120 And the scheme will take decades to come into full effect but broadly, within 20 years, we can expect access to pensions to remove up to 200 households from the need to claim Income Support and to have reduced dependence on Income Support for many more. In 40 years, that could increase to 300 households. At this point, the increased pensioner income will have substantially replaced the income lost through the additional tax relief provided on pensions. That, sir, is long-term, holistic planning, that Deputy Murray was calling for.

1125 Also, this piece of work emerged as an action out of the last holistic tax review in 2015. Deputy Murray may want a whole lot more work done in the next six months but if he wanted that, he needed to have brought a *sursis motivé* to direct it and he also needs to recognise that that work is not envisaged and provided for within the Government Work Plan.

1130 Sir, we live in an age of three-word, hollow slogans. No new taxes. Just do it. Every little helps. Get Brexit done. Build back better. And, most famous of all, action this day. This States bought into that agenda on its first day. It was always going to be a slogan that hopelessly mismanaged expectations and so it has proved.

1135 The Assembly deferred a decision on the harbours. P&R has been unable to bring any tax proposals to this Assembly in accordance with its own shifting timetable and now this. This Assembly has learned that inaction this day or action next term are far less controversial and far more attractive than action this day.

1140 As Deputy de Sausmarez has said, Deputy Meerveld is normally among the first on his feet to criticise those who bring secondary propositions, such as sursis and amendments, on the hoof without proper notice and without consulting the respective Committee. So when he sums up I would be grateful if Deputy Meerveld could explain why he has moved the sursis without proper

notice and without consulting the Committee *for* Employment & Social Security. I guess it could perhaps be monkey pox, which has shortened the timeframe that would otherwise be available.

1145 Deputy Murray said that there is no leadership here and he is right. If this States approve this sursis it will be a pathetic abdication of its responsibility to long-term planning for the community and it will be a pathetic abdication of its responsibility to the 60% of the working age population who have no pension provision beyond the state pension. It will be a pathetic decision for this Assembly, which is clearly committed to action next term.

Thank you, sir.

1150 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, when I spoke yesterday I was rather hoping that debate would develop in the way that it has because I wanted us to start talking about the extraordinary economic conditions that currently exist and how there is a very strong probability that those conditions will worsen. But 1155 I want to start by saying that do not, please, perceive anything I am saying as talking down our jurisdiction, because there is no doubt that we are in a stronger position than most.

Some of that is as a consequence of decisions that would have been made over the last few years and because of the make-up of our economy, which I shall come to in a moment. An example 1160 of that is we have a major industry in financial services, where almost all employees will already participate in an employer-sponsored direct contribution pension scheme and that is very good news. We also know, of course, that our public sector workers enjoy a scheme through our patronage.

Now, sir, I need to declare that I am now going into my 15th year as a director of one of the Island's largest pension administrators. In fact, it may even be the largest, but it is certainly right up 1165 there. And I agree with the comments that have been made by others about the genuine lack of interest in being involved in administering this particular scheme on our behalf and part of the reason is the relatively low margins.

There is not a great deal of likelihood that the preferred provider will make a fortune out of this. I am sure they will make a profit, of course, but I do not think they will get rich quick. Also, of course, 1170 if you are doing a scheme of this nature, it is time consuming and there is no question that other opportunities will be missed as a consequence of the shortage of labour that we have and the concentration in providing this particular scheme.

So I think those arguments are well made and I think we do have a genuine risk that this provider will run out of patience, although I thought Deputy Roffey's comments earlier were reassuring that 1175 we have got a little bit of time. And that is one of the reasons I hold Deputy Roffey and his colleagues on ESS in such high regard, is that they will not debate a matter like this at all costs. They will be the fair in the information that they give us.

I also think the same is true of the remarks that we have heard from Policy & Resources Committee Members and Deputy Helyar touched upon his very recent experience with a large 1180 number of independent advisers, who talked about his very real fear about stagflation. Now I want to talk about the investment fund performance because I think it is absolutely relative to the big picture.

We are talking about a relatively small figure and aggregate, whereas the consequences of a diminishing investment fund performance is enormous. Currently, we instruct our investment 1185 advisers, generally speaking, to out-perform inflation by about 4% our out-perform consumer prices, the rate at which consumer prices are rising, by 4%. It is virtually impossible to do that in this climate because we have got – and it is a global issue – I mean inflation is even higher in the United States. Why do I mention the United States now? I mention it now because if the United States sneezes, the rest of the world still catches a cold and there are very real fears about the robustness 1190 of the US economy.

But inflation in the US is higher, inflation in the Sterling zone we know – since, incidentally and I look directly through you, sir, to my good friend, Deputy St Pier – what we did not know on 29th

1195 March was that a few days later the Governor of the Bank of England was going to tell a UK Treasury select committee, 'I believe, we believe ...' that inflation in the second half of this year, within the UK Sterling zone, will be more than 10%. This really is an extraordinary figure. We did not know that.

1200 Why is it relative? Why is it important? It is important because of the economic performance of our investment funds. The chances of us meeting that target of CPI plus 4% during the calendar year 2022, in my opinion, is virtually zero. Which means that the value of those funds will under-perform and we are talking about billions and that under-performance will have a very material effect on other aspects of long-term forecasting.

1205 Fortunately, sir, one of the really good bits of news is that, due to the foresight of Deputy St Pier and others, we now have some debt on our balance sheet. So, if we are experiencing inflation of 8%, 9% or 10%, in real terms, the value of that debt is eroding and it is helping offset some of the effects on the asset side of the balance sheet. Our investment funds are under-performing but at least it is not a one-way bet just on the asset side. We have got these liabilities and these liabilities are reducing and that is a positive.

1210 But of course we have very little debt relative to our GDP, whereas in the United Kingdom and the United States, they have a vast amount of debt. So, for a UK policy maker, a sustained period of long inflation makes a great deal of sense and that comes back to the point that Deputy Helyar made before about how little autonomy we have over our monetary policy. We do not set our interest rates and that is really quite important. I will come back to that in a moment.

1215 Now, no one in this room would dispute that we have a cost of living crisis and we have a cost of living crisis that is arguably as acute as elsewhere. Because wages are rising slower than prices and, in fact, if we tried to keep up with those prices, well, we would be giving our public sector workers pay rises of 8%, 9% or 10%. That, albeit an issue for another day, has very real consequences, which is why the Governor of the Bank of England has urged restraint.

1220 Of course, the more restraint there is, the faster people's living standards fall as the difference between the buying power of their salaries yesterday compared to the buying power of their salaries tomorrow widens.

1225 Now, I am strongly in favour of evidence-based decisions. We all are. Do I think, in a few months' time, the picture will be clearer, in terms of the aggregate impacts on our economy. The answer to that question is that I do. I am also going to say something now that some people may find surprising, but saving is not always a good thing. There are economic conditions where saving is a bad thing. We saw that in the Japanese economy where, for 30 years, they went out of their way to stimulate demand, because people were saving.

1230 We have this really odd conundrum at the moment where prices are rising very fast so if you buy something today, does that make more sense to buy it today or buy it in a year's time, when the price will be 10% higher. Well, it depends on your other personal circumstances of course. But what you absolutely do not want in an economic condition where GDP is falling is for people not to be spending what they can afford to spend because you need to stimulate demand. Eating in restaurants, buying clothes.

1235 I told some colleagues yesterday that one of the really surprising things I learned just a couple of days ago watching Bloomberg Television is that the inventories within those that provide clothes are at one of the highest levels in recent years, which means that the chances of very heavy discounts in the clothing market, those that provide clothes, is very high, and that means that people may hold off spending, further contributing to a downturn in GDP within the retail sector.

So there is an environment, sir, when encouraging people to spend is a better economic response than encouraging people to save. Now that is a proven and tested policy reaction.

1240 Now the aggregate effects of everything we do are absolutely pertinent and I completely accept the arguments of Deputy Blin and others, who say, 'Look, I am prepared to make this decision now and I will factor that in and I understand as a consequence of that that other decisions I make in the future will change.' I completely understand that.

1245 But I think it is equally pertinent, equally fair, equally reasonable, to want to make that decision in the round. Deputy Soulsby did a good job of defending her view but I suspect she would probably agree with me that generally speaking the more information you have, the more evidence you have, the more collective the evidence is, the better the decision-making is likely to be.

1250 Now, sir, where we have an issue that is far more worrying than other places – I have already said I think we are in a stronger position – is of course around house prices, because we have got a situation that is virtually incomparable in the western world where average house prices are now more than 15 times median earnings.

1255 Of course, nearly all of those acquisitions will have some debt associated with them or possibly a great deal of debt and interest rates are ludicrously low, relative to the rate at which prices are rising within the economy. The base rate is – what is it today, 1.5% or whatever, 1%? – and UK inflation is forecast to be at 10%. At no time in our history has the gap between rising prices and UK base rates been as wide. It is absurd.

1260 So the chances are that they have no choice but to raise those rates and raise them quickly. The bigger the mortgage, the greater the impact on your disposable income as those interest rates filter through. So it is a phenomena that is going to impact on us here to a far greater extent than elsewhere. Because if we had autonomy over our monetary policy there is no way our interest rates would be 7% or 8% different to the rate of inflation our economy is experiencing. No way.

1265 So, there is no doubt that really this debate, I think it has been of huge value, because I think it really does help set the tone for the complexity of the decisions that we face. Now, do we have to make this decision today on secondary pensions? The answer is, no, we do not. I do not think there are many people who believe that we absolutely must make it today.

1270 Do we have to make it in six months' time? Well I think the answer is, you know, yes we do. But we will be in a slightly better position by then. We may not have the complete picture over quite what the tax environment looks like. Or we may be in a position where we absolutely cannot introduce GST because if inflation is running at 15% – and it is possible it could be by then – the last thing you want to do is be considering introducing a tax that will have an impact on inflation of almost the amount you introduce it at. I think if it is introduced at 5% the immediate impact is 4%. You would not do that. That would be an absurd economic reaction.

1275 So we have got to hope that the economy looks more normal by then and this is really where we enter this period of uncertainty, where most economic commentators now are saying the ability to predict the economic future is more opaque now than at any other time in recent history. So that is certainly a factor.

1280 So what I intend to do is, I think the ESS Committee have done an excellent job in talking about the timings of these things, but I do not think this economic scenario that we are in at the moment and likely to face in the future is going to change materially, certainly not positively. I think it is going to get worse and I think we may be stuck with this for some time. So I think it is prudent to wait a little bit longer before making this decision.

1285 However, if the sursis is lost, I intend to vote for all of the Propositions. I see the Chief Minister is nodding. He told me earlier he was of a similar view and it is the sensible way to proceed. But I think we do need to buy ourselves a little bit of time. Starting saving right now, as I say, or indeed in two years' time, may not be what we want. We may actually want to discourage saving at that time. It is a possibility and one that we need to consider.

1290 So I will support the sursis and I very much hope, sir, that some of the conditions I have been talking about and others far more qualified to talk about than me have been espousing, are not accurate and that we see inflation coming down and we see GDP growth forecasts recovering. But my job is to hope for the best but my job is also to plan for the worst and I think that is really where I rest today in wanting to buy myself a little bit of breathing space and that is why I shall support the sursis.

Thank you, sir.

1295 **The Bailiff:** Deputy Mahoney.

Deputy Mahoney: Thank you, sir.

1300 I will be very brief. I am glad that, hearing the comments earlier, from various Members, where I think I am going to quote correctly, that we would probably lose Sovereign and that Sovereign are likely to walk away – I think I have quoted those correctly, I wrote them down as quick as I could – I am glad that Deputy Roffey stepped in to clarify that because I had emailed the managing director of Sovereign, so I assume he has copied the response to me to the Members of ESS and so I now do not need to correct that.

1305 But it is useful to be corrected because, although being generous and saying they were opinions, they were clearly misleading in their nature in terms of whether Sovereign were in fact going to walk away or not. It is clear, I will not repeat it, it has been read out by Deputy Roffey and then clarified by Deputy de Sausmarez that they were the managing director's views and not the views of the group because they had not had time to do that since they were contacted late last night – late yesterday, I beg your pardon, reading from the email – to actually get their views on it.

1310 So I just wanted to state the clarification so that the Assembly at least now knows that there is not a risk subject to the issues that Deputy Roffey had mentioned that they would in fact walk away.

The Bailiff: As no one else is rising, I am going to turn to the President of the Committee, Deputy Roffey, to speak to the sursis before turning back to the proposer, Deputy Meerveld.

1315 **Deputy Roffey:** I can tell Deputy Meerveld he has got a little wait to come before he actually gets to his feet.

1320 I will preface my remarks by saying I do not think I am ever going to again listen with rapt attention to those slightly condescending speeches from the President of the States' Assembly and Constitution Committee about how appalling it is when people bring last-minute amendments or sursis or how on earth can they not engage with the sponsoring Committee first because that is the worst form of Government.

1325 Because this is not the first time that he has shown actually those rules are for other people and not for himself. Oh, actually thinking about it, I am not sure I ever did listen with rapt attention but I certainly will not do it in future.

1330 Sir, I am going to start off by posing eight questions and they are partly rhetorical and I will have a go at answering them myself but of course I am also going to be interested in Deputy Meerveld's answers, too. Those eight questions are: (1) where is the pressure for delay coming from; (2) what will the delay achieve; (3) how does the decision really relate to the Tax Strategy; (4) will Guernsey definitely need a scheme like this some time soon; (5) are we likely to get a better bid or even one that is half as good – and I will return to the question of Sovereign, the certainty and uncertainty over them staying in the ring as I go through my speech; (6) what does this debate say about the nature of this Assembly and its leadership; (7) what on earth is the point of the Government Work Plan; and (8), as others have questioned, what ever happened to that mantra of action this day?

1335 So, sir, starting with the question about where the pressure for delay is coming from, it certainly is not from the public. There has been very little public opposition to this policy letter, which, do not forget, does not seek to approve a new idea but simply seeks a modest variation to a scheme already approved by the States.

1340 Now, it is noticeable, isn't it, we all know, sir, that if the States tries to do anything of consequence these days, it tends to generate public opposition somewhere? There is a backlash either in traditional media or social media or both. Where in this instance, hardly a dickie bird. Not surprising really as all this scheme does is offer Islanders an entirely voluntary and very tax efficient way of saving for a comfortable retirement Why on earth would anybody object? No reason at all, which is probably why they have not.

1345 But of course members of the public are not the only stakeholder here. There are also employers and then there is the Exchequer. One other thing I have noticed about local politics over recent years is, by gum, those organisations representing employers in Guernsey, they are never slow in coming forward and letting the States know their views in no uncertain terms. Those organisations

representing employers, they are great lobbyists. But have they lobbied against these proposals? No they have not.

1350 They did ask for a delay of implementation, which ESS has fully accommodated. But otherwise quite far from lobbying against it, they have given every indication of being fully behind what they rightly see as a wholly necessary scheme. No, I do not intend to give way.

1355 So maybe it is that other stakeholder, those responsible for the Exchequer that have been objecting. After all, no one is denying, certainly not ESS, that the scheme will cause a medium-term dent in States' revenues, so perhaps the guardians of those revenues have been lobbying Members against these proposals? Well, no they have not. Not a bit of it.

1360 In fact, until yesterday they have given every impression of being fulsomely behind the scheme. We even have a Member of P&R – Deputy Mahoney – sitting on the Secondary Pensions Project Board and at no time at all has he given even the least hint that he thinks this might be the wrong time to bring in secondary pensions.

And then there is the much quoted letter of comment from P&R and I am going to read it again. I know it has been read before. Why am I going to read it again? Because I can hardly believe the astonishing *volte face* that I am seeing from some, in fact I think the majority, of Members of P&R. I will read the middle two paragraphs, because that is where the meat is.

1365

Members noted that the introduction of secondary pensions will result in an immediate and significant negative impact on the States' financial position, due to the income foregone tax relief on contributions and the additional expenditure, largely Income Support. That impact is projected to peak at £9.4 million in year eight, following which it will reduce as pensions are taxable when drawn down and the increase in retirement income reduces later life dependency on Income Support. The impact has been taken into account in the projections including the Funding and Investment Plan and the Tax Strategy Review,

So the impact, they were fully aware of. Absolutely aware of. And they went on to say:

Members continue to support the introduction of secondary pensions, which was prioritised, as part of the Government Work Plan, within the long-term sustainability of Government finances' area of focus. It is considered to be a sustainable initiative that gives today's working population the opportunity and assistance to prepare for a more financially secure retirement.

1370 Hardly could we have hoped for a more fulsome and strong letter of support because P&R could see the prudence. When was that written? March 29th. So it was not before the Ukraine War or before inflation started spiking, or before Brexit, or before the pandemic. It was just a few weeks ago.

1375 So in the run-up to this debate there has really been no real pressure for delay externally. So where has the call for the delay been generated from? Inside this Chamber? It is us that has generated the pressure on ourselves to delay. Nobody else is asking for it. So that makes me ask myself what is the cause? Are some Members simply frit of a big decision, as Mrs Thatcher once famously said? Or is it ideological?

1380 But I do not really see how it can be the latter and to explain that I really need to move onto my other rhetorical questions. Firstly, what would this delay achieve? That is the opposite of the coin of actually what will secondary pensions achieve? Members, we have a huge, ticking welfare time bomb. And the longer we leave it before trying to defuse it, the bigger the eventual explosion will be.

1385 Already we have left it too long. Far too long. Already we are way behind most of the western world, despite Deputy Brouard's noble efforts many years ago. To hesitate further would not only be social madness it would be financial madness. It is like watching a precious garment unravel and knowing, logically, that a stitch in time will save nine, but muttering darkly to ourselves that this is really a very bad time to be threading a needle. We might think about it in six months' time, more likely a year or two years because, oh, the circumstances for threading, just they are not right at the moment.

1390 Thousands, in fact tens of thousands of Islanders, are marching towards retirement with no provision for their old age other than their state pension. That is going to put an enormous burden on those who will be forced to support them and they will be forced to support them, largely through Income Support.

1395 So if Members think our own Tax Strategy is going to be demanding in a few months' time, please give a thought, please give some consideration for the tax conundrum that our successors, our children and grandchildren and our successors in this Assembly would have to face in 30 years' time.

1400 Because the amount they are going to have to raise will absolutely dwarf the £85 million that were being talked about. Why? Well, one large contributory factor will be the welfare time bomb, which we have been too timid to deal with, preferring to let it grow and grow until we tip it into our children's laps. Myopic at best and, at worst, bordering on cowardly.

That takes me onto the alleged inter-relationship between this decision and the big tax debate, which we are supposed to be having in a few months' time. And I hope we have it in December. I am not absolutely sure we will but I hope we will. Even then it will be after, of course, we read about these proposals on secondary pensions.

1405 How are they connected? Hardly at all. So do not listen to all this hokum about having to get decisions in the right order. (A Member: Hear, hear.) Absolutely nothing we decide to do on taxation, whether it is to increase GST, reform corporate taxation, increase Income Tax, whatever, no outcome, including the seemingly likely one of actually buckling the whole issue and putting it in the too difficult tray, no outcome whatsoever will reduce the overriding need to bring in a secondary pension scheme in order to avoid an epidemic of pensioner poverty decades down the line and an explosion of welfare spending, which our children will have to pay for.

1410 To be truthful, sir, there is really only one connection between this debate and the tax debate. That is simply that the medium-term loss of income, which this scheme will engender and nobody is hiding that, peaking a little bit under £10 million a year, has been factored in, as Deputy Helyar has said, into the projections of the black hole that needs to be filled.

1415 So if we reject secondary pensions somewhere down the line, decide we do not want to do it at all, then we may reduce to little more than £75 million a year the funding gap for the next 20 years. That is good news, isn't it? But at what cost. For that modest saving in the short to medium-term, we will be cursing future generations to fill a funding shortfall many times that size. Short term-ism of the worst possible sort. No foresight, no strategic thinking, appalling politics. The opposite of statesmanship.

1420 Moving onto question five, if we delay this decision by six months, or a year, or two years, or however long it takes to get clarity, not only on our future taxation but on the world situation and all its variables, can we not just flick this switch back on again? Well, the first thing to say on that is I think if you vote for this wretched sursis today, the delay will be much longer than six months. Of course it will.

1425 Why do I say that? Well I agree with others who have said the chances of getting clarity over taxation this year are slim. For a start it is going to take courage and, if we are about to flunk this decision today, how on earth can we realistically be hopeful that we will tackle, clearly and decisively, the much bigger issue of taxation in a few months' time.

1430 Sadly, I think once the dust finally settles and we are able to look again at secondary pensions, we are very unlikely to strike a deal anywhere near as favourable as the one on the table today. And I am going to go back to this question of Sovereign. Yes, it is only the local lead's point of view but quite unlike Deputy Mahoney, I take no comfort in the position they are setting out.

1435 Not only are they saying that a delay will mean a delay of implementation because they feel that systems that businesses have for dealing with payroll need a long time to prepare to roll in, but they are saying they will only hold the offer for a year but only then if there is certainty that this is going to happen within the year. If we walk around, having passed the sursis, they will not have that certainty. So there is every likelihood that we will lose a provider that has come through with an incredibly sharp proposal.

1440

1445 But we are still going to need a deal of some sort. I mean, I think everybody in this Assembly, virtually, has accepted that this sort of scheme is absolutely crucial to the future. Without it, the working age population simply will not be able to cope. The shrinking working age population will not be able to cope with a tax burden that will fall on them to support elderly people that have not made any provision for themselves.

So I have no doubt at all that eventually, having shilly-shallied for years, Guernsey will be forced to bring in a scheme like this but I am afraid it is likely, highly likely to be one where the fees levied on members are far more onerous.

1450 We heard Deputy Helyar say he would bring in a Law where there was no sort of default scheme, it would just say everybody has to have a secondary pension, everybody has to offer an occupational pension, and leave it for the market to sort out. That would put a far bigger burden on employers because there are not the schemes out there that are so simple, so cost-effective, so cheap to operate as this, they will be forced to engage in something that will cost them a great deal more.

1455 My sixth question, the sixth question, was what would passing this sursis say about the nature of this Assembly and its leadership. Now I find that a tricky question even when it is posed rhetorically by myself to myself! (*Laughter*) Because either the decision that some others have said would suggest a lack of backbone or maybe an excess of ideology but if it is the latter, if it is an excess of ideology, then I have read this Assembly all wrong. Because the States would only reject this proposal on the basis of ideology if this Assembly is stock full of lefties. I hesitate to say far lefties in case I get in trouble with the Code of Conduct Panel! (*Laughter*)

1460 Why do I say that? Because surely only someone very far to the left of the political spectrum would choose to turn their backs on a scheme to encourage citizens to practise self-reliance and save through their old age in favour of a policy, which they know would inevitably lead to an explosion of tax-funded welfare spending. Such an approach is far too left wing for my taste.

1465 I do want to see self-reliance and I know very well that the time to introduce it is not somewhere down the road. It is not somewhere over the rainbow. In fact, it should have been done a long time ago.

1470 I am nearly at the end, sir. But two more questions and a couple of final thoughts. Question seven, what the heck is the point of the GWP? What the heck is the point in the debate we are going to hold shortly? Because do not forget that bringing in secondary pensions is an absolute top priority under the Plan. Not the P&R Plan, our Plan. That is what we were told. This is the Assembly's Plan, so the Assembly debated it and decided to make secondary pensions an absolute top priority. That top priority was warmly endorsed by the P&R letter that we were so pleased to receive just a few weeks ago. And now we are thinking of delaying it? "Curiouser and curiouser," said Alice.'

1475 Finally, whatever did happen to that famous mantra of action today? It sounds great and I was hoping it was going to become a reality and I thought maybe, in Deputy Ferbrache, we were going to have a man that was going to deliver that. But whenever something really big comes before us, whether it is the future ports or some aspect of taxation, the green paper, or now pensions, we just seem to freeze.

1480 Sadly, I suspect – *strongly* suspect – exactly the same will happen over the Tax Strategy in the autumn. I hope to be proved wrong but I doubt it. Sir, I know, slightly tangential but despite not being on the Committee primarily responsible for the Tax Strategy, I have worked my socks off for it. I have burned through a whole wad of political capital on its behalf.

1485 I did not have to. I did not have to be associated with it at all. Why? Because I know that however unpopular it might make me, something has to be done. I can see the facts. It is called leadership and I had hoped for a soupçon of reciprocal support from P&R over the matter of secondary pensions, which are just as equally necessary as filling the tax deficit. (**A Member:** Hear, hear.)

1490 Maybe I was being naïve. I hope I am not. I hope I can persuade at least some, maybe the President to actually deliver action today, vote against this amendment and do what he has indicated he will do if it – the sursis, sorry – if it is rejected, we should vote for these proposals. Because, and I do not mean to be cynical, I do not like to be connected with any grouping. I try to

associate with whoever I agree with on a particular proposal but at times it feels a little bit less like action this day and a little bit more like faction this day.

1495 That, combined with a serious attack of the collywobbles any time that something politically challenging comes along, is an absolutely toxic mixture when it comes to getting anything done.

So, sir, my final thoughts. Do we really expect the fog to have lifted in six months' time? For all the economic runes to become easy to read? To have become so clear that we can predict, with confidence, not just the lay of the land for the next year or so but for several years when the scheme is starting to impact and for the 50-100 years where it actually will be doing its job and in place?

1500 Of course we cannot. It is pure cant and a patent excuse for delay. If this policy letter is about anything, it is long-term. If we put in a scheme like this, it is going to be there for 60 years. It is going to go through periods of economic sunny uplands. It is going to go through periods where we are on our knees, like we were when the growing industry disappeared. It is there for the long term. But whatever the economic circumstances, they are going to be worse if our employees are
1505 not making provision for their future.

Competitiveness. We talk about short-term competitiveness and employers having to make provision. Think about our community in 40 years' time. Other communities will not have the same tax burden. Because they have brought in schemes like this. Their individuals will have made provisions for their future. They were not having to be supporting them out of the current taxpayers,
1510 the current workforce. We still will be if we keep delaying this and we will be in a bad competitive position.

And if we really think – and this really takes me to Deputy Trott's point – that things are so hard economically at the moment that we cannot really afford for spending power to be reduced, or rather deferred, because it is produced but then comes back, by offering all working Islanders a tax efficient savings scheme for their retirement then at least let us be consistent.
1515

Let us not just deny the option to the mainly modestly paid workers who will benefit from this scheme. Let us also, because we do not want people saving or spending, that is what Deputy Trott thinks may be the best thing in these circumstances, let us withdraw that privilege of those tax breaks from all those high earners within the existing occupational schemes and from all those wealthy Islanders who are saving very tax efficiently for their retirement through RATS. *(Interjection)*
1520 Was that a point of ... ?

The Bailiff: I do not know.
What did you say, Deputy Dyke?

1525 **Deputy Dyke:** Deputy Roffey is going off, completely off the point.

The Bailiff: What are you raising, Deputy Dyke?

1530 **Deputy Dyke:** It is stick to the point, really.

Deputy Roffey: Well, I have nearly finished. I probably would have done if Deputy Dyke had not got up on his point of something! I do not know what the point is but I am sure there was one.

1535 The consistency. If we are saying this is the wrong time and this is about – it is to the point – this is about delaying and one of the points of delaying was this might not be the right time to encourage people to save. That is what Deputy Trott said during this debate on the sursis I am saying let us be consistent. Let us withdraw that from wealthy Islanders saving for their future through RATS. Let us give them the same message.

No, I am going to press on to the end.

1540 **Deputy Trott:** Unfortunately it is a point of correction, sir.

I am going to have to do it a little bit more harshly than I was intending. But point of correction, sir.

The Bailiff: Deputy Trott, point of correction.

1545

Deputy Trott: We have already withdrawn saving incentives for high earners, some time ago. So that has already gone, through the RATS system.

1550 And another point of correction. I painted a picture where economists may recommend that we create an environment where savings are discouraged and spending is encouraged. That could happen in the future. It is a distinct possibility, because it is exactly the scenario that emerged in Japan for 30 years.

The Bailiff: Deputy Roffey to continue, please.

1555

Deputy Roffey: My point is that either encouraging people to save for your future is a good thing or we want to discourage it, for the sake of the current economy, and encourage people to spend, and we should be consistent with that. We should not just say for the people who currently do not have an option, people who are not able to save tax efficiently for their future, who are the people that will benefit from this, 'Sorry, we are not going to bring it in yet, maybe another year or two down the line, maybe never.'

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Because we are still giving that to the people who do have that access and, frankly, it is the goose covering itself with sauce but saying, 'Sorry gander, wrong time for you because really we would rather you spent all your money in the shops in St Peter Port and maybe particularly down the Pollet.'

1565

Now, of course, I do not want to withdraw anything from anybody but if we do not, while giving that message to the 70% of Islanders who do not currently have access to a pension, then what double standards.

Deputy Inder: Sir, point of correction.

1570

This has got nothing to do with the response –

The Bailiff: Deputy Inder, you know, if you raise a point of correction, you wait to be called.

Deputy Inder: Okay, sorry.

1575

The Bailiff: Point of correction, Deputy Inder.

Deputy Inder: I am sorry, sir, this is going way off the sursis.

1580

The Bailiff: That is potentially a point of order, rather than a point of correction.

Deputy Roffey is coming to the end of what he has got to say. I can see it is his last sheet of paper. Let us just let Deputy Roffey finish what he wants to say on behalf of the Committee and then I will turn to Deputy Meerveld.

1585

Deputy Roffey: I could have a lot of freeform stuff that is not written down but I do not, as it happens!

I think it is entirely relevant because one of the points we have been making, that we ought to defer this because it is the wrong time because it will take spending power out of the situation at a time of economic uncertainty.

1590

Sir, what is this sursis? How would I characterise it? Well, sir, at the start of August, I am going to be in Birmingham and I am going to be watching the Commonwealth Games and how I wish that there was a gold medal awarded for the noble sport of can-kicking. Because this Island, Guernsey who proudly have sent a team to the Commonwealth Games would have to look no further than the Members of this Assembly to send somebody that was an absolute nailed on certainty to bring back gold for this Island. If there is one thing we do really well it is can-kicking and that is all this is.

1595

1600 If you really think you are going to be clear in six months, fine. I look forward, if this sursis – I really hope it is not carried, it would be a dreadful message – but I tell you what, if it is carried, my Committee is coming back absolutely fighting in six months' time and if you try and put it off again, then if you think that you will not be perceived as can-kicking then you will be. You are now. Do not do it. Show some resolution, show some backbone. Let us get on with something that we know is good and right for 50 years and the sooner it is started, the better it will be.

1605 **The Bailiff:** I will turn to the proposer of this sursis, Deputy Meerveld, to reply to the debate, please.

Deputy Meerveld: Thank you, sir.

1610 I thank all Members for their input into the debate and I start off by making a couple of apologies to the Assembly. The first is yesterday we were pushing forward admirably with our schedule, so much so that the President of ESS was dashing back into the room to actually open the policy letter on this debate. And I was musing with Deputy Gollop last night, who is unfortunately not here because of COVID, whether or not his absence had anything to do with that. But unfortunately, of course, I do seem to have put the cat amongst the pigeons with this sursis and it has delayed debate or taken us back to a more normal speed of progression, let us say.

1615 The second apology is for the sursis itself and the fact that the description does mention a one-year delay. Now as I mentioned, and to address the issue raised by several people, why was this sursis laid? Why wasn't consultation done with Committees, etc.? As I pointed out in my speech yesterday in general debate, I had considered a sursis. I came to that conclusion last week, when the Bank of England Governor, Mr Bailey, said that he anticipated an apocalyptic increase in food prices and I looked at that and started thinking, okay, we are looking at introducing pensions here, what is the impact on people?

1620 And I drafted a sursis. At that time it had 'one-year delay' in it and, unfortunately yesterday, it was not as well-drafted as I thought it was. It went through several iterations, being bounced backwards and forwards with the Greffier and then the Bailiff had some comments on it as well, so it got changed several times and the old wording of one-year delay was left in there. But in hindsight, I had decided 23rd March was a good enough date to pick.

1625 People are saying, 'Ah, but now the tax debate is going to be in December and it is going to be too early before the tax debate.' Well, when did that December date come to our knowledge? Oh, it was in debate yesterday. We did not know – and it is only a suggestion at this time, no date has been scheduled – but Deputy Ferbrache's very good suggestion for a combined debate in December only came out in debate yesterday. Otherwise, yes, if there had been a debate scheduled for the tax debate, I would have put that date on the amendment.

1630 Why was the amendment made and this criticism that has been laid at me for, was it a spoiler amendment and all the rest of it –

1635 **The Bailiff:** Deputy Meerveld, it is a sursis.

Deputy Meerveld: Yes, sir, but the word amendment has been mentioned by mistake several times so I am going to come back to the fact it is a sursis. So I am just addressing what has been said by several Members about destructive amendments, etc.

1640 It is a sursis. I am absolutely against amendments from the floor of the Assembly or at short notice without consultation that change a policy; that go in there and say, 'Do not go right, let us go left.' And there is no consultation with the stakeholders, there is no consultation with committees, there is no time for consideration by this Assembly.

1645 But this is not what this is. This is a sursis and it simply says take this paper, with its start dates and implementation dates, and move it to a specific date a little bit further down the line so that this Assembly can give it more consideration. So why is that consideration needed? Well, actually,

there seems to be quite a lot of misunderstanding or, say, different perspectives – let us be generous – in the debate on this.

1650 The most amusing debate was the one from Deputy Kazantseva-Miller, who is a person who has on a few occasions pointed out this Assembly or alluded to the fact this Assembly is out of touch with low income families and do not understand their situation. Well I do have friends who are on welfare support and I must say that when I meet with them we do not talk about the latest stock market tips and they do not tell me that life is good because the stock market is at a new level; a new high.

1655 Right, she asked me also what information would we have in November that would be different to now, to be able to make an informed decision? Well let me quote some very pertinent statistics at her: £1.20; £2.30; £1.25 and £1.75. Now I am sure everybody is – well they are – looking at me rather bemused: £1.20 is the cost of a can of Heinz beans; £2.30 is the cost of one litre of corn oil; £1.25 is a kilo of Home Pride plain flour and £1.75 is the cost of petrol, a litre of petrol, today.

1660 Now, when this debate was introduced, secondary pensions, on 16th February 2016, if you would have asked people, said to people, 'Here is a list of prices for basic commodities that everybody needs to survive, what would the price be at the end of the year?' I think most people in February 2016 would have said, 'Probably about where we are now, within a few pence.'

1665 But the fact is I stand here today and say to this Assembly, nobody in this Assembly can tell me what the price of these commodities will be on 23rd March this year. To give an example, Deputy St Pier likes to quote recent history. On my computer, and I was just looking at the headlines from the *Guernsey Press* from 2nd March this year. Big banner: 'Petrol prices hit all-time high' – 2nd March – £1.55 for a litre of petrol. Today it is £1.75. That is a 16% increase. That is an increase of 1.3% per week.

1670 So we are looking at this wrong and the reason we need to delay and have more consideration of this is, again, we have to have a fundamental understanding of what we do as an Assembly when we introduce any measures like this. Right? And I will come back to, I am very grateful actually, for the eight questions from Deputy Roffey and I will address them individually. But what we have to understand is, every time we introduce a measure like this, we are reaching into the pockets of individuals and businesses and we are taking out some money.

1675 Now we are taking a lot of money for a good reason. We have got justification. But we are doing that. And these measures are cumulative. So each set of tax increases we introduce, each new measure that requires – disability legislation, which has compliance costs – each one of these things reaches into those pockets and eventually we start getting near the bottom of those pockets.

1680 Companies go out of business or decide not to continue and we are in an economic environment where nobody can predict what is going to happen and that is a real risk. Or, people on low incomes who are not currently on welfare, have to fall into the welfare gap and that is a bill to the States and, if companies close down, that is lost tax revenue and more unemployment. All of these things have an impact.

1685 So, when we make decisions, we need to look overall at what we are doing and there is a danger, and the States has a habit of doing it, we make big decisions like this in isolation. No business or anybody else I know would logically say, 'Oh, let us today decide on the cost of this. We are not going to look at the cost of that over there. We are not going to look at the implications over here. No, we are just going to look at this in isolation. Then tomorrow we will have a look at the cost of something else in the business.'

1690 No, you put everything on the table and consider it. That is why I think the suggestion from Deputy Ferbrache, of a combined debate, where we include population management, we include pensions, we include taxes and we include disability legislation, all of which have major implications and all of which are economically linked, in one debate – yes, it will be a hell of a debate, I suggest we make it a week and not three days – but it is a conversation we need to have and everything will be on the table.

As Deputy Trott said, by November will we have a better idea of what the economic trend is? We will. And we will have a better idea of the impact on people. Now, in England, we hear the news

1700 every day of people having to make a decision between heating, electricity and food. Or heating and food.

Guernsey is insulated from that because we are a slightly more affluent society. But people in Guernsey are being forced towards those decisions and more people will be making them, as we approach the winter and as these basic consumable costs go up, eating into the expendable income and eradicating it.

1705 So that is why the sursis was late. Also, a sursis, if you remember my speech yesterday, I said I had drafted a sursis and might introduce it. Why did I say that? Well actually because I was surprised by the initial speeches on this debate. But other Deputies had come to the same conclusion as I had independently. Nobody had discussed it. There was no getting together and conferring on how we were going to vote on this.

1710 I said in my speech, I will lay the sursis if Members want it. I think the fact has been illustrated by the debate on the sursis that a lot of Members did want it and I did receive those requests. So, we have established that we should be thinking about the people of Guernsey and the small businesses of Guernsey when looking at this and that is the consideration I am looking for when we start looking at the aggregated impact of these things going forward.

1715 So going back to Deputy Roffey's eight questions, which I will go through in order. Why did we lay a late amendment? I think I have covered that. I am sorry he does not listen to me but I do listen to every word he says. I do not always agree but I do listen. Where do the pressures for delay come from? Well think about it. It is from this Assembly. I have had businesses, I have businesses, I know other Members have as well, coming to me saying, 'We cannot afford this.' I have had some individuals expressing concerns over this as well.

1720 But it has not been a big public campaign. Well, what is the job of this Assembly, the job of this Assembly – and something I think the public do not understand or often do not appreciate – is we have to look at the nuances of everything we are planning on doing and look at all these things in connection and that is why I think this has to be delayed slightly for consideration alongside the tax implications because both of them are reaching into the pockets of individuals and companies, and we have not even decided in what ways and what amounts yet, and will have an impact going forward.

1725 Right where did it come from? Obviously it came from something I drafted and it was demand of Members that actually had it laid on the table. Question three, what does it achieve and Deputy Roffey gave us a very passionate description of the welfare time bomb we are facing. What is the real reality? The fact is our current Ponzi schemes are little more than a Ponzi scheme and governments are guilty of this worldwide. The contributions going in today are paying for the retirees that are there today. The contributions going in today from individuals who are younger, there will not be a pension available.

1730 So governments are doing what all governments do worldwide, often in these cases: how can we fix this problem and how can we make sure we do not pay for it ourselves? So we find a way to reach into somebody else's pocket. Now I do not disagree with that process. I disagree with the secondary pensions as ultimately a solution or at least a mitigating factor to that issue. But when you reach into that pocket and you are doing it multiple times for different reasons, you have got to look at the combined impact, the aggregate impact. And in these times of economic uncertainty, give us six months to see that.

1735 It does not change the policy letter, one word of it. I am not changing the policy, I am not redirecting it, I am not trying to delay it. I want to have it as a professional, consolidated debate when we can discuss all the issues.

1740 Deputy Roffey said why is it connected to the Tax Strategy? Well, as I say, you are reaching into people's pockets. Some people may be pushed into welfare. That might increase the bills on one side with a short-term impact. I think I have explained clearly actually why tax and pensions are effectively both reaching into people's pockets and taking our money. There is a direct link and they both have to be considered side by side, if we are preserving good governance.

1750 That comes to question five, why is this needed? That is it. This is not, I have been accused of bad governance here. This is the epitome of good governance. You see an issue, you say, right, we are not dismissing the policy, we are not changing our policy. We are just saying it should be combined with this debate, have a more informed and balanced debate, where we can take everything into consideration. That is the need for it and it is good governance, not bad governance.

1755 Going forward, if we debate, there is an issue with the policy letter. Even if I admit I want to bring in proposed changes to Rules that will improve the governance around amendments. That is related to amendments. But for somebody to stand up in debate and say, 'You know what, we are talking about this at the wrong time. Do not change what you are doing, you should combine it with this,' that, to me, is good governance.

1760 Better deal in 12 months. Delaying the deal with a provider. We have already had assurances that the price is good for 12 months. We have got a debate in six months. I am sure the tax debate by the end of this year. We will have had it.

Deputy Roffey: Point of correction, sir.

1765

The Bailiff: Point of correction, Deputy Roffey.

Deputy Roffey: We have not had any such assurance. It was the view of the local head of the organisation and it was caveated by saying if there was certainty that it was going to be brought in within 12 months. This sursis will not deliver that.

1770

The Bailiff: Deputy Meerveld.

Deputy Meerveld: Thank you, sir.

1775 There is no saying in the economic environment we are coming into that we might not get a better deal in the future if pension providers and investment houses are seeing markets fall and their revenues decline. We do not know. But the fact is we do have an indication that prices will be held for well within the time to enable us to have a broader debate, which in my opinion is the only thing we should do under good governance.

1780 That brings me onto the nature of this Assembly. Yes, what is the nature of this Assembly? Are we simply going to start passing legislation like this with our blinkers on, not looking right or left, only consider at the moment, do not consider the implications? No, I want to see this Assembly with better governance that actually does take a look at the big picture and that is leadership. That is leadership, when you stand back and you say, 'Okay you have given me a problem here but how does it relate to these things over here? What is the broader impact? How can I ball all this together and make sure it works together?'

1785

That is why, again, I very much appreciate Deputy Ferbrache's suggestion for a combined debate and this motion would move this to that appropriate day.

1790 **Deputy Roffey:** Point of correction, sir.

The Bailiff: Point of correction, Deputy Roffey.

Deputy Roffey: This motion does not bring about a combined debate. It brings the debate on secondary pensions in November followed by a debate on taxation in December. Is Deputy Meerveld withdrawing this one to substitute one that says December?

1795

The Bailiff: Deputy Roffey, we do not know when the tax debate is going to be because it has not been put on the schedule. There is a Resolution saying it is in July, (*Laughter*) which is going to be an interesting one. But it is still possible, therefore, so it was not necessarily inaccurate or misleading as such but it is still possible. Let us have Deputy Meerveld finish.

1800

Deputy Meerveld: Thank you, sir.

1805 Yes, it may be that we have a December debate and then, simply, on 23rd March, the States can agree to defer the item to the correct date. We do not have a date in December yet because it has not been scheduled, it only came out in debate.

Deputy Queripel: Sir, point of correction.

The Bailiff: Point of correction, Deputy Queripel.

1810

Deputy Queripel: Sir, that is three times that Deputy Meerveld has referred to the debate as 23rd March, but it is 23rd November.

1815 **The Bailiff:** Yes, I think that is a valid point of correction. We were just assuming that you had got the wrong month but we know you were referring to 23rd November.

Deputy Meerveld: Yes, it has been a long couple of days!

I admit that point of correction, thank you very much Deputy Queripel, through you, sir.

1820 Action this day. Question eight. I absolutely agree with that. I believe we do need to crack on and get things done when it is prudent. Action for action's sake, when it is imprudent, is not a good thing. It might sound well in a soundbite on TV, but it does not result in good decisions. So again the decision today, if the sursis is supported, a decision has been made. A decision will have been made that this is an important issue that impacts the quality of life and incomes and disposable incomes and expendable incomes of our people in Guernsey and needs to be combined with the tax debate in a reasonable timeframe.

1825

That will be action and that will be good governance and that will be, in my opinion, doing the right thing.

Thank you, sir.

1830 **The Bailiff:** Members of the States, there has been a request for a recorded vote in respect of this sursis proposed by Deputy Meerveld and seconded by Deputy Dudley-Owen, the effect of which, if carried, would be that the five Propositions and the supporting policy letter would be deferred until 23rd November, this year's Meeting.

So, a recorded vote, please, Greffier.

1835

There was a recorded vote.

Carried – Pour 20, Contre 17, Ne vote pas 0, Absent 2

POUR

Deputy de Lisle
Deputy Dudley-Owen
Deputy Dyke
Deputy Ferbrache
Deputy Haskins
Deputy Helyar
Deputy Inder
Deputy Leadbeater
Deputy Mahoney
Deputy McKenna
Deputy Meerveld
Deputy Moakes
Deputy Murray
Deputy Prow
Alderney Rep. Roberts
Alderney Rep. Snowdon
Deputy Taylor

CONTRE

Deputy Cameron
Deputy de Sausmarez
Deputy Fairclough
Deputy Falla
Deputy Gabriel
Deputy Gollop*
Deputy Kazantseva-Miller
Deputy Matthews
Deputy Parkinson
Deputy Queripel
Deputy Roffey
Deputy Soulsby
Deputy St Pier
Deputy Blin
Deputy Brouard
Deputy Burford
Deputy Bury

NE VOTE PAS

None

ABSENT

Deputy Le Tocq
Deputy Oliver

Deputy Trott
Deputy Vermeulen
Deputy Aldwell

** Denotes Member who voted by Proxy.*

The Bailiff: Members of the States, the voting on the sursis proposed by Deputy Meerveld and seconded by Deputy Dudley-Owen was as follows: there voted Pour, 20 Members; Contre, 17 Members, 2 Members were absent and therefore I declare the sursis duly carried.

1840 Now, in accordance with Rule 24(8), because the sursis was proposed and seconded after the commencement of general debate, the person who would otherwise have been entitled to reply to the debate under Rule 17(2), is entitled to, notwithstanding that the sursis is carried, so I will turn to the President of the Committee, Deputy Roffey, if he wishes, to reply to the debate.

1845 **Deputy Roffey:** Yes, sir. I do not think there is any point in replying to the political arguments for or against because those have basically been paused for six months and we will have them in November but there were a few, perhaps, technical questions that were asked that, rather than waiting six months to address them, it might be useful to address now.

1850 One was over, I think, the cost of the promotion. I think that was from Deputy Dudley-Owen. The estimated cost, and we would work very closely together with Sovereign or whoever the provider will be in future, but the estimated cost was about £20,000. That is not insignificant but this is a major change to Guernsey's society and I think that £20,000 is a reasonable amount to pay.

1855 There was a question, from several people, I think, at least three, over the proposed governance committee and I think I maybe need to clarify that. Firstly, I absolutely give the assurance to Deputy Dudley-Owen that we would not seek to do anything that would put the trustee in jeopardy in relation to their duties towards the Guernsey Financial Services Commission. But I have to say that when she raised this with me and others have raised it too, I went back to the expert adviser that we have on the project board, who I will not name – it is not a civil servant but as you do not like naming civil servants I will not name the expert adviser as well – and they said this:

1860 I do not consider that the cross-relationship is at risk. Scrutiny and advice are clearly distinguishable from control. Were the States/governance committee to retain or reserve powers for itself re certain decisions, i.e. control, then that would be a different matter, depending on the extent of the key decisions. Notwithstanding, the Trust Law actually permits a settler to reserve to himself or others certain powers, there is an argument that reserving all or many of the powers permitted under the Trust Law would frustrate the Trust. That will not to my mind be the case in the current circumstances. In the current circumstances the States was reserving only two powers to itself, the power to veto proposed amendments and the power to appoint and remove trustees. As Guernsey Law stands today the retention of these powers only will not frustrate the trust.

As paragraph 5.13 – key decisions – makes clear, the trustee retains the decision-making powers but simply knows the decisions actually made will be scrutinised and may be made with the benefit of advice from the States. Trustees take advice. They are not bound to follow it.

And I have to say that I also went to St James' Chambers to see whether they agreed with that and the Crown Advocate concerned said:

I have reviewed briefly and do not consider this to be an issue. I share ...

– blank's views, the ones I have just expressed –

1865 ... retention of a power does not preclude ...

– I do not even know that word but I can understand what it must be –

... a trust unless as ...

– so and so –

– says, so many powers are retained that the cross becomes a sham. Given that the States is effectively inducing people to enter into this arrangement it would be foolish not to have some sort of oversight.

1870 And indeed Sovereign themselves say that under GFC rules Sovereign are obliged to consider whether a governance committee is needed for all of their schemes. In most cases they determine it is not but in this case, given both the anticipated size and public profile of YIP, they feel it is appropriate.

1875 So, I think everybody is agreeing that the oversight committee is entirely appropriate and in no way jeopardises the trustees' obligations under Trust Law.

I think ... Sorry, I give way to Deputy Dudley-Owen.

Deputy Dudley-Owen: Thank you.

1880 I do appreciate the President giving way to me, sir, because I just want to make clear my concerns were specifically related to giving the trustee advice about key issues, key decisions such as investment and changes in service providers. It was not so much the governance committee, because I understand that the newly introduced pension rules allow for a governance committee. My issue was that the Committee, within the policy paper, had deviated from the GFSC guidance about what that governance committee would be doing. That was my concern and I have received
1885 from the President his assurance that GFSC guidance is the way to go and also the MD of the Sovereign Trust agreed that that may have been a safer wording to put into the policy letter.

It is a specialist area, granted. It is just that concern, certainly Deputy St Pier and others shared the concern, about the risk for the future.

Thank you.

1890

Deputy Roffey: Sir, I have no fiduciary expertise. All I can do to assure Deputy Dudley-Owen is say that I have taken absolute expert advice and am assured that they do not believe that this could be an issue.

1895 I do not want to keep people from their lunch too soon because I know they want to get fuelled up ahead of the justice debate but a couple of other, perhaps technical things. I think it was Deputy St Pier who said what happens if there is a change of ownership or control of Sovereign down the line. He is absolutely right, we have identified that as an issue and where it will be picked up will be in the contract that we will negotiate because there may be instances where that would be no issue or problem whatsoever, there may be instances where we would have to reserve the right to take
1900 action and I can assure him that will be addressed in the contract.

Then Deputy Mahoney said he thought the contract would have been signed. We thought it was absolutely wrong to sign that contract ahead of this debate and getting the go-ahead from the States and I am sure that it is.

1905 I think, unless anybody rises to say that they had a technical issue that they raised, as I say I am not replying to the political issues, clearly, utterly disappointed that those will now have to be rehearsed again in six years' time but ... sorry, what did I say? (**A Member:** Six years.) A bit like Deputy Meerveld may have well made a Freudian slip by talking about March, I think I just made a Freudian slip in talking about what I am afraid might be the reality!

1910 But we accept the decision of the States that they would prefer to deal with this in six months' time. We will be absolutely coming back great guns because we are absolutely convinced that this is something this Island absolutely has to do and I wait for that debate with keen interest and I hope that those who say this is not can kicking will display that in six months' time and will not even contemplate a further delay and a further sursis.

1915 **The Bailiff:** Members of the States, because of the decision on the sursis there is no voting to be done and those Propositions will be before you in six months' time.

We will now adjourn until 2.30 p.m.

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

COMMITTEE FOR HOME AFFAIRS

**10. Justice Framework 2022-2029 –
Propositions carried as amended**

Article 10.

The States are asked to decide:-

Whether, after consideration of the policy letter entitled 'Justice Framework 2022-2029' dated 7th April 2022, they are of the opinion:-

- 1. To approve the Justice Framework 2022-2029, in Appendix A, presented by the Committee for Home Affairs;*
- 2. To agree that the Justice Framework is a government policy framework, and to direct all Committees of the States to consider its principles and outcomes as part of any policy development, in line with the requirements of Rule 4 of the Rules of Procedure of the States and their Committees;*
- 3. To endorse the approach to identify and consider phasing of future justice actions requiring resourcing or cross-Committee involvement through the Government Work Plan;*
- 4. To recognise that all actions relating to improving justice, including those progressing under existing resources in line with a Committee's responsibilities, will be identified within the Justice Action Plan;*
- 5. To direct the Committee for Home Affairs, in consultation with other relevant Committees of the States, to publish at least once every political term a standalone publication setting out the progress in achieving the justice outcomes.*

The Deputy Greffier: Article 10, Committee for Home Affairs – Justice Framework 2022-2029.

1920 **The Bailiff:** I invite the President of the Committee, Deputy Prow, to open debate, please.

Deputy Prow: Thank you, Mr Bailiff.

1925 Sir, the responsibility for justice policy was included in the Home Affairs mandate in 2016. It is therefore an honour to present this justice policy letter to this Assembly which, if approved, will signal a landmark decision for Guernsey, in demonstrating its commitment to a framework designed to ensure there is a fair and equal access to justice, to support victims and act early to prevent crime. This is important as this is a responsibility for all of Government, not just the Committee for Home Affairs.

1930 The Justice Framework draws together and builds on the previous work considered by the States for the Justice Review report in 2020. The Review report was informed by extensive stakeholder engagement and public consultation and set out 43 recommendations, informed by public consultation and started an honest conversation around how to improve justice. These recommendations were wide-reaching and covered everything, from legislation and policy change to wider societal changes.

1935 The report recognised that justice was not broken but some improvements and societal shifts were needed.

In July 2021, the development of the Justice Framework was resourced through the Government Work Plan, with the objective of returning to the States by the end of 2022 to develop a Justice Framework and set of proposals and recommendations, as well as an implementation timeline.

1940 Justice policy is much broader than criminal justice and levels of crime are linked to wider social factors, such as poverty, education and mental health.

This has been particularly visible through the pandemic, where there has been a marked increase in domestic abuse cases and the lockdown has highlighted a need for housing for vulnerable people. I must add that the Committee *for* Home Affairs intends to bring a discreet additional Domestic Abuse and Sexual Violence Strategy policy letter to the States very soon, in July, and I look forward to that debate.

1945 The framework proposes four pillars of justice: criminal, family, social and procedural. The first three pillars are underpinned by the concept of procedural justice, which sets out principles that prioritise treating people with dignity and respect, ensuring that actions and decisions are transparent and made mutually and that people understand how they were reached, and providing an opportunity for all parties to have a voice.

1950 By including and broadening the understanding of justice to include social justice, it is equally important to recognise that societal change is long-term and transformational and many social policy letters are not within the scope of Home Affairs' mandate. Therefore, to be successful will require involvement and closer working across all the committees of the States.

1955 The Justice Framework provides an integrated approach to justice policy and recognises the relationship between social, family and criminal justice. The Framework proposals are a set of justice outcomes and their targets that it should seek to achieve over a seven-year period – 2022-2029 – recognising that it would take more than one term of Government to deliver against the Framework, possibly much longer where social change is needed.

1960 Importantly, it would define justice policy in the Guernsey context, recognising that Guernsey is a low crime jurisdiction. The Justice Action Plan will set out the detailed actions that will deliver the Framework outcome. It will be a live document, reviewed annually, that acts as a work plan for justice, co-ordinated by the Committee. The Action Plan will include operational improvements, as well as policy and legislation and will respond to emerging issues and newly identified needs.

1965 The plan for the 2022-23 will be published in full once the Framework has been agreed and after the Government Work Plan debate in June. Resources, both people and money, will be a determining factor on how and when the various actions can progress. Justice will require a cross-committee solution and partnership working with other sectors: the Law Officers of the Crown, the judiciary and the public.

1970 Justice actions are already being progressed and resourced through the Government Work Plan, including the Framework, and all are progressing at pace and will continue to do so. But only if they are supported through the Government Work Plan debate. These include the Domestic Abuse Strategy and the Sexual Assault Referral Centre, financial and cyber-crime, these are workstreams in their own right under international compliance and regulations given the wider strategic as well as justice importance.

1975 Grounds for appeal – being reviewed by the Guernsey Bar, to report back to the Committee by the end of 2022. Where necessary, these will be reported back to the Assembly this year. In addition, already and currently resourced through the Government Work Plan are several actions that link to the justice pillars. This includes the top 10 actions on the review of Children Law and outcomes; housing and skills. The Committee *for* Home Affairs hopes that this position can be maintained and will await the Government Work Plan debate with interest.

1980 This policy letter sets out the Framework vision as an inclusive and responsible community, where everyone feels safe and secure and individuals' rights are protected. This is aspirational as a vision and acknowledges that the broader view of justice and the influence of the wider social factors, which, as said, demonstrates justice is not just a matter for the Committee but for the wider States.

1985 The changes being proposed are focused on improvements, resulting from changes in best practice and societal shifts. It will not be possible to deliver everything at once or in one term. So longer-term commitment to justice improvements is needed.

1995 Sir, before I close, I would like to thank Advocate Peter Harwood, who led the workstream, my Committee, officers of the Committee and heads of service, for their skills, hard work and commitment to the Framework. I urge Members to support the Propositions in this policy letter, which will establish a Framework, which will support the Assembly in further building and protecting a safe, just and tolerant society, through supporting the development of integrated and holistic justice policy.

Thank you, sir.

2000 **The Bailiff:** Well, Members of the States, two amendments have been submitted. I am going to direct that Amendment 2 be taken before Amendment 1 and therefore if Deputy St Pier wishes to lay that amendment now, this is the opportunity to do so.

Deputy St Pier.

[Amendment 2](#)

1. To insert the following additional Proposition:

"6. To direct the Committee for Home Affairs to lodge before the States of Deliberation as an Appendix Report the Justice Action Plan every two years (starting in 2023) following the Government Work Plan debate"

2. To amend proposition 5 by inserting after "once in every political term" "(no later than December 2024 and December 2028)"

3. To insert the following at the end of Proposition 1:

"subject to the following amendments:

- *Outcome 1 on page 10 to read: "We live in a safe, equal and resilient community. We experience low levels of crime and low levels of fear of crime. Victims and witnesses are supported. The time for victims to see justice done is reduced."*

- *Text immediately below Outcome 2 on page 11 to read: "We need to build greater public confidence in the justice system and ensure the community believes those who commit crimes will be suitably brought to justice in a fair, proportionate, timely and effective manner and in the context of appropriate sentencing guidelines."*

- *Outcome 7 on page 16 to read: "Violence against women and girls is reduced; support for victims and survivors increased; and perpetrators are effectively managed through the criminal justice system ensuring offenders are brought to prosecution with a minimum of delay."*

Deputy St Pier: Thank you very much, sir.

2005 I will lay the amendment and I will not ask for it to be read but I will take Members through the amendment. I would like to begin by thanking Deputy Prow for seconding the amendment and also thanking him for his engagement with me in the last week or so to address my concerns, which are reflected in the amendment and, through him, also to his Committee for their support.

2010 The amendment is not exactly as I had originally presented it to Deputy Prow when we began discussions. It is not exactly the final wording that I would wish but nonetheless it is sufficient change and movement that I am pleased to accept it as a very workable compromise. I just need to explain briefly what the changes are and why I am proposing them in the way that I am.

2015 The first part of the amendment is to insert a new, additional Proposition, to direct Home Affairs to lodge an appendix report of laying the Justice Action Plan as an appendix report before this Assembly every other year, starting in 2023. That really is just to provide the opportunity for this States to have additional scrutiny of what flows from the Justice Framework that we are debating today.

2020 The key next step, as Deputy Prow has said when opening debate, is the output that will appear in the Justice Action Plan. There will be many actions and outcomes, which that is seeking to achieve, and it is appropriate therefore that there should be a mechanism by which the States can keep an eye on that and, of course, the Justice Framework, the policy letter as originally presented, did not

provide any mechanism or opportunity for the States to undertake that kind of scrutiny. So that explains the additional Proposition, proposed Proposition 6.

2025 The amendment to Proposition 5, I think, is just really to tighten up a little bit the proposal that
once in every political term, the term that is used there actually is more closely defined, or more
closely banded, I guess by providing that it should be done no later than December 2024 and
December 2028. So it is recognising that this is a Framework that runs for the next seven years, from
2022 to 2029, and the progress report on actions, I think it is appropriate that that does appear in
December 2024, before the close of this Assembly and thereafter. So that explains the second part
2030 of the amendment.

And then the third part of the amendment is to insert some additional language into the various
outcomes. Outcome 1 is the addition of the words at the end of that bullet point. The time for
victims to see justice done is reduced and this really is to reflect, I think, the public's expectation
that the criminal justice system, absolutely accepting both what Deputy Prow has said in opening
2035 debate and of course the content of the Justice Framework, that justice is considered more than
criminal justice. But in this context we are talking about criminal justice and the public's expectation
is that justice should be done and it should be done quickly and again, given that the outcomes are
really an aspiration, a set of ambitions by which the Justice Action Plan should be measured, I think
it is appropriate that is reflected in the first outcome.

2040 Similarly on outcome two, there is a long and ongoing debate about whether sentencing by the
courts is appropriate, a debate within the public. Now, of course, we all know in this Assembly that
it is not appropriate or a matter for individual Members, for the Committee, or for this Assembly as
a whole to challenge or question the independence of the criminal courts in their sentencing
decisions.

2045 However, of course, it is the job of this Assembly, ultimately, to set sentencing limits, in terms of
what is a criminal offence and what the penalties should be for a criminal offence in Law, in the laws,
which this Assembly approves. Then leaving it to the judges to then apply that through their
sentencing policy and guidelines.

But I think we should acknowledge through this process, through the Justice Framework, that
2050 there is the perception amongst some of the public that there are some offences, which appear to
them to receive lesser offences, lesser penalties than other offences and the ones that are
appropriately cited, of course sir, are child sex offences versus drugs offences.

Now you are comparing apples and pears, I know that. But nonetheless, I think it is appropriate
this Assembly recognises that there is that perception and concern and that does need to be
2055 addressed by this process of the Justice Framework and the Justice Action Plan. If it is a matter of
explanation to the community but the community do need to have confidence that they believe
than when justice is done that it does result in appropriate sentencing.

So that is the context in which those words have been inserted, to enable that to take place,
recognising that it is a very sensitive issue that needs to be handled with care and without trampling
2060 on the feet of the independent judiciary, who have the difficult decisions to make, case by case,
based on the facts and circumstances presented to them.

And then the final bullet point is the insertion of, again, an issue which is of concern to many in
the community around the – really acknowledging the – woeful under-prosecution and conviction
particularly in relation to sexual offences. This is not unique, of course, to this jurisdiction, it is a
2065 challenge in all jurisdictions and one of the major challenges is the fact that so many offences are
not actually even reported, which makes it of course very challenging if they are not reported, for
any investigation to take place, let alone a charge, a trial and conviction.

That is one of, of course, the major issues around a policy that addresses violence against women
and girls and obviously it is reflected in outcome 7, but certainly the addition of the words:

2070 ... and perpetrators are effectively managed through the criminal justice system ensuring offenders are brought to
prosecution with a minimum of delay ...

– again, I think is a nod to the expectation of the victims of those crimes that the matters should be progressed as is practicable, recognising that there are, of course, many significant barriers and challenges to that for Law Enforcement and the courts in achieving that. But nonetheless it is appropriate to set it as an outcome, as an ambition of this piece of work from the Justice Framework.

2075 So, I think with that, sir, hopefully that is an explanation of it. Obviously, I would be very happy to respond to any questions or concerns in debate but I hope that, with the support of the Committee, this amendment can be dispensed with and supported quite rapidly.

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

2080

Deputy Prow: I do, sir, and with your permission can I speak now?

The Bailiff: Well let us just see if any Member wants to leap to their feet first. No, no procedural motions, and therefore Deputy Prow I will call you to speak as well.

2085

Deputy Prow: Thank you, sir.

The Committee is grateful for the contribution that Members of this Assembly have already made in the development of this Framework. In January of this year, a draft Framework was prepared and where potential actions touched on the mandates of other Committees, their views were sought.

2090

The timing of the consultation was aligned to the timeframe of the Government Work Plan refresh, to ensure resulting decisions informed the wider plan for the Government Work Plan. The Committee then sought the views of States' Members through two information sessions, before finalising the Framework and the Committee is pleased to have been able to engage with States' Members, after lodging of the policy letter through a drop-in session and subsequently support the amendments that have been laid.

2095

In particular, sir, I thank Deputy St Pier for his kind words in speaking to the amendment and I would like to extend my thanks to Deputy St Pier for his consultation on this amendment and the manner in which it was conducted.

2100

The Committee is entirely content to lodge the Justice Action Plan as detailed in the amendment. With regard to the minor adjustments to some of the wording relating to the outcomes, the Committee reiterates that it is satisfied that the revised wording ensures all the outcomes are all-encompassing, whilst maintaining the integrity of the Framework process. This is why I was able to second the amendment and will support it.

2105

Thank you, sir.

The Bailiff: I do not see any Member rising to speak to Amendment 1. In those circumstances there is nothing to reply to, bearing in mind that that was supported from the seconder of the amendment, so we will go to the vote on Amendment 1, proposed by Deputy St Pier and seconded by Deputy Prow. (*Interjection*) Number two. Yes, it is number two, I do apologise. Amendment 2, the first one, proposed by Deputy St Pier, seconded by Deputy Prow, those in favour; those against?

2110

Members voted Pour.

2115

The Bailiff: I declare that amendment duly carried.

Amendment 2, Deputy Queripel, if you wish. Number one, the second amendment, numbered one! I will get them the right way around today!

[Amendment 1](#)

At the end of Proposition 1, add: "subject to inserting in the text of Outcome 3 at page 12 of the Framework, the words "such as mediation" immediately after "the family justice system".

2120 **Deputy Queripel:** Sir, I will start by stating a fundamental point I ask colleagues to have
uppermost in their minds throughout this debate. The fundamental point I want to state and make
perfectly clear is that this amendment is not seeking to focus on mediation being progressed to a
specific actual point. The explanatory note lays out exactly what this amendment is seeking to do.
So I am going to read out a section of it because I realise my colleagues will have read it but people
listening on the radio may not be aware of what it says. So the explanatory note tells us that the
2125 Justice Framework includes seven outcomes which they should seek to achieve by 2029, delivered
through the prioritisation of actions via the Justice Action Plan.

Whilst the current wording of the outcomes support a broad interpretation this amendment provides a practical example
of one form of alternative dispute resolution i.e. mediation that is an action for consideration under the ... Action Plan ...

This amendment recognises that all the actions in the Plan will need to be prioritised and phased,
according to strategic need and resource in line with the approach set out in the Justice Framework
policy letter.
2130

So what is that telling us? That is telling us that the Framework is a direction of travel and this
amendment seeks to clarify and acknowledge that mediation be considered as a tool in the box on
that journey. I very much want to ensure that that acknowledgement and recognition takes place
sooner, rather than further down the line, as the Action Plan evolves.

2135 Of course, if I had left it until the Plan is actually laid in front of the States, I would have possibly
been challenged on that. The question being asked would have been why did you not focus on this
when the Framework was being compiled and debated because that was the time to focus on it?
Of course, now is the time to focus on it. Why put off until tomorrow what you can do today? Action
this day, as the Chief Minister often says in his speeches.

2140 In my 10 years as a Deputy I have worked on several cases with parents in parental disputes and
I have expressed my concerns about some of the procedures involved, in my speeches in the States.
So this amendment will not come as a surprise to anyone who knows my history. It will not come
as a surprise to colleagues who attended the Teams meetings, staged by Home Affairs, on this
Justice Framework, because I asked questions about mediation at both of those meetings.

2145 In relation to those Teams meetings, sir, I want to commend Home Affairs for the way in which
they have handled this Framework because they have taken us all with them on the journey and
that is really important. I also commend them for laying an excellent policy letter and Framework in
front of us. It covers an incredible amount of ground but there is a place where the wording needs
to be amended, ever so slightly.

2150 I lay no blame whatsoever at Home Affairs' door for that because they themselves have said this
is a living document and things can be added to the document along the way. So surely it makes
perfect sense to add them sooner, rather than later?

I also want to commend Deputy Prow and thank him for his support and for seconding this
amendment because I really do appreciate his input on this. I also very much appreciate the
2155 guidance and assistance given to me by the officers at Home Affairs and I thank them for their
input. I want to say a sincere thank you, as well, to the head of the Family Proceedings Advisory
Service, who spent almost two hours with me in a one-to-one, explaining to me in great detail the
role the service plays in parental disputes and the responsibilities and duties that are attached to
that role.

2160 Finally, I want to say thank you to the staff of the Greffe for their assistance in compiling this
amendment. It seems like a simple amendment but it took a fair bit of work and so this is a prime
example of joined-up Government, where a Deputy who has a concern about an issue works with
the relevant Committee and department in an attempt to resolve that concern. That is why I felt it
was so important to put my thanks on record for all the people who have helped me along the way.

2165 I just want to move back to the explanatory note for a moment, for the benefit of people listening
on the radio. We are also told in that note that:

This amendment acknowledges that the concept of justice is challenging as it can mean different things to different people and it is often informed at the individual level by ...

– a person’s moral views and experiences and beliefs as well as at community and government level.

2170 Sir, I resonate wholeheartedly with what we are told in paragraph 5.18 of this policy letter. We are told in that paragraph:

The Committee suggests justice is where: ‘People are included and treated fairly and reasonably by the agencies which provide justice ...

– but also by –

... the legal system which punishes those who commit crimes.’

2175 Sir, this amendment seeks to build on that by adding to and strengthening Proposition 1. To state the obvious, the longer parental disputes go on, the longer the children suffer, as well as all the other members of the family involved in that dispute and, as I said earlier, this Framework is a direction of travel for justice in its broadest sense and it provides the suggested parameters within which the Justice Policy should work.

2180 Sir, here is an opportunity for my colleagues to vote in favour of another suggestion for consideration that I urge them to take because it has not been made clear in the Framework that mediation is acknowledged as an option for consideration in times of parental dispute.

So I will finish by saying that mediation could be the right action to take at the appropriate time. The professionals working in these areas will actually make that decision. This amendment merely seeks to acknowledge that it be considered as an option. It is a relatively minor amendment but it could mean so much to the justice outcomes and also to families in the future.

2185 Thank you, sir.

The Bailiff: Deputy Prow, do you formally second the amendment numbered one?

2190 **Deputy Prow:** I do, sir.

The Bailiff: Thank you very much.

I do not see any Member rising to speak in respect of this amendment. Do you wish to say anything, Deputy Prow?

2195 **Deputy Prow:** Yes please, sir, very briefly.

Sir, I will not repeat my comments around Members’ engagement that I made when speaking to Amendment 2 except to add that I am particularly grateful to Deputy Queripel for his engagement and support for the Justice Framework throughout this process. Furthermore, I support his speech entirely and I thank him for his generous words around the efforts of the Committee.

2200 Sir, I am pleased to second the amendment and I endorse it. Mediation, especially where it avoids disputes and helps resolve disputes quickly, prioritise people and their best interests, working with them to seek resolutions, a theme reflected throughout the Framework and the outcomes. The Committee considers that a continuous collaborative approach will be critical to ensure the success of the Framework and the Justice Action Plan. That will follow.

2205 We therefore welcome the opportunity to positively engage with all those Deputies who have laid the amendments to ensure the outcomes are all encompassing, whilst maintaining the integrity of the Framework process. In delivering the justice outcomes and prioritising the Action Plan that will flow from it, in consultation with all stakeholders, including the judiciary, Law Officers will be essential.

2210 Thank you, sir.

The Bailiff: As no one is rising, Deputy Queripel, there is nothing really for you to reply to, so I will put Amendment 1, proposed by Deputy Queripel and seconded by Deputy Prow, to the vote. Those in favour; those against.

2215

Members voted Pour.

The Bailiff: I will declare that carried.
Deputy Queripel.

2220

Deputy Queripel: Could we have a recorded vote, sir?

The Bailiff: You would like a recorded vote, even though there was not any dissent? Very well, we will have a recorded vote.

2225

Deputy Queripel: Thank you, sir.

There was a recorded vote.

Carried – Pour 31, Contre 0, Ne vote pas 1, Absent 7

POUR

Deputy Cameron
Deputy de Lisle
Deputy de Sausmarez
Deputy Dyke
Deputy Fairclough
Deputy Falla
Deputy Ferbrache
Deputy Gabriel
Deputy Gollop*
Deputy Inder
Deputy Kazantseva-Miller
Deputy Leadbeater
Deputy Matthews
Deputy McKenna
Deputy Meerveld
Deputy Moakes
Deputy Murray
Deputy Prow
Deputy Queripel
Deputy Roffey
Alderney Rep. Snowdon
Deputy Soulsby
Deputy St Pier
Deputy Taylor
Deputy Trott
Deputy Vermeulen
Deputy Aldwell
Deputy Blin
Deputy Brouard
Deputy Burford
Deputy Bury

CONTRE

None

NE VOTE PAS

Deputy Parkinson

ABSENT

Deputy Dudley-Owen
Deputy Haskins
Deputy Helyar
Deputy Le Tocq
Deputy Mahoney
Deputy Oliver
Alderney Rep. Roberts

** Denotes Member who voted by Proxy.*

2230

The Bailiff: Well, Members of the States, it may come as no surprise but there voted in favour on Amendment 1, proposed by Deputy Queripel and seconded by Deputy Prow, 31 Members. There was one abstention and seven Members were absent when the vote was taken and therefore Amendment 1 is declared carried.

We move into general debate. Deputy Aldwell.

2235 **Deputy Aldwell:** Thank you, sir.

I had better put my microphone on, I would have thought. Thank you, sir.

2240 Today we are asked to approve the Justice Framework, which will progress through to the end of the next Assembly's term in 2029. It is with thanks, as Deputy Prow did, much appreciation of Advocate Peter Harwood, who has worked extensively and diligently on this Justice Framework, with his knowledge of the justice system and with many he has consulted with.

2245 We can at last confidently move forward to consult on phasing of actions, working cross-Committee through the Government Work Plan as the actions will require prioritising and resourcing. And with this overarching Framework in place we at last move forward. The Justice Framework has a clear vision. An inclusive and responsible community where everyone feels safe and secure and individuals' rights are protected. Through this Justice Framework we hope for several outcomes. That we live in a safe, equal and resilient community, we experience low levels of crime, low levels of fear of crime and victims and witnesses are supported.

2250 We have high levels of confidence in the justice institutions and processes. Prevention and early intervention, improve wellbeing and life chances, delivering the right interventions at the right time with a focus on improving outcomes for young people. Our systems and interventions are proportionate, fair and effective. We experience low levels of reoffending. Modern, affordable, person-centred public services that are efficient and cost-effective and which prioritise individuals above process. Violence against women and girls is reduced and support for victims and providers increases.

2255 Having an overarching strategy, this allows us to prioritise. Domestic abuse is very much in the news and we know the laws have been updated significantly over the decades for the better. Guernsey has always seemed to lag behind. As an example, it was not until 1946 that the first divorce was granted in Guernsey, followed in quick succession by 98 divorces in 1947. Divorces have been granted in England and Wales from 1857.

2260 Women had little chance of defending themselves, once married, as they signed over body and soul along with their property and rights. It was accepted that a husband could chastise his wife and, as an example with regard to domestic violence, it was made clear in one Court session on the same day in May 1914 that Mr Ogier was sentenced to one month in prison for working a sick donkey, while Mr Wyatt was given a small fine for beating his wife. Times have changed significantly, thank goodness!

2265 Part of the phasing of the work and Justice Review has been on our domestic abuse services, with an updated domestic abuse and sexual violence strategy, which will be released in the next month. It includes a three-year pilot of the Sexual Assault Referral Centre and the Committee is supporting a new refuge for those who require a safe haven, which is also moving forwards with the first stages of basic plans drawn and a preferred site located, with Home Affairs 100% behind this.

2275 Within the Domestic Abuse Strategy we will also be making significant improvements to legislation around the domestic abuse, having consulted significantly, covering non-violent aspects, with a few examples such as stalking protection orders, legalisation to criminalise coercive control, threats to disclosure of private sexual photographs.

Working with all agencies in this area, we can bring domestic abuse into the light. With nearly 800 known cases last year and an estimated 400 perpetrators, we can look at making people aware of how to spot the signs in the workplace. Not just on the frontline of our state services but across the businesses in the Bailiwick.

2280 As symptoms of menopause have been brought out into the open to support, let us do the same with domestic abuse.

One of the most important outcomes of this Justice Review, in my opinion, is education, which we can all endorse. Prevention and early intervention improves wellbeing and life chances,

2285 delivering the right interventions at the right time, with a focus on improving outcomes for young people. Prevention through education is always better than cure.

Growing up as a daughter of a policeman in the sixties and seventies, respect was instilled in me from a very early age and I know that many people reminisce back to those times and I am sure that the majority of our problems could be resolved or lessened by learning and instilling the value respect in our young people.

2290 Having respect and showing respect for each other, we would no longer have domestic abuse, rape, common assault, or bullying in the workplace or playground. Respect for other people's property, we would no longer have stolen property or damaged property. Respect for rules of the road, we would have less accidents and lives lost.

2295 Respect on social media for others, we would have far less mental health problems in our young people, who would not have the worry or misery of a cruel word to haunt them day and night, taking away a peaceful mind.

2300 The clear vision of the Justice Framework is for an inclusive, responsible community where everyone feels safe and secure. We, as elected Members of the States' Assembly, can and must lead on this, leading by example and showing respect. Being respectful for our community to feel safe and secure.

Those among us who live and breathe social media need to be mindful of each comment made on social media platforms. A sideswipe at a Committee or individual to score points invariably ends up with a barrage of comments from other posters joining in. So being disrespectful escalates. Young people learn by example. Being disrespectful on social media should never be acceptable and young people should not think this is normal behaviour or acceptable behaviour.

2305 We are told by our youth that the stress caused by social media can push their mental health issues to the limit. Where alcohol and drugs are used to block out the stress suffered. We as an Assembly need to be role models for our young people, for our society to change for the better and mental health improve.

2310 Before finishing, I would like to shine a light on our Bailiwick Law Enforcement. They have been central during COVID to keep our Islanders safe and secure and I was privileged on Tuesday evening to attend the commendations and awards ceremony and felt humbled to be in the presence of such dedicated teams who have to deal with such stressful situations.

2315 Whether Law Enforcement or Border Agency, to hear what teams have had to face, from saving a suspected suicide to dealing with child pornography, or a complex case of four kilos of drugs brought into our Island, taking two years to finally prosecute, culminating with an eight-year sentence for the ring leader, who tried to leave the Island once his mules had been apprehended, our Bailiwick Law Enforcement on the front line are ordinary people who are doing extraordinary jobs and deserve our utmost respect. **(Several Members: Hear, hear.)**

2320 The Justice Framework allows us to move forward and look to the future, working together in consultation in all areas of justice, whether it be criminal, social, family or procedural and so, right across our community, keeping our Bailiwick safe and secure. I wholeheartedly endorse this Justice Framework.

Thank you, sir.

2325 **The Bailiff:** Deputy Soulsby.

Deputy Soulsby: Thank you, sir.

2330 I think this really is a well-written policy letter and I would like to praise the officers involved and the Committee for the work that has been done as they have made what is quite a dry subject quite readable and, to some extent, aspirational.

I am also pleased to see how there appears to be an understanding that justice policy needs to be considered in the terms of the wider terms of Health. In fact, it is probably the first document I have seen at a Committee other than Health & Social Care embrace this concept, since the

2335 Partnership of Purpose policy letter as approved in 2017 and since the States resolved for there to be consideration of health in all policy.

Health and wellbeing is not just a matter for HSC but should be owned by every Committee and for that the Committee should be praised. As the policy letter says: prevention, early intervention, improved wellbeing and life chances, delivering the right intervention at the right time, with a focus on improving outcomes for young people. This needs longer-term strategic thinking and not necessarily popular decisions.

2340 I have to say I am slightly surprised that the Committee has so clearly embraced social justice. It is not something that everyone believes in and I have to say I would not have thought it was a natural bedfellow for some Members of the Committee. Anyhow, I guess we will find out when we have the next debate on the discrimination legislation or this great big debate some said we needed earlier today.

2345 But I for one am pleased that it has been included as I very much believe what Albert Einstein once said, and that is:

Striving for social justice is the most valuable thing to do in life ...

2350 – and very much a reason why I stood for the States. I really welcome how the Framework has been closely interweaved with the Government Work Plan and the honesty, in acknowledging that not everything can be done at once. That is great. But I am concerned that the Committee may get itself tied up in knots.

2355 There is a feeling, from reading the document, that there is a belief that everything with justice in the title should be owned by the Committee *for* Home Affairs. Now that really is not the point. That Committee should absolutely champion justice but should not be overly protective of their mandate.

2360 The importance of justice in all its forms is something that should, as the policy letter itself recognises, be a matter of interest for all Committees. However, that can only happen if they are allowed to feel they own it. The action plan is where things could go well or horribly wrong. And I guess that is really where my concern is right now. There is a lot in here, or potentially a lot in here, but, to mix my metaphors, the proof will be in the eating – and the Action Plan.

2365 Now I have read a lot of similar policy letters in the past, which promised sunny uplands but years later we find ourselves still trying to get out of the forest. It really is nothing without an action plan, which I do think we should have been approving today at the same time. As things stand, I feel it all reads very much as motherhood and apple pie. We need to have that plan and see where it is going.

2370 That is why, whilst I welcome this policy letter and like everyone else I am sure I will vote for it, it really is just words at the moment. I will be interested to see how things develop and so we may be proud of the words we use now but we do not want to have to eat them later.

The Bailiff: Deputy Bury.

Deputy Bury: Thank you, sir.

2375 I too would like to ... well, Deputy Soulsby has stolen lots of my words! So I will try and skim over those. But I had also wanted to commend the Committee and the officers in particular for the policy letter and the document. I have been working on some workstreams that inter-link quite closely with the Framework. I do know it is a very complex and large piece of work but it has actually been very succinctly and well-presented and well-written. So I would like it on the record to have thanks for that.

2380 On my first sentence of my notes I had written 'motherhood and apple pie' as well, which was not a phrase that I knew before I came into the States, actually. Of course, I cannot imagine anyone voting against this. It is all what we would expect as a community. It is very aspirational, which I think is a commendable thing. We want to be aspirational.

2385 But I am a devil in the detail kind of person and there is brief reference to the 'how' but the how
we get to this was all in the Action Plan and being on HSC, one of the Committees that was
consulted with and I am very thankful for that consultation, we did actually see the Action Plan, the
draft Action Plan. It was in the initial consultation, and indeed most of the feedback from HSC was
2390 actually on the Action Plan, not the principles and the outcomes because, as I have alluded to and
as Deputy Soulsby has, I do not think those are particularly questionable really.

So I was just wondering if, in summarising in debate, Deputy Prow could give an indication what
has happened to the feedback that came in that was on the Action Plan and what the further
consultation or opportunity for Committees that gave that feedback will be to keep forming what
is happening in the Action Plan because I do think fundamentally the Action Plan is where the
2395 success of this Framework lays.

Contrary to Deputy Queripel's note that he said in his speech on the amendment, and I think he
said something along the lines of, 'we can add things in as we go along,' but when I was reading
the policy letter that is not what I took from it so I would be grateful for some clarity because in 1.8
it tells us that the Framework reflects the values of the community but as I have understood at this
2400 time, through the insights available, but then at 4.3 it tells us there is an absence of a comprehensive
understanding of the community's values. So I found that a little contradictory.

Then, back at 1.8, while it says it is based on the community's values it then tells us, to go on,
that should those values change the Framework would be updated. But then, in the next sentence,
it says the Framework will not be changed unless there are compelling and evidence-based reasons
2405 to do so.

So that all felt just slightly contradictory to me and contradictory to Deputy Queripel's point and
it did feel a little bit like that the Framework is not based on, as it said itself, a comprehensive
understanding of the community's values but, should it need to be changed, there would need to
be evidence-based and compelling reasons to do so. So it is almost like, for it to be changed, the
2410 reasons need to be more robust than what the Framework is currently based on. But I am sure that
Deputy Prow can give some clarity on that and I would be grateful for him to do so.

My main other point is outcome seven and this is feedback that I gave as part of the HSC
consultation, which is the violence against women and girls is reduced. Of course, we all want to
see this but my main question was around monitoring and how we know that because, as we know,
2415 many of these types of crimes go unreported. We know that across the board and, as seen in the
letter, which was shared with us all by Victim Support and witness service, the vice-chair recently,
so I would be really keen to understand how the Committee propose measuring that outcome
because it is clear that these numbers of reported crime do not actually reflect the reality, so if the
President was able to address that in summary, that would be much appreciated.

2420 But these are just questions. I do not want this to come across as negative and I will go back to
what I said at the beginning. I think it is a really good document. It is laudable. It is aspirational and
my questions come out of a vested interest in a really important part of our Government's work.

Thank you.

2425 **The Bailiff:** Deputy de Sausmarez.

Deputy de Sausmarez: Thank you, sir. I would certainly like to pick up briefly on the theme that
Deputy Bury has just touched on. As we know very well, in terms of climate change, for example, it
is all about the value and of any business that is engaged in ESG will tell you that it all comes down
2430 to the effectiveness of the monitoring and reporting. So I would endorse and support the comments
that she has just made.

I want to touch briefly on the fourth pillar, which I was really pleased to see in here and that is
procedural justice, which prioritises, as the Framework tells us prioritises treating people with
respect whereby actions and decisions are transparent and made mutually and people understand
2435 how they were reached and provides an opportunity for all parties to have a voice.

As Deputy Prow pointed out in his opening speech, this is the pillar that underpins the other three pillars, as well. And outcome 2 speaks specifically to this. It says the outcome that we are after is that we have high levels of confidence in the justice institutions and processes:

We need to build greater public confidence in the justice system and ensure the community believes that those who commit crimes will be suitably brought to justice in a fair, proportionate, timely and effective manner.

2440 And the final paragraph on that page –

The Bailiff: Deputy de Sausmarez, that has been changed by the amendment.

2445 **Deputy de Sausmarez:** Oh, I am sorry. Yes it has. Sorry it has been changed by the amendment. But it talks about incorporating procedural justice will help to improve the perceptions around fairness of the system:

... and enable those who come into contact with the justice system to feel valued and respected, based on their individual needs. This will in turn lead to improved public confidence in the justice system.

2450 I suppose the angle that I am going to take now is possibly not how the end of the telescope that many people might look down and it is about the effectiveness of the regulation of our legal profession itself.

2455 This is not my area of expertise. It is an issue that has been raised with me by people who have vastly greater experience and I know there are people sitting in this Chamber who have considerably, lifetimes more experience than I do in this respect. So I do say this as a non-expert and this is my understanding of the situation, as it has been explained to me by certain members of the public.

2460 But my understanding is that our regulatory system at the moment is probably, by especially international standards, somewhat archaic. My understanding is that actually only advocates are covered and the Chambre de Discipline and actually other legal practitioners are not even regulated and the Chambre de Discipline itself is effectively basically a self-regulating body.

2465 I do understand that these issues have been aired. My understanding is that there is broad consensus that needs to be updated, not least because this is going to be fairly fundamental in terms of the Moneyval report, which I believe is happening in 2024. So I understand that this is something that really needs to be addressed before then because it is really fundamental and obviously it directly affects our finance industry because obviously lawyers are important parts of the transactions, many of the commercial transactions that take place and we need to ensure that there is that kind of transparency and trust in the system that this fourth pillar of the Justice Framework talks about with respect to the legal profession itself.

2470 So now is probably not the time to go into huge amounts more detail but I am very willing to pick this up afterwards with the Committee and with Deputy Prow. It is something I understand that his Committee are aware of and, I hope, working on and I really am just seeking an assurance that this is something that will be dealt with swiftly and effectively when he replies to debate.

Thank you.

2475 **The Bailiff:** Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: It feels like the energy of the Assembly has dissipated following the earlier debate.

2480 It is obviously a hugely important area for the whole community and the Committee *for* Home Affairs has done a very big piece of work, to try bringing the Framework together and I share many of the sentiments expressed so far in really bringing it forward. There are lots of really wonderful aspirations and words and also delivered in actually quite simple messages through the outcomes and the principles.

2485 However, this is where I struggle a little bit because wonderful, nice, meaningful words, I do not know what really lies behind them and Deputy Aldwell gave a very impassioned speech and gave some examples but also talked about respect in many different areas. So, for example, I would be very interested to know how this respect in Members and use of social media and so on is going to be undertaken. Is that going to be an action area in the Action Plan or not?

2490 So as it was, I think, said today, the Action Plan has been developed and has been seen by some of the Committees. It did not come to the Committees I am part of. And this is where I think the contradictions lay. The aspiration of the policy letter is Proposition 2:

To agree that the Justice Framework is a government policy framework, and to direct all Committees of the States to consider its principles and outcomes as part of any policy development ...

2495 So there is the aspiration that justice should be owned by all of us and I think Deputy Soulsby referred to it and that is really that holistic approach, where we recognise that justice is affected by holistic approach and actions from all of us and from different Committees. But actually the process through which we can have an influence on this approach is extremely limited and this approach is going to be limited to debating whatever comes through the Government Work Plan and debating through the appendix report that is likely going to be produced, probably for the first time in the world, 2023, according to the Deputy St Pier amendment.

2500 So if the appendix report is produced in 2023, really the first time we can then add it to the following Government Work Plan debate will be 2024, by which time it is going to be really too late for this Assembly to do anything in relation to the actual action areas.

2505 So I think that the process in my opinion currently undertaken in terms of publishing a very high level policy paper, followed by a publication of the action areas, which we cannot approve, debate, amend this year, falls short of the ambition for us to have the ownership and an opportunity to contribute to understanding the details of the action areas.

2510 And it has also been identified so, the other contradiction is on one hand the Action Plan is going to be a live document where the Committee is going to add to, or subtract, amend, depending on priorities that come, so it is a very live and changing document on one side. But on the other side again the Assembly is really kept away from it because the only opportunity for us to influence it will be through the Government Work Plan and, as I say, the first time realistically when we will actually have a presentation of an update report undertaken so we actually see are we doing enough in this space will be 2024, by which point it is going to be too late.

2515 So what I would like to suggest to the Committee is perhaps to ... Sorry, just to cycle back to the Government Work Plan, again the expectation of this policy letter is that we are going to potentially debate, that will be the place where we potentially go into some of the details about some of the action areas that have been outlined here that correspond to the justice policy but I do not really think the Government Work Plan is the right platform for debating, really, those kinds of details, unless someone will bring an amendment to really focus on quite specific areas. I do not really think that is going to be the approach because the amount of actions and details in the Government Work Plan is huge.

2520 I do not believe that the Government Work Plan is the place to be waiting for further feedback on the actions that have been identified as part of the justice policy review. Again, what I am saying is that this Assembly is kept away from the Action Plan and I think that will undermine, actually, in the short, medium and long term, the effectiveness of us as an Assembly, as Committees and as a community in executing the justice policy.

2530 So what I would like to suggest, with best intentions, to the Committee is potentially that they slightly reconsider their approach and that they take the feedback that they have today, having seen there is not really much to say, right? There is not much feedback. I do not know, really, what constructive feedback you will achieve from that. I do not think Government Work Plan will be a place where you will receive much more feedback.

I think the real potential discussion will be if an Action Plan is brought to the Assembly and this is a suggestion I would like to make to the Committee, is that because it is such an important piece

2535 of work, because of the aspiration for the Assembly to own it, for us to really own it we must understand what we own, what we are accountable for. What are we being asked to really sign our names to? So I would like to suggest that the Committee bring the Action Plan back to the Assembly so we can have a proper discussion on that.

2540 I think the reason I am saying that is because I have had quite a few parishioners get in touch with me in relation to them feeling that they have been perhaps mistreated as part of the justice policy, whether they have been witnesses, whether they have been victims, whether they have had just experience of the justice policy. And, as an Assembly Member, I do not know how I could influence, what are the avenues for me to influence the action areas that could potentially then contribute to solving some of the issues that I am encountering from constituency work.

2545 The cases are numerous. The cases are often related to the procedural justice that also Deputy de Sausmarez has talked about and some of them probably just affect, also, business as usual areas because it has said how we are touched by justice in whatever shape or form, the procedural side of things, is extremely important. A lot of it probably relates to business as usual. So does it mean we do not have a view or say into those business-as-usual items as well?

2550 So, really I feel there is almost not much to say and not much to add. Hence more the reason for hopefully the Committee bringing something forward where we could actually have a more detailed discussion.

2555 In terms of the Propositions, so number two, as I mentioned, are we trying to – this is really a question to Deputy Prow here – does it mean this is equivalent to amending Rules of Procedure, so Rule 4 and how that is executed? Does this need to be actually reviewed as part of Rules of Procedure? And perhaps this is more a question to H.M. Comptroller because we are asked to effectively, I believe, amend Rule 4. I am not sure, this is a question to the President, he perhaps could ask for further clarification.

Proposition 3:

To endorse the approach to identify and consider phasing of future justice actions requiring resourcing or cross-Committee involvement through the Government Work Plan;

2560 Well, I think that is a bit redundant because that is the whole point of the Government Work Plan. So I am not sure why we need this Proposition in the first place. Four, as I mentioned, there is all the mention about the Justice Action Plan but how can we approve Proposition 4 because we do not know what is behind the Justice Plan. So I am hesitant to almost vote for that Proposition at this stage because I do not know what I am voting for. And the last one has been amended.

2565 So I think what I am trying to do is to say, because of the importance of this area, because of what we are trying to, trying to have the cross-Assembly ownership, I think it is really imperative that we see the Action Plan backed in the Assembly.

Thank you.

2570 **The Bailiff:** If no other Member wishes to speak, I will turn back to the President to reply to the debate.

Deputy Prow, please.

Deputy Prow: Thank you, sir.

2575 I will attempt to address all the comments in turn, except where there are specific themes, which I think tie together.

2580 So, sir, I will start with Deputy Aldwell and I thank her for her unstinting support and endorsement and I agree with all she said. I am very confident that her membership of Education, Sport & Culture and the review of the Children Law will also be of great value as this moves forward into actions.

Deputy Soulsby, I thank her for her support and praise for the officers and her endorsement of cross-Committee working. She expresses surprise on social justice content and I would like to express my surprise on her surprise. Because she is lead of the Government Work Plan, so

2585 addressing social justice, I think what the Committee has done and one of the reasons why Advocate Peter Harwood was so useful in this with his wide experience is that we have made it clear – and I hope I made it clear in my opening – that looking across the whole range and breadth of what justice is and one of the points that I hope I made in my opening was that justice was added to the mandate of Home Affairs in 2016 and the States required us to come back with a Justice Framework. That is what we were instructed to do by the end of 2022. So we have absolutely done that.

2590 Perhaps tying Deputy Soulsby started a conversation around the Government Work Plan and she expressed some surprise about it but she is right, and I thank her for saying so, the Committee *for* Home Affairs really understands and takes the Government Work Plan very seriously. I do not want to go over this morning's debate but what is absolutely fundamentally clear, I think to every States' Member, is that resources are tight, whether we are talking about money or officer time and resource.

2595 And this is where I am surprised at some of the comments around contradictions and motherhood and apple pie. We simply cannot have our cake and eat it. We have a Government Work Plan. We have limited budgets, limited resources, and the action plans will take up officer time and take up resources and they have to be prioritised.

2600 That prioritisation happens in this Assembly through the Government Work Plan. So the actions are going to cost money so what we need to do, as a Committee, is to see through the Government Work Plan process what resources we have got, what resources are available and what funding we have got to be able to pursue the actions.

2605 So that is precisely why we have done it in this way. It is motherhood and apple pie? Well if we produce an action plan with lots of wonderful actions and we cannot deliver them, that would not be the right way forward. That would not be good governance – a word that was used a lot in this morning's debate.

2610 Also, talking of contradictions, on the point that Deputy Soulsby made, Deputy Bury has made and Deputy Kazantseva-Miller has made, can I just – I am sorry to do this – just repeat something I said in my opening? Which is, I said I acknowledge this is aspirational as a vision, it acknowledges the broader view of justice and the influence of wider social factors, demonstrates that justice is not just a matter for Committees but the wider States.

2615 That leads into the specific point, actually, that Deputy Kazantseva-Miller made around Proposition 2, which I really hope that Deputy Kazantseva-Miller is able to support this because what he is talking about – and Deputy Soulsby actually touched on this I think through reference to the Health & Social Care Partnership of Purpose, which is that because it is across Government that when Committees are considering their policies on other matters under their mandate, they do consider the impacts that they will have on justice and that is why we are asking for that consideration in the same way as we look at the funding and we should look at the health implications, we should also be looking at the wider implications of justice and that is why we are asking that the policy development, in line with the parts of Rule 3 of the Rules of Procedure are included. I hope that explains that aspect.

2620 Just returning to my notes, Deputy Soulsby made a comment about being protective of our mandates. Again, I think I have made it as clear as I possibly can that we recognise this is an all-Government responsibility. So I am not quite sure what greater reassurance I can give. We had two presentations and we had a drop-in session and I think they were well-received and I think the whole subject of cross-Committee working, which is absolutely what the Committee *for* Home Affairs is absolutely tied into.

2630 Where we consider things in Committee and there are implications for other Committees, we always draw up an action to engage with those Committees, either through officers or by writing to those Committees. I think that the Committee *for* Home Affairs has got an absolutely excellent record on that. I would say that, wouldn't I? But I think it can be backed up by the facts.

I am trying to tie some of the themes together. Sir, we cannot deliver everything. If you go back to the Gemma Buckland report, which was published last term, there are 43 recommendations.

2635 Forty-three! We cannot, in the environment that we have here, deliver on those. One thing we have delivered on and well on time is to deliver a Framework, from which the actions will follow.

This leads onto accountability. What in this policy we have done, yes we have set out a Framework and I think it is a bit unfair to call it motherhood and apple pie; it is a visionary statement. But what we have done, very clearly, is to underpin it and that is where Propositions 4 and 5 come in. Because it says:

To recognise that all actions relating to improving justice, including those progressing under existing resources in line with a Committee's responsibilities, will be identified within the Justice Action Plan;

And:

To direct the Committee for Home Affairs ...

2645 – I accept, sir, this has been amended but I am going to the fundamental point here. In conjunction with the other Committees ...

... to publish at least once every political term a standalone publication

2650 Now, working with Deputy St Pier and his amendment, that will be an appendix report. That will appear in a Billet. So we have made ourselves very accountable. So we are saying this is our vision, depending on the resources we are given, through the Government Work Plan process, we will issue, so the public, other stakeholders and Members of this Assembly will see what we intend to deliver and the timeline we intend to deliver. And there will be an opportunity to debate that in the Government Work Plan.

2655 So, I think it is absolutely on the theme of, 'This is all very well, this Framework, but you should have produced the Action Plan at the same time,' fundamentally misunderstands what the purpose of the Government Work Plan is, which is to holistically look at all the pressures that are on this Island and on this Assembly and the decisions we have to make and prioritise them.

2660 It is only after that process that the Committee *for* Home Affairs can say, 'Right, these are the actions.' Deputy Bury is quite right. It is not as though we have not thought about the actions and it is not as though we have not actually done some consultation with Committees on it, she is absolutely right. But we cannot pin our colours to the mast until we know what resource we have to do this.

Some of these initiatives need legislation so there is a wider stakeholder engagement process that goes on. Some are involved in the Third Sector and so on and so forth.

2665 Also, with regard to some of the actions, yes, some of them actually do need and deserve to be fully debated in this Chamber. I will give you an example and it is one that Deputies Soulsby, Bury, de Sausmarez and Kazantseva-Miller have touched upon, which is around the question of domestic abuse, sexual violence.

2670 Now because that is – and I completely agree with all the Deputies who spoke on this – this is a very serious subject, taken very seriously by the Committee *for* Home Affairs. So we are going to update and combine the Domestic Abuse Strategy with the Sexual Violence Strategy. We are absolutely committed to working with our colleagues within our Committees and the private and third sector to tackle domestic and sexual abuse and we are in the background already considering the establishment, we have already established a steering group to progress the Sexual Assault Referral Centre.

2675 But a bespoke policy letter will be coming to this Assembly around this. So if there were other issues of such import that we felt needed a policy letter, we would be quite prepared to bring one to this Assembly.

2680 Procedural justice, I thank Deputy de Sausmarez for what she said and I entirely agree with everything she said. It will help to underpin the other three pillars and there is a complete commitment around that. Advocate Peter Harwood has given lots of advice around how that should work. It is a work in progress and it will appear in the Action Plan.

Around the idea of regulation of the criminal justice system, I would like to perhaps put a bit of balance in here, from my background. There is great scrutiny around the criminal justice system. There is an appeals process. If anybody, as I have done, has sat through an appeal hearing, the scrutiny on the process and around the case is absolutely immense.

2685 There is regulation and of course one of the ... I give way to Deputy de Sausmarez.

Deputy de Sausmarez: I am really grateful to Deputy Prow for giving way and I am sorry to interrupt his closing speech. But just to clarify, as it seems I might not have made my point very clear. I was specifically talking about the regulation of the legal profession and I wonder if Deputy Prow could give an undertaking or some sort of assurance that that will indeed be dealt with, especially in light of the Moneyval Report?

2690

Thank you.

Deputy Prow: Yes, thank you for that clarification.

2695

I will deal with Moneyval first. It does become part of the justice system but it is also part of, again going back to the Government Work Plan, around our international obligations, so I can assure Deputy de Sausmarez that myself and Deputy Helyar, the Policy & Resources Committee, the Committee for Home Affairs is absolutely, fundamentally going through all those issues that need attention before the Moneyval review. We are doing that in the round and I can absolutely assure her that process is going on.

2700

I think my point that I was trying to make is we have to respect the premise that the courts and the criminal justice system are completely independent from the Home Affairs and the political process. Having said that it is quite clear from the Justice Framework that those aspects that touch on the procedural justice side of it are going to be looked at. This is one of these issues that requires further consultation and it cannot be done overnight. Hopefully, I am giving some reassurance.

2705

I hope I have covered the point at least to some degree around the feedback I have had through this debate and please be assured that I am very grateful for this feedback. Please also be assured that we will consult the Committees and we will consult with individual Deputies and if you have concerns, if you have things that you would like to see as an action, please come and talk to us – in the way that Deputy Queripel has engaged with us. He engaged with us right through the process and that was a very helpful and useful exercise and I thank him again for that.

2710

So, sir, just in conclusion. I would ask all Members of this Assembly to approve the Justice Framework. It is the first step of the extended transformational journey and signals the commitment of Government to prioritise and resource actions, which will provide positive change for our community.

2715

The success of future justice policy is reliant on a whole Government approach and commitment to working together with the third sector agencies and the community. I urge Members to endorse the vision of an inclusive and responsible community, where everybody feels safe and secure and individuals' rights are protected, and support this Framework, which will underpin the Government's Justice Action Plan.

2720

Thank you, sir.

The Bailiff: Members of the States, there are six Propositions. Is there any clarity still needed in respect of Proposition 2?

2725

Deputy Kazantseva-Miller: I would like to seek that clarity please.

The Bailiff: In respect of that, Mr Comptroller, my understanding would be it is not a formal amendment to Rule 4 because it does not change Rule 4 but in Rule 4, paragraph (1)(a) effectively means that it becomes an obligation on all Committees to address that as part of its information.

2730

The Comptroller: Sir, that is how I interpret it myself.

The Bailiff: Is there any request for any of the Propositions to be taken distinctly or can I put all six, as amended, to you?

2735

Deputy Kazantseva-Miller: I would like 2, then, to be taken separately.

The Bailiff: Number two?

2740

Deputy Kazantseva-Miller: Yes.

The Bailiff: Just number two.

We will take Proposition 1 first, which has been amended by both the amendments, to change some language in the Justice Framework. Proposition 1, as amended, those in favour; those against?

2745

Members voted Pour.

The Bailiff: I declare Proposition 1 duly carried.

Proposition 2, taken on its own, those in favour; those against?

2750

Members voted Pour.

The Bailiff: I will declare Proposition 2 also carried.

And Propositions 3, 4, 5 as amended and 6 as inserted, taken together. Those in favour; those against?

2755

Members voted Pour.

The Bailiff: I declare those four Propositions also duly carried. So all six Propositions, as amended, are carried.

2760

POLICY & RESOURCES COMMITTEE

11. Schedule for Future States' Business – Debate commenced

Article 11.

The States are asked to decide:- Whether after consideration of the attached Schedule for Future States' Business, which sets out items for consideration at the Ordinary States Meeting of the 29th June 2022, they are of opinion:-

1. To amend Schedule 1 to the Rules of Procedure of the States of Deliberation and their Committees by changing the date for the Special Meeting of the States to debate the Government Work Plan and States' Accounts from 14th June 2022 to 28th June 2022 and approve the Schedule subject to that change of date.

OR

2. To approve the Schedule

SCHEDULE for FUTURE STATES' BUSINESS (For consideration at the Ordinary Meeting of the States commencing on the 25th May 2022)

Items for Ordinary Meeting of the States commencing on the 29th June 2022

(a) communications by the Presiding Officer including in memoriam tributes;

(b) statements;

(c) questions;

(d) elections and appointments;

(e) motions to debate an appendix report (1st stage);

(f) articles adjourned or deferred from previous Meetings of the States;

(g) all other types of business not otherwise named;

No. 27 of 2022 – *The Immigration (Bailiwick of Guernsey) (Amendment No. 2) Rules, 2022*

No. 30 of 2022 – *The Charities etc. (Commencement and Transitional Provisions) (Guernsey and Alderney) Regulations, 2022*

No. 31 of 2022 – *The Charities etc. (Amendment, Exemptions, Governance and Specified Amount) (Guernsey and Alderney) Regulations, 2022*

P.2022/38 – *The Human Tissue and Transplantation (Bailiwick of Guernsey) Law, 2020 (Commencement) Ordinance, 2022**

.2022/40 – *States' Assembly & Constitution Committee – Commissioner for Standards**

P.2022/39 – *Policy & Resources Committee – Proposed Legislation for the Regulations of Notaries Public**

*Amendments to the proposed meeting dates and order are permitted only for those items marked with an *.*

Items for Special Meeting of the States commencing on the 14th June 2022

P.2022/xx – Government Work Plan

P.2022/xx – States' Accounts Items for Special Meeting of the States commencing on the 1st November 2022

P.2022/xx – States' Budget

P.2022/xx – Non-Contributory Benefits Rate

The Deputy Greffier: Article 11, Policy & Resources Committee – Schedule for Future States' Business.

2765 **The Bailiff:** I invite the President to open debate on this matter today, please.

Deputy Ferbrache: Well, sir, normally I do not say anything on these matters but I have got to say a few words because these are in the alternative and Policy & Resources are asking the Assembly to vote in favour of number one. So I will just read that:

2770 To amend Schedule 1 to the Rules of Procedure of the States of Deliberation and their Committees by changing the date for the Special Meeting of the States to debate the Government Work Plan and States' Accounts from 14th June 2022 to 28th June 2022 and approve the Schedule subject to that change of date.

As can be seen from the explanatory note, there is not much other business in on 29th June. The Government Work Plan, there was a short delay four days after it should have been published, etc. The intent is to give everybody as much time as they can to consider it and put forward any amendments, any other comments they want to make.

2775 So therefore, sir, subject to that, I ask that number 1 or 2 is approved by the Assembly.

The Bailiff: Deputy Trott.

Deputy Trott: Sir, thank you.

2780 Can I just seek clarity on the follow-on dates? I suspect I am not alone in taking advantage of the private schools breaking up on, I think it is, the Friday of that week, and going off on two weeks' holiday thereafter. So would the follow-on dates be – if needed – when we reconvene in September or would they be two weeks later, which would coincide, in my case, with some annual leave? Because the answer to that question will dictate how I vote on this particular Proposition.

2785 **The Bailiff:** Potentially, I can explain that, if that is permissible to Deputy Ferbrache.

2790 If Proposition 1 were to be carried, there would be a Special Meeting starting on Tuesday, 28th June. If that does not conclude within that day, the Ordinary Meeting scheduled to start on 29th June will simply be deferred until the Special Meeting has been completed. The Ordinary Meeting, if it began later than the Wednesday, would potentially have a third day available to it but it would not be clear when that would be.

2795 So if the business was not concluded within the four days, Tuesday-Friday of that week, then the likelihood is that there would be a deferral of any incomplete business to the Meeting scheduled for July.
Deputy Bury.

Deputy Bury: Thank you, sir.

2800 It is a similarly technical question. I am presuming that the deadline date for amendments will be the day before the date for amendments would be for that Meeting, if you want to amend the GWP?

2805 **The Bailiff:** If Proposition 1 is approved, then there will not be a Special Meeting on 14th June, there would be a Special Meeting on 28th June and you work back from 28th June for the date for amendments under Rule 24(2). There is an extra two weeks.
Deputy St Pier.

2810 **Deputy St Pier:** Sir, briefly, I may be alone in this, if the Proposition is approved I will not be able to attend the Special Meeting. I have a family commitment, which was originally scheduled for after the election in June 2020, which naturally was rolled forward because of COVID. So I will not be able to support the Proposition but if it succeeds I will not be present at the Meeting. For that reason, I would like a recorded vote.

The Bailiff: Anyone else wish to speak on these Propositions in the alternate?
Deputy Burford.

2815 **Deputy Burford:** Thank you, sir.

2820 I also have an arrangement for 28th June, which would be very difficult to alter, and I was wondering whether any consideration has simply been given to amalgamating the Meeting, starting on 29th?

The Bailiff: Any other Member wishing to speak before I turn back to Deputy Ferbrache to reply to that point?
Deputy Roffey.

2825 **Deputy Roffey:** I would just like to ask, I understand the point about time for amendments and the fact that P&R missed the date for the publication of their Billet but given the fact that a number of Members have clearly got problems with the 28th, plus concerns over rollover dates, and I was concerned at what you said, sir, because I know I cannot do the Saturday after and that sounds like one possibility, is there any real problem with Proposition 2, just carrying on as per the States' schedule, holding the Special Meeting on the date suggested and then have a short – because there is not much on the agenda – Meeting at the end of June?

The Bailiff: Deputy Ferbrache.

2835 **Deputy Ferbrache:** The points raised by various Deputies about they have got commitments, I fully understand that because the intent ... and it was a proper Resolution that it would be on 14th June and that we would have a States' Meeting, the normal States' Meeting, on 29th June. P&R brought this in the alternative because it was late in publishing the Billet.

2840 But we do not mind. We do not mind it going ahead on 14th June, that is the view of P&R. What we wanted to do was give people extra time to put in amendments, etc. That was the idea. We did not want people to say, 'This is not very fair because we have lost four or five days.' That was the sole intent.

I frankly do not mind. If the view is that we go ahead on 14th June I think we will just have to truncate the time for amendments, etc.

2845 Sorry, sir? I paused when you were shaking your head.

The Bailiff: I was shaking my head at that. My real difficulty is that neither of the matters for the Special Meeting on 14th June was submitted to the Greffier in time. The accounts have not come in either. So they both would now be late. There is no mechanism therefore for there to be a Meeting on 14th June, currently, unless there is some other Proposition that is put to the States, because under the Rules there is simply nothing to put in the Billet.

A Member: Could you just ask Members if they want to –?

2855 **The Bailiff:** If you want to be able to bring the 14th June back, you will need another Proposition, in other words, or an amendment of what is there.

Deputy Meerveld, you want to –?

2860 **Deputy Meerveld:** Sir, if I may propose a Proposition from the floor to resolve the issue, that we schedule the Meeting for the Budget on 29th, with the 29th Meeting deferred to the end of that Meeting. So we are not meeting on the 28th but on the 29th to discuss the Government Work Plan.

2865 **Deputy Ferbrache:** Sir, the difficulty with that would be we would probably run out of time because the Government Work Plan will take some debate. There is the States' Accounts – will take some debate – and we have got a little bit of other business, which is set for 29th June. The trouble with losing a day is that we probably then will not finish and come into all the difficulties that other people have referred to.

2870 So, the suggestions also made in the same regard by Deputy Burford, it is the same difficulty. We could adjourn for a few minutes, put in a Resolution that we revert back to 14th June, if that is necessary, if sir, you are saying it is necessary. We can do that. We would have to get somebody to type up whatever needs to be typed up and ask the States then to consider it.

Deputy Soulsby: You could do it as an option.

2875 **Deputy Ferbrache:** It is a matter for the States.

2880 **The Bailiff:** I am going to look to Mr Comptroller here, which is a classic tactic to buy some time! I have opined, Mr Comptroller, saying we cannot just massage what is in front of States' Members, effectively on the hoof. It is a binary choice, which is either to have the Special Meeting on 28th June – Proposition 1 – or to approve the Schedule. But if the Schedule is approved, the difficulty that I would have is that I would not be able to instruct the Greffier to issue a Billet for 14th June because the deadlines were missed. But that could be solved to restore 14th June if there were to be a Proposition affecting those deadlines.

2885 **The Comptroller:** Yes, that is right.

It is effectively suspending the Rules in order to achieve the end.

2890 **The Bailiff:** It might not be a motion to suspend the Rules but it might be a Rule 18 Proposition. Alternatively, somebody is going to amend what is in front of us to achieve what people are talking about. Now that cannot really be done whilst we are still in session, can it?

The Comptroller: Personally, I would be a little bit, I think, inclined, if I was to advise on amendment or the procedure.

2895 **The Bailiff:** So, if there is a wish not to vote on the choice that is currently before Members but to vote on something else instead, then I will have to put a motion that we adjourn for a short time to deal with that. Is that the request coming from ...?

2900 **Deputy Ferbrache:** Yes, sir, because the idea is to accommodate the States' Members. Whatever is the most acceptable to States' Members is what we are attempting to do. If we can achieve that, by suspending whatever Rules we need to suspend, doing whatever we need to do, to achieve a hearing date on – I do not recall the terminology but people know what I mean – hearing date on 14th June, let us do that. If we need to adjourn and with the assistance of the Comptroller's office, come up with an amendment or a different way of –

2905 **Deputy Kazantseva-Miller:** Can I make a suggestion? I appreciate the accounts have not been submitted yet but they could be under an Urgent Proposition and obviously accounts, it is just a debate, it cannot be amended. Is there an opportunity to go ahead with debating the accounts on the 14th and the Government Work Plan later?

2910 The advantage of that, also, having debated that, we have a bit more time to consider the financial situation, this current financial situation leading then into the Government Work Plan, so that will hopefully then gives us a bit more space, breathing space, if the Meeting starts on the 28th or 29th.

2915 **The Bailiff:** Deputy Ferbrache.

Deputy Ferbrache: Of course that is possible.

2920 In my view that just complicates matters and I think we would be better hearing the accounts and the Work Plan in one go. I think that would be easier for Members, therefore I suggest, if it is a motion, or however I put it, that we adjourn for a few minutes, I liaise with the Comptroller, we come up with an amendment, which hopefully will be acceptable to the majority of the Members of this – I give way to Deputy –

2925 **Deputy Taylor:** I am very grateful to Deputy Ferbrache for giving way and I am just wondering if the most simple option might be to just do a show of hands, initially, to see who cannot make 28th to see if it really is worth all the hassle of Members going through, proposing bits and pieces.

Deputy Ferbrache: I give way to Deputy St Pier.

2930 **Deputy St Pier:** Sir, my suggestion would be that if the will of the States is to approve Proposition 1 and therefore to move until the end of June then the matter is resolved. If Proposition 1 fails then the Government Work Plan and the accounts could be brought under Rule 18 and that would save the need to adjourn the Meeting for amendment. I do not know whether that is a practical way because I suspect the majority would be happy to defer. It may only be one or two of us, and therefore the matter is only engaged if Proposition 1 fails.

2935 **Deputy Ferbrache:** Sir, that is a very helpful suggestion but I just get the impression that Members – by a majority – I may be wrong of course, it has happened once before, but in relation to the Members would rather try and deal with matters on 14th June if at all possible.

2940 Presumably, sir, if we put that, and people vote on all of these various Propositions as to which one they want to approve. So if we could adjourn, that is my suggestion sir, for a few minutes so that we can liaise with the Comptroller and he can draft the appropriate document.

Several Members: Pour!

2945 **The Bailiff:** Members of the States, I am going to put to you the suggestion that there be an adjournment to allow further consideration to the Propositions on the Schedule for Future States' Business to be considered and any documents prepared. Those in favour; those against?

Members voted Pour.

2950 **The Bailiff:** I will declare that carried and we will adjourn to allow those discussions to take place.

*The Assembly adjourned at 4.12 p.m.
and resumed at 4.44 p.m.*

**Schedule for Future States' Business –
Debate continued –
Proposition 1 carried**

[Amendment 1.](#)

To replace Proposition 2 with the following: "2. Notwithstanding the provisions of Rule 3 of the Rules of Procedure of the States of Deliberation and their Committees, to approve the Schedule."

2955 **The Bailiff:** Members of the States, I hope you have all got a document, which is Amendment 1, to the Schedule for Future States' Business and, if so, I will invite Deputy Ferbrache, as the proposer of it, to lay that amendment,

Deputy Ferbrache: Thank you very much, sir.

2960 It will be seconded by Deputy Soulsby. I am very grateful to the Members for their indulgence for the period of time that has elapsed between the adjournment and now. Particularly grateful to you and the Comptroller and the Deputy Greffier for the wording of the amendment and sometimes lesser is better, as it were, in relation to these.

The essence of the amendment, which I will just read, is:

To replace Proposition 2 with the following: '2. Notwithstanding the provisions of Rule 3 of the Rules of Procedure of the States of Deliberation and their Committees, to approve the Schedule.'

2965 Now, if that happens, so the Members will be given, effectively, if the amendment is accepted, an alternative. In other words there will either be a debate on 28th June, if Proposition 1 is accepted, or 28th June (**The Bailiff:** 14th.) Sorry, 14th June I should say, thank you very much, sir, if Proposition 2, if the amendment is successful.

2970 In relation to that, some Members raised with Deputy Soulsby, what does that mean about do we do the Government Work Plan or the States' Accounts first. Looking at the Schedule, again if approved, the Government Work Plan would be dealt with first and then the States' Accounts second. So those who would have difficulty in dealing with a particular day, that would be what would happen.

2975 Sir, it is a matter for the States to decide 28th June or 14th June if the amendment is accepted. I think first of all we have got to vote on the amendment so it is accepted to replace the Proposition and then vote on 1 or 2 on this unless I get the procedure wrong. My own position is, because everybody had been so accommodating, I am going to abstain and leave it up to Members to decide which date they want to achieve.

So if Deputy Soulsby is content to second the amendment, I would ask that it be put to the vote.

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

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Deputy Soulsby: Yes, sir.

The Bailiff: Is there anyone who wishes to debate the amendment before I put it to the vote? No, in that case, I will put to you Amendment 1, proposed by Deputy Ferbrache, seconded by Deputy Soulsby, to replace Proposition 2. Those in favour; those against?

2985

Members voted Pour.

The Bailiff: I will declare Amendment 1 duly carried.

2990

Is there any further debate on the alternate Propositions as amended? The only reason I am pausing, Deputy Bury, is that you have already spoken. But I will give you permission to make another speech on the Propositions now that they have been amended.

Deputy Bury: Thank you, sir.

2995

It was rather a technical question previously but I would just like to point out that if Proposition 2 is carried, so that we will meet on 14th June, the deadline for secondary propositions and amendments will be 6th June, so if we take into account the public holiday, that gives us around four working days. I have raised that concern with Policy & Resources and they have said that they will allow some flexibility, which is of some reassurance but I think that Members should be aware of that.

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Thank you, sir.

The Bailiff: Deputy Gabriel.

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Deputy Gabriel: Can I just add to my concerns, sir, that perhaps some officers may have been taking advantage of the Jubilee bank holidays and having some leave around that time so that will put extra pressure on Committees for any consultation needed for any amendments as well? That was my point I was going to make about 6th June.

Thank you.

3010

The Bailiff: Deputy Trott.

Deputy Trott: Very briefly, sir, the 28th June has never been in our parliamentary diary; 14th June has been for a number of months, if not more than a year. I think it would be useful to know how many would be absent on 14th June and how many would be absent on 28th June because that may help the States in making a decision between the two Propositions.

3015

The Bailiff: Deputy Roffey.

Deputy Roffey: I agree with the first part of what Deputy Trott said, I do not agree with the second part. I do not care if only one person cannot make 28th, we should have the right, when planning our lives – which I hope we all do – around the importance of States' Meetings to be able to rely on a States' diary and not dragging days out of the hat to actually put in.

3020

We are supposed to have a proper schedule a long time in advance, we can all plan not to be away, not to have other engagements and that is what really worries me about the 28th. I share the view about short time for amendments but the counter side is, I think, it would be grossly unfair. The Government Work Plan should be a really major issue and if people have planned for months ahead because of the basis the 28th was not a States' day, I do not care if it is one or two, I think it is incredibly unfair.

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3030

The Bailiff: Deputy Kazantseva-Miller.

Deputy Kazantseva-Miller: I would like to make my suggestion I made earlier again, just please to go with the Government Work Plan on the 14th and then to debate the accounts later.

3035

The Bailiff: Anyone else? I will turn to Deputy Ferbrache to reply to the debate.

Deputy Ferbrache: Sir, dealing with the points very properly made by Deputies Bury and Gabriel, P&R would have to be and would be very relaxed in relation to the timetable. Ultimately, it is a matter for Members to do their best, which I am sure they would. So I appreciate the points well made by both of them.

3040

As for the Deputy Trott/Deputy Roffey matter that is a matter that Members will be able to vote upon, whichever date they choose. That is the point in respect of that. As to the last speaker, there is no amendment or Proposition in relation to that so I cannot see that we can address that.

3045

The Bailiff: Members of the States –

A Member: Could I request a recorded vote, sir?

3050

The Bailiff: It was already requested by Deputy St Pier, in respect of Proposition 1, at least. So we will have a recorded vote on Proposition 1, please, Greffier.

There was a recorded vote.

Carried – Pour 19, Contre 9, Ne vote pas 3, Absent 8

POUR

Deputy de Lisle
Deputy Fairclough
Deputy Falla
Deputy Haskins
Deputy Helyar
Deputy Inder
Deputy Kazantseva-Miller
Deputy Mahoney
Deputy McKenna
Deputy Meerveld
Deputy Moakes
Deputy Murray
Deputy Parkinson
Deputy Queripel
Alderney Rep. Snowdon
Deputy Taylor
Deputy Vermeulen
Deputy Aldwell
Deputy Bury

CONTRE

Deputy de Sausmarez
Deputy Gabriel
Deputy Gollop*
Deputy Matthews
Deputy Roffey
Deputy St Pier
Deputy Trott
Deputy Brouard
Deputy Burford

NE VOTE PAS

Deputy Ferbrache
Deputy Prow
Deputy Soulsby

ABSENT

Deputy Cameron
Deputy Dudley-Owen
Deputy Dyke
Deputy Leadbeater
Deputy Le Tocq
Deputy Oliver
Alderney Rep. Roberts
Deputy Blin

** Denotes Member who voted by Proxy.*

The Bailiff: Members of the States, the voting on Proposition 1 was as follows: there voted Pour, 19 Members; Contre, 9 Members; 3 abstentions, 8 Members were absent at the time and therefore I will declare Proposition 1 duly carried, which means we do not need to vote on Proposition 2.

3055

So there will be a Special States' Meeting, starting on 28th June, and it will be followed by the Ordinary Meeting that is already to be dealt with on 29th June. When you start that, who knows?

I think that concludes the business for this States' Meeting, so I will invite the Greffier to close the Meeting please.

3060

The Assembly adjourned at 4.54 p.m.