



**OFFICIAL REPORT**

**OF THE**

**STATES OF DELIBERATION**

**OF THE**

**ISLAND OF GUERNSEY**

**HANSARD**

**Royal Court House, Guernsey, Wednesday, 26th February 2014**

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**Absent at the Evocation**

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller)  
Deputies R. Domaille (absent de l'Île) and A. R. Le Lièvre (absent de l'Île)

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# States of Deliberation

*The States met at 9.30 am in the presence of  
His Excellency Air Marshal Peter Walker C.B., C.B.E.  
Lieutenant-Governor and Commander-in-Chief of the Bailiwick of Guernsey*

[THE BAILIFF *in the Chair*]

## PRAYERS

*The Senior Deputy Greffier*

## EVOCATION

## CONVOCATION

**The Senior Deputy Greffier:** Billet d'État III of 2014. To the Members of the States of the Island of Guernsey, I hereby give notice that a meeting of the States of Deliberation will be held at The Royal Court House on Wednesday, 26th February 2014 at 9.30 a.m. to consider the items contained in this Billet d'État which have been submitted for debate.

## Welcome to Joyce Watson – Member of the National Assembly for Wales

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

Before we start our business of the day, may I just draw your attention to the presence in the Public Gallery this morning of Joyce Watson who is a Member of the National Assembly for Wales. She is the Member for mid and west Wales, serves on three Committees in that Assembly and is the Chair of the Commonwealth Parliamentary Association, Wales Branch, and also a very active member in the Commonwealth Women's Parliamentary Association. During her stay on the Island I understand she has been promoting the work of both of those Associations.

Miss Watson, may I thank you very much for taking the time both to visit our Island and to come here this morning. I am aware that you will shortly be leaving because you have to go to the Airport to catch a plane, but thank you very much. You are very welcome.

Thank you. (*Applause.*)

## Election of Chief Minister – Arrangements

**The Bailiff:** Members, may I next take this opportunity to make a Statement to advise you of the arrangements for the election of a Chief Minister and the date of that election?

You will all be aware that the Chief Minister tendered his resignation to me yesterday and that, pursuant to Rule 7 of the Rules governing 'The Constitution and Operation of States' Departments and Committees', he remains in post as Chief Minister until a successor is elected. Hence he is seated here next to me in his customary chair, although I understand that when we come to the debate on the Policy Council's Report on the Financial Transformation Programme that debate will be opened by the Deputy Chief Minister, not by the Chief Minister.

Moving on to the election of a successor, the arrangements for that fall both to the Presiding Officer and to the States Assembly and Constitution Committee because, under Rule 1 of the Rules of Procedure of the States of Deliberation, it is the Presiding Officer who issues the Billet d'État to convene a meeting of the States, and under Rule 20(3)(a) it is the States Assembly and Constitution Committee that decides the period of time during which nominations may be received by the Presiding Officer. So it has been a joint

effort. The States Assembly and Constitution Committee met this morning and, with their agreement, I am able to advise you of what we have each decided in our separate responsibilities.

And to put the arrangements in their chronological order by the time you leave at lunch time or if we were to finish earlier I hope there will be a Billet ready to be handed to you which will convene the election meeting. That will be this morning. Nominations will open at 9 o'clock tomorrow morning and if anybody wishes to collect a form, nomination forms are available for collection this morning from the Bailiff's office and, as I say, they may be returned completed to my office as from 9 o'clock tomorrow morning.

The period for nominations will remain open until 5 o'clock next Thursday – that is Thursday 6<sup>th</sup> March – and the meeting to elect a Chief Minister will be held two weeks today on 12<sup>th</sup> March at 9.30 a.m. on the date that would normally be the reserve date if business had not been completed at this meeting. So two weeks today we will be electing a Chief Minister.

At that meeting the new procedure approved by this Assembly will take place and I remind you that if there is more than one candidate then there will be a Question Time of 30 minutes times the number of candidates, maximum, as laid down in Rule 20(3). So that will be the new procedure that we will be following for the first time in this election.

I do not want to in any way be seen to be pre-judging the outcome of that but, if it were to be the case that as a result of that election any other posts fell vacant, my present thinking is – and I will not take any decisions until we know the outcome of the election – that it might make sense to hold the elections to fill those consequential vacancies at the March meeting on 26<sup>th</sup> March. As I say, no decisions on that will depend on the outcome and I do not in any way want to be prejudging the outcome, but it just seems to me that that might be a convenient date for any consequential elections and we will, of course, on 26<sup>th</sup> March in any event be carrying out elections to fill the vacancies created by the untimely and sudden death of Alderney Representative Arditti.

So that is the procedure, Chairman of the States Assembly and Constitution Committee, is there anything you wish to add?

**Deputy Fallaize:** No, thank you, sir.

**The Bailiff:** No. Thank you very much.

Having made that Statement we will now move on with the business of the meeting. I have been asked if Members who wish to do so may remove their jackets and I confirm that they may do so. It is rather warm in here today. It goes from one extreme to another in this room.

## STATEMENT

### Update on Income Tax service – Statement by the Minister of Treasury and Resources

**The Bailiff:** The first item of business is a Statement to be delivered by the Minister of the Treasury and Resources Department, Deputy St Pier.

**Deputy St Pier:** Mr Bailiff, earlier this month I wrote to all States Members to notify them that I had sought your permission to make a Statement at this meeting regarding the position of the Income Tax Office.

This morning I will update Members on the current situation, including the well-publicised backlog of work, the oversight provided by the Treasury and Resources Board and, importantly, the plans for improvement that my Board has recently approved.

I have also asked Members to notify me of any particular areas, they would wish to see covered in this Statement and I will, therefore, also address those questions raised by Deputies Trott and De Lisle, for which I thank them.

Sir, the reality is that despite significant moves towards online filing and assessing – which is now used by around 16,000 people – the Income Tax Office is in large part working with outdated systems and processes, and these have been severely tested over the past two years, which have seen increases in the number of tax returns waiting to be examined.

The introduction in 2012 of the penalty system for submission of Income Tax returns has led to a significant increase in the number of tax returns being received.

Nearly 5,000 additional returns were received in 2013 compared to 2012, which itself had seen an increase of 4,000 over the previous year. So over the two years this is an increase of 18%. In both years

approximately 12,000 reminder letters were issued prior to the imposition of penalties. This demonstrates the previous overall level of non-compliance, or at least tardiness, from about a third of all taxpayers.

85 This improvement in compliance and more timely submissions is, in fact, a good news story. However, the reality is that this bulge in submissions has contributed to an increased backlog in the Tax Office and consequent deterioration in customer service levels, and this has been demonstrated through the length of time taken to process returns and reply to correspondence and the need to restrict telephone and counter opening times to enable the backlog to be tackled.

90 Unfortunately, this increase in the number of returns coincided with some long-term sickness amongst experienced staff and also an unusually high level of turnover of qualified staff. Particularly in 2012 when the turnover rate was 19% against a more normal 6% or 7% a year. Although positions have been filled the requirement to thoroughly train tax officers has meant that the team was operating well below normal capacity at exactly the time when demand increased placing strains both on the remaining experienced staff and the Tax Office's training facilities.

95 The overall number of returns assessed has remained pretty constant over the last four years, which is surprising perhaps in view of the level of staff turnover and the large number of trainees referred to. So, to address one of Deputy Trott's questions, this is not an issue regarding productivity. It is also worth making clear, for the record and for the avoidance of doubt, that this situation has not arisen as a result of the FTP. 100 My Board has not authorised any FTP projects that impact on assessing staff and have tested with management all FTP projects within the office, to seek confirmation that they will not have any adverse service impact.

However, the situation could be said to have come to light *because* of the FTP and the emphasis on cost containment. I say this because in the past the situation could have been masked by simply throwing 105 additional overtime at the problem.

My Board and I have been concerned regarding this backlog for over a year and have been monitoring the situation closely and regularly and seeking solutions wherever possible. We have supported management's initiatives to address this situation. For example, the Board authorised the appointment of an additional full-time tax officer to assist with the arrears. It has also authorised some additional overtime to 110 be paid and the restricted public access hours already referred to – all in an attempt to speed the clearance of the backlog. This has helped. So, for example, there has been a one-third reduction in work more than four months old and, in January 2014, 34% of the returns received in the month were assessed, as against 14% in January 2013.

But, sir, despite these attempts it has become apparent that these initiatives have not materially reduced 115 the backlog and that the challenges faced are in fact systemic. Accordingly, a different approach is required if we are to deliver appropriate levels of service. My Board has therefore initiated and agreed an improvement programme for the Income Tax Office, with a view to addressing both the symptoms and the root causes of poor performance. The importance we attach to this is reflected in the decision that I, as Minister, will provide strong political interest and leadership by acting as the programme sponsor.

120 The core objectives of this programme are to provide a fit-for-purpose, customer-focused, Income Tax service which meets the needs of Guernsey and Alderney. The programme needs to deliver substantial and sustainable improvements in performance, and the programme must exploit modern technology to drive efficiency and improve the tax payer's experience as a customer of this vital public service. Finally, it must optimise the obvious opportunities and synergies between Income Tax and social security collections.

125 This programme will initially seek to ensure that the backlog is reduced to a manageable level before the end of this year. Importantly, it will also both define and deliver acceptable service standards. Both Deputy Trott and Deputy De Lisle asked questions regarding performance against targets. Historically, there have not been any clearly defined and agreed standards, targets, or key performance indicators.

130 While this work is ongoing a full process review will be undertaken, with a view to identifying and confirming opportunities for process improvements and efficiencies. This will result in the definition of a new target operating model for the office and any quick wins will be implemented immediately, along with initiatives to improve processes, resulting in a more efficient operation.

There will also, however, inevitably be changes to policies and systems to take into account, including incorporating any changes agreed as part of the joint Personal Tax, Pensions and Benefits Review and these 135 will obviously take longer to deliver. This programme will therefore stretch over several years but ultimately will result in a fit-for-purpose Income Tax service for the foreseeable future.

Sir, as I said earlier the problem has been exacerbated by outdated processes and systems. Let me give you a couple of examples.

140 Firstly, the IT system itself is nearing obsolescence and is, in any event, scheduled for replacement as one of our capital projects. But this provides an opportunity for a step change rather than simply replacing like for like.

Secondly, the process of interim assessments, which by law become final after 30 days unless appealed – although in practice they will be revised when the taxpayer's return is processed... and this creates a vast

process and paper trail of assessment, appeal and revised assessment, much of which the customer – the taxpayer – simply does not understand.

Thirdly, for a significant number of taxpayers who just receive Guernsey employment income or Guernsey occupational pensions, the Department should already have the information from the ETI system from which to produce an assessment without the taxpayer needing to file a return at all.

In the future more information, such as bank interest received, will be automatically relayed to the Department by financial institutions. This is following a decision by the States last December. This could enable the Tax Office to process assessments automatically for thousands of personal taxpayers without the need to complete a tax return. These are the sorts of opportunity and transformational operation improvement which are currently being contemplated and which we are looking to maximise.

Deputy Trott has asked me whether the States has lost income or received any revenue advantage through late collection of tax or delays in making refunds. I can provide reassurance that the combination of the ETI scheme, which of course covers the vast majority of Income Tax, interim assessments and late payment surcharges, protects the collection of the majority of revenues – although inevitably the process and delays do have some impact.

Further, it is worth remembering that the Income Tax Office collects some £300 million every year in general revenue for the States of Guernsey. It is a vital public service which has continued to collect these revenues under extremely stressful and challenging conditions for the staff involved, and I thank them for doing so. They should not be pilloried.

As well as the many complaints I have received in consequence of the backlog, I continue to receive a smaller number but a steady flow of compliments in respect of good service and I thank members of the public for taking the time to recognise good experiences as well as poor.

It is important we continue to support staff operating under constant pressure and now facing a substantial change programme. My Board and I are resolutely committed to securing a fit-for-purpose service for the future and we hope that we can count on your support to help us deliver the change which is so necessary.

Finally, sir, for your information and that of Members, I take this opportunity to advise that I will be seeking your permission to make a Statement at next month's meeting of this Assembly to outline the States financial performance in 2013.

Thank you, sir.

**The Bailiff:** Are there any questions arising from that Statement?  
Deputy Trott.

**Deputy Trott:** Sir, because I have to phrase this as a question, is the Minister of Treasury and Resources aware that I and many other Members of this Assembly congratulate him on the methods that he applied in making that Statement by asking Members for questions in advance. It was, in many of our views, a much more worthwhile process than otherwise it might have been.

Thank you, sir. (*Interjection*)

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Thank you, Presiding Officer, sir.

I would like to ask Deputy St Pier is there a programme to tackle the staff and recruitment shortages by temporarily outsourcing tax professionals, either from within the Guernsey finance sector or indeed from the UK Inland Revenue?

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, it is an excellent question and it is one which the Board have asked on a number of occasions of management – to explore whether there are opportunities for doing so. Those kind of opportunities will remain very much part of the potential for the improvement programme, particularly in this early phase of clearing the backlog in 2014.

There are some very practical restrictions on doing so, in terms of understanding of systems, operating systems and training and the need to divert staff from their other jobs in order to train new people coming in and so on. So, absolutely, it is something which is under consideration and remains under consideration. It has not been ruled out. If it can be used effectively it will be, but it has not been deemed to be an appropriate part of the solution to date.

**The Bailiff:** Deputy Fallaize.



- 205       **Deputy Fallaize:** Thank you, sir.  
The problems, as indicated by the Minister's Statement, have been fairly material and I have received lots of correspondence from parishioners. Can I ask him, therefore, that he keeps Members apprised on a fairly regular basis of any improvements at the Income Tax Office, please?
- 210       **The Bailiff:** Deputy St Pier.
- Deputy St Pier:** I will be happy to provide that confirmation, sir.
- The Bailiff:** Any other... ?
- 215       Deputy Le Clerc and then Deputy Brehaut.
- Deputy Le Clerc:** Sir, I would just like some reassurances from the Minister. I know he has spoken previously about FATCA, but I would just like to ensure that the onerous reporting responsibility that we are going to have in complying with US FATCA and UK FATCA will not be affected by the staff shortages, because we would have potentially a reputational risk with that.
- 220       **The Bailiff:** Deputy St Pier.
- Deputy St Pier:** Sir, I can provide that reassurance. The staff and team that are involved in the international side and the reporting side, both present and future, are totally separate from the domestic assessing teams, so I do not anticipate the problems which Deputy Le Clerk refers to.
- Clearly we will continue to keep it under review to the extent that we experience any other staffing pressures that were likely to give rise to the reputational risks that she alludes to and do what we could to avoid that happening, sir.
- 230       **The Bailiff:** Deputy Brehaut and then Deputy De Lisle.
- Deputy Brehaut:** Thank you, sir.  
Can I ask how much will this intervention cost and how will it be funded – the initial intervention?
- 235       Thank you.
- Deputy St Pier:** Sir, another excellent question, if I may say. *(Laughter)*
- A Member:** No electioneering, please.
- 240       **Deputy St Pier:** The answer is we are still working on that to... We have some high level estimates of what may presently be involved, particularly to bring the backlog up to date in 2014 using some fairly conservative estimates at the moment, that the Board considered at its meeting yesterday. The estimate is around £150,000. We hope to firm up on that as part of this initial phase. In terms of how that is funded and so on, that remains a matter which we are very conscious that we need to square off. But we are aware of that issue.
- Thank you, sir.
- The Bailiff:** Deputy De Lisle.
- 250       **Deputy De Lisle:** Sir, the better tax compliance – the jump of a fifth in just two years – I would like to ask the Minister where these have come from during such a slow period of growth? And that brings up the question of what is the level of non-compliance in Guernsey and do we have the same problem of non-compliance as the UK has?
- 255       Thank you, sir.
- The Bailiff:** Deputy St Pier.
- Deputy St Pier:** Again the question of which clearly arises from the increased number of returns is a very valid one and again one which the Board has asked itself.
- 260       A significant proportion of the returns that have been filed are in respect of previous periods and so there is an element of catch up which the penalty regime has encouraged, as opposed to what would be outright non-filing or non-compliance. Therefore, to answer the question which Deputy Trott asked – which I sought to address in the Statement – the revenue protection has largely been covered by the interim

265 assessment process which ensures that the Department issues an assessment for somebody, whether or not they file anyway, together with ETI.

In relation to the extent of non-compliance and the extent to which that is a problem, we do have significant compliance activity. The results of that from year to year do vary. In 2013 the investigations – specifically the investigations area – brought in £1.3 million; £2.6 million in 2012. There are variations depending on the cases which are investigated and what that brings up.

In terms of systemic non-compliance, there is no evidence of which I am aware that would suggest that it is a significant problem or any more so than that which is faced by all tax administrations, I would suggest.

275 **The Bailiff:** Deputy Bebb.

**Deputy Bebb:** Thank you, Monsieur Le Bailli.

Given that the Minister very kindly described the current system as ‘nearing obsolescence’, could I ask for his assurance that, in accordance with best practice in any project management, any recent implementation of computer systems is thoroughly evaluated and the lessons learned are taken into account before any new project.

Could I also ask whether he and his Committee will consider laying before the States or circulating to all Deputies an outline of the governance – especially any political oversight – that will be given to any new project Board.

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

**Deputy St Pier:** Sir, I think I am happy to provide confirmation on both points. The programme structure around all capital projects now is so much stronger and more robust that the lessons certainly should be learnt from previous implementations. Deputy Bebb, I am sure, will know from his previous experience that IT implementations *always* create challenges and, therefore, the planning to avoid those up front is so absolutely critical.

But certainly in relation to the governance structure around the programme, we would be very happy to circulate information to all States Members.

295 **The Bailiff:** Deputy Lester Queripel, then Deputy Soulsby.

**Deputy Lester Queripel:** Thank you, sir.

I apologise to the Minister for not asking this question prior to the debate but several of my parishioners have complained to me that they are experiencing problems with the Tax Office even though they have submitted their tax returns, and it does seem that training staff has become a major problem at the Tax Office. Is the Minister able to give me an assurance that training is the number one priority? And is he able to answer the question: why has training become such a problem at the Tax Office?

Thank you, sir.

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

**Deputy St Pier:** Sir, I am not sure I accept that training has become a problem in itself at the Tax Office. As I indicated in the Statement, the priority is to ensure that there are adequately and properly trained staff, and therefore training is an absolute priority. And in relation to Deputy Gollop’s question, again I alluded to the fact that actually ensuring that we have people who understand what they are doing in terms of processes and systems, is absolutely critical. So I can hopefully provide Deputy Queripel with the reassurance that training is a key priority for the Department ensuring that we do have adequately trained staff.

315 **The Bailiff:** Deputy Soulsby.

**Deputy Soulsby:** Sir, yes, would the Minister confirm that as part of the review his Department will look at the extent to which the Income Tax Office does work that produces little or no return and where resources could be focused more effectively?

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Yes, I can provide that reassurance to Deputy Soulsby. An absolutely critical part of seeking to do a full process review will be ensuring that we are devoting resources in the right areas and

getting the right return for that effort. So, absolutely, I would regard that as being a critical part of the process design.

**The Bailiff:** Any further questions? No. Well, then that concludes the Minister's Statement.

## Questions for Oral Answer

### HEALTH AND SOCIAL SERVICES DEPARTMENT

#### Bowel Cancer Screening Programme— Patient eligibility

330 **The Bailiff:** We move on now to formal Question Time, and the first questions are to be asked by Deputy Hadley to the Minister for Health and Social Services Department.  
Deputy Hadley.

335 **Deputy Hadley:** Mr Bailiff, in his speech on January 30th the Minister quoted the clinical lead for bowel cancer, advising that sigmoidoscopies should not be carried out on people over 65 because of frailty and that it is not sensible to screen people under 60 because too few pre-cancerous polyps would be found. I would like to ask the Minister who is the clinical lead for bowel cancer screening?

340 **The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, the lead cancer clinician within HSSD is Dr Catherine Chinyama and the lead consultant for bowel cancer screening with the Medical Specialist Group is Dr Hamish Duncan.

345 Both have given their view on the risks and benefits of screening various age groups. Both will be involved in making their recommendation to the Professional Guidance Committee on the future scope of the Bowel Cancer Screening Programme.

**The Bailiff:** Any supplementary questions?

350 **Deputy Hadley:** Yes, sir, as a supplementary question, I would like the Minister to answer the question that I actually asked, which is who was the clinical lead that he was quoting in his speech because it cannot be two people?

355 **Deputy Dorey:** As I said, there is a lead with HSSD and a lead with MSG. I was specifically quoting from a meeting we had with the MSG lead consultant for bowel cancer screening.

360 **Deputy Hadley:** Mr Bailiff, does he understand that he is still not answering the question I asked? He specifically said that a person – the clinical lead – had actually said that people over 65 could not be screened because of frailty and people under 60 because these cancerous polyps were less likely to be found. And is he not aware that the lead consultant said last October that he believed that people should be screened from the age of 55 until the age of 75 and that he is totally misleading the Assembly regarding their views. Will he, therefore, arrange a presentation for Members of the Assembly so that we may hear at first-hand the views of clinicians?

365 **The Bailiff:** I am not sure that is a supplementary arising out of the answer given, but, Deputy Dorey?

**Deputy Dorey:** It is not a supplementary from the answers given. As there are over 12 questions, I will stick just to the supplementaries which arise from the questions.

370 **The Bailiff:** Deputy Hadley, can you move on to the next question?

**Deputy Hadley:** If people like myself, aged over 65, are too frail for this screening then is not screening at 65 particularly urgent, as this will be their last chance to be screened?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, there will always be an upper limit for screening. If anyone who has not been screened is concerned that they may have symptoms of bowel cancer they should contact their doctor at the earliest opportunity. There are facilities for diagnosing and treating bowel cancer which are available to people of *all* ages.

It is too dramatic and absolute to say that 65 is a person's last chance to be screened. When deciding how to run a service, HSSD always has to think in terms of what is an acceptable level of risk. In respect of bowel cancer screening I have been advised by the lead consultant for bowel cancer screening that, in his view, the risks of screening by flexible sigmoidoscopy are higher in people aged over 65 because of other illnesses or comorbidities. This will be taken into account when deciding how to expand the service.

**The Bailiff:** Any supplementary questions?

**Deputy Hadley:** Does the Minister not understand that, in fact –

**Deputy Lowe:** May I ask –

**Deputy Hadley:** – what the lead consultant was –

**Deputy Lowe:** I was going to ask a supplementary if possible, sir?

**The Bailiff:** I think, I think Deputy Hadley is also asking a supplementary. (**Deputy Hadley:** Yes, sir) Yes, he is asking a supplementary. Then Deputy De Lisle also wants to ask a supplementary.

**Deputy Hadley:** Does the Minister not understand that what we are talking about is that for anybody of any age who is frail, this will have to be taken into account in the screening and I say again that he is actually totally misleading the Assembly regarding his answer and doesn't he realise that?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** I am not misleading the States. I based what I said on information that we were given and we have minutes which were agreed by the people who attended the meeting. Sir, I have been as open as I can and explained the situation to the Assembly.

**The Bailiff:** Deputy Lowe, you had a supplementary.

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

Would the Minister agree that if we were looking to screen 65-year-olds and that is not actually happening but he just said that if there was a problem you consult your doctor... Would he not actually accept the idea of screening is to be preventative and not wait until there are symptoms and problems, which may be too late.

**The Bailiff:** Deputy Dorey:

**Deputy Dorey:** Absolutely, that is the point of screening but, as I said, there is an upper age limit for screening and everything has a risk and if people have no symptoms and are a particular age I have been informed that there is a risk in doing screening on them. It is the balance and that is why I started off by saying there will always be an upper age limit for screening.

**The Bailiff:** Deputy De Lisle.

**Deputy De Lisle:** Yes, sir, I wanted to ask what percentage of people offered screening do not take up screening and, as a result of the answers given earlier, can anyone come forward for screening despite their age?

**The Bailiff:** I think there are two questions there. The first one I do not think does arise from the answer given but... and I think that information is already in the public domain, is it not Deputy Dorey?

**Deputy Dorey:** That is perfectly accurate, sir. We published a report which gave all the details of the percentage of people who were called and were screened. So that information is in the public.

435 **The Bailiff:** And as for the second question, which I think was can people of any age be screened? Presumably if they have symptoms, I would assume he is saying.

**Deputy Dorey:** For the Screening Programme they have to be called to be screened but obviously if somebody has a concern they should go and see their doctor, which is as I have explained and they will  
440 decide the most appropriate way of examining them for the symptoms that they have.

**The Bailiff:** Deputy Hadley, your next question.

**Deputy Hadley:** Mr Bailiff, the Minister said in debate that I had exaggerated the savings generated by bowel cancer screening, yet the figures that he gave show lower savings, although they were still more than  
445 the cost of screening. Does he not now accept that bowel cancer screening saves money and lives and, therefore, why is he reluctant to screen more people, such as the 65-year-old age group?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, this question was adequately covered in the debate at the January States meeting and I do not propose to respond further, other than to say the Department is progressing its review of the Bowel Cancer Screening Service and a permanent service screening people at the appropriate ages will be set up in 2014 following the recommendation from the Professional Guidance Committee.  
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**The Bailiff:** Your next question, Deputy Hadley.

**Deputy Hadley:** Does the Minister not understand that this decision was already made by the previous Board? The appropriate ages were decided and so why is he reviewing this all over again?  
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**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** This was adequately covered in all the documents we have released I do not intend repeating this information again.

**The Bailiff:** Deputy Hadley, your next question.  
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**Deputy Hadley:** Mr Bailiff, in his speech to the Assembly last January he said that bowel cancer was not the second cause of death from cancer but that stroke and heart attacks were bigger killers. Is he not aware that stroke and heart attack are not cancers and that when these figures are removed from the figures he gave, the bowel cancer became the second cause of death from cancer based on the figures he gave?  
465

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, this question misrepresents what I said in my closing speech on the motion of no confidence. I said that Deputy Hadley had repeatedly claimed that bowel cancer is the second biggest killer. It is not. Depending on the period of time you look at, it is between the second and fourth biggest cancer killer in Guernsey. In the decade between 2003 and 2012 it claimed 140 lives while lung cancer, which is the biggest cause of cancer death, claimed 350. In that period 500 people died of a stroke and 400 people died from heart attacks and that is a quote from what I said in my closing speech.  
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**The Bailiff:** Deputy Hadley, your next question.  
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**Deputy Hadley:** Mr Bailiff, can the Minister explain why there is a discrepancy between the draft business case approved by the Health and Social Services Board in January 2012 and the case that he has looked at?  
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**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, the situation is not as Deputy Hadley describes. The matter has been covered in full in my answers to Deputy Hadley's Rule 6 question, and was published on 14th February 2014.  
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**The Bailiff:** Deputy Hadley.

495 **Deputy Hadley:** Mr Bailiff, does the Minister not remember that he has consistently said that he has read the minutes of the meeting in January and that I and the Board had agreed to screen one age group only and does he now accept that he cannot produce that evidence?

500 **Deputy Dorey:** The Rule 6 answer, which I referred to in my answer which was published on 14th February 2014, covers this in incredible detail and explains the situation. I have got nothing more to add.

**The Bailiff:** Deputy Hadley.

505 **Deputy Hadley:** Mr Bailiff, can the Minister explain the difference in my quoting from the minutes of the Board meeting in January 2012 and his quoting from the Board meeting of 19th December? Is it not the case that if I have breached the Code of Conduct then so has he?

**The Bailiff:** Deputy Dorey.

510 **Deputy Dorey:** Mr Bailiff, the minutes I read out were not Board meeting minutes, as claimed, but the minutes of a meeting between two representatives of MSG and the acting Chief Officer of HSSD and myself. My concerns are primarily to do with the fact that Deputy Hadley had distributed Department minutes and papers to other States Members without having sought or received permission from the Department to do so, as required under Rule 18(a) of the Code of Conduct.

515 However, HSSD will not be pursuing a complaint against Deputy Hadley under the Code of Conduct.

**The Bailiff:** Deputy Hadley do you wish to move on to your second series of questions.

520 **Deputy Hadley:** Mr Bailiff, in the reply to my Rule 6 questions placed earlier this month, it produced three versions of the business case for bowel cancer screening. In every case it says to:

‘Invite men and women of two cohorts to attend for screening at the Princess Elizabeth Hospital.’

Can he now explain to the Assembly how he could possibly construe this to mean that the Board, of which I was a Member, had agreed to screen one cohort?

525 **The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, Deputy Hadley’s second batch of questions were submitted after the deadline for Rule 5 Questions. However, HSSD decided to accept and answer them at this meeting in the interests of openness.

530 I answered this question in full in my response to Deputy Hadley’s Rule 6 question, which was published on 14th February. I would ask all States Members who have an ongoing interest in the matter to read that response.

535 In brief significant changes were made to the business case before it was approved by the Board on 20th January 2012. Those changes make it clear that the service would start with a single cohort of 60-year-olds. Reference to two cohorts was removed in all but one place. I have acknowledged there is ambiguity in the documents related to the Bowel Cancer Screening Service. If Deputy Hadley feels that our interpretation does not reflect what the Board was told at the time he is entitled to that view.

540 However, there are the changes to the business case before it was approved by the Board in 2012, there is supporting evidence from Board minutes and papers, there is the reality that the service screened only one cohort throughout Deputy Hadley’s time on the HSSD Board. All these facts, which were examined in detail in my Rule 6 response, allow us to reasonably draw the conclusion that the former Board in 2012 approved a service that would start by screening one cohort only.

545 **The Bailiff:** Supplementaries? (*Interjection*) Deputy Adam.

**Deputy Adam:** Thank you, sir.

550 In Deputy Dorey’s reply he says that Deputy Hadley was on the Board when it decided one cohort. Sir, I believe I was on the Board as well at that time and I cannot remember at any time that the Board specifically stated only one cohort. If Deputy Dorey reads our highline report from the Project Manager, that was given to the Board the following month, it clearly states in work stream 6 and 7 that the full Screening Programme would be commenced and that, initially, the pilot study would start on January 2012 and would be in place until people could be appointed to the positions so the full screening, which is two

cohorts ages – 60 and 65, could be commenced, and the funds were available to do that. Is that not correct Deputy Dorey?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** The HSSD Board has released all the documents, all the minutes. The conclusion that we have reached from that was that it was to do a single cohort, but I was not there at that time. The staff interpreted it as single cohort and that is what they did. I did not join the Board until over a year after that. If the Board Members at that time wished the service to be different I suggest that they should have communicated their thoughts to the staff because from what I have understood from everything that I have seen the message was one cohort and that was how the staff interpreted it. All the details are there for people to read and understand from that Rule 6 Question.

**Deputy Hadley:** Cannot the Minister recollect that all this started because the clinical staff met the Director of Public Health in January of last year and requested that the Programme be expanded out as was intended, and that the Director of Public Health said there was no money available. Does not the Minister remember that it was brought up in debate so there is no question that the clinical staff wanted this expanded? They have made their views known and they have been ignored.

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** I do not think that supplementary arises from the answer I have given.

**The Bailiff:** Deputy Hadley, your next question.

**Deputy Hadley:** In version 2c it says that the pilot study which only screened 258 people saved six lives. Can he now understand that screening an extra cohort of 65-year-olds, which would be around 500 people a year, would be expected to save an additional 12 lives, especially as more cancers would be expected from this older age group?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, in paragraph 1.2.3.1 version 2c of the business case, it says: *(Laughter)*

‘The clinicians are pleased...’

– it continues –

‘because six lives were *potentially* saved by inviting 250 [people] for bowel [cancer] screening which removed the high risk polyps before they developed into cancer.’

The word ‘potentially’, which Deputy Hadley has omitted from his question is important.

High risk polyps have around a 40% chance of developing into bowel cancer. People with bowel cancer have varying survival rates depending on how advanced their cancer is. Bowel cancer *is* treatable. It is completely inappropriate to suggest that everyone who has high risk polyps will die as a result. But screening *is* important. Early detection and intervention *does* improve people’s chances of survival and their quality life.

But you could say something similar about many of the services which HSSD provides and we cannot expand all services indefinitely. We have to have a proper process in place for deciding what services to deliver and how, so that we can target our resources to the best effect. We are going through that process with the bowel cancer screening service now with the involvement of the clinicians and Professional Guidance Committee.

**The Bailiff:** Deputy Hadley, your next question.

**Deputy Hadley:** Does the Minister not understand –

**The Bailiff:** Is this a supplementary?

**Deputy Hadley:** It is a supplementary. Does the Minister not understand that we are not talking about expansion of the service because we are talking about contraction of the service – a service which the

HSSD Board had already approved and which saves money and saves lives. We are not talking about expansion of the service. We are not asking about that. Doesn't he understand?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** As we are screening only one cohort and we are looking into screening two cohorts, I think that is an expansion of the service.

**Deputy Hadley:** Mr Bailiff, the Minister stated that the version of the business case 2c which was sent to T&R was not the version approved by the Board. Who approved this version and what was the authority to do so?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Again, I was not on the HSSD Board at that time, Mr Bailiff, but States Members who read the published minutes of 20th January 2012 will see that, I quote:

'The Board agreed to approve the draft business case for submission to the Treasury and Resources Department, subject to the inclusion of the latest data available from the pilot Bowel Cancer Screening Programme.'

Before the business case was sent to T&R the following changes were made: the data in table 1 was updated as directed by the Board; the last sentence in paragraph 1.2.3.1, which Deputy Hadley cited in his previous question, was added; a footnote containing references was added at the bottom of that page; the term 'pilot study' in paragraph 3.0 was amended to 'pilot service'.

**The Bailiff:** Deputy –

**Deputy Dorey:** *[Inaudible]*

**The Bailiff:** Deputy Hadley, is this a supplementary arising from the answer or your next question?

**Deputy Hadley:** I was moving on to the next question.

**The Bailiff:** Please do. *(Laughter)* Next question. **(A Member:** Hear, hear.)

**Deputy Hadley:** I hope to get through in the end.

Mr Bailiff, as the Minister will now have read the documents supplied in reply to my questions, does he now accept that he confirms my version of the screening of two cohorts was the aim, although full implementation would be subject to delay due to the impact of the endoscopy suite refurbishment and the requirement to recruit specialist nurses?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, as I said in my Rule 6 response, it appears reasonably evident that a decision to start the substantive Bowel Cancer Screening Service by screening only a single cohort of 60-year-olds was taken at the start of 2012. And that was the message conveyed to staff, as the service was set up along those lines. It also appears reasonably clear that there were certain events which had to take place, including a review of the service, changes to the staffing model and attending process before any switch from one to two cohorts could happen.

Deputy Hadley's question seems to offer a very similar version of events. If Deputy Hadley now agrees that the service started with one cohort, according to plan, and that certain developments were required before any expansion took place, then I can assure him, as I have previously done, that HSSD is now pursuing these developments together with MSG with the intention of establishing the permanent service within the coming months.

**The Bailiff:** Deputy Adam, you have a supplementary?

**Deputy Adam:** Thank you, sir.  
In his reply the Minister states:

'Before any switch from one to two cohorts could happen.'



670 Does that mean the Minister is now accepting it *was* actually planned that there should be a switch to two cohorts once – as he states – various aspects had been sorted out, such as changes to the staffing model or tendering process? Two cohorts. The message given to the clinicians was not from the HSSD Board. They said to the Board, ‘We can continue along the lines of the pilot service until these things happen’ and I am delighted, sir, to see that the Minister agrees they will be before any switch. Why was the switch not carried out, sir?

675 **The Bailiff:** Deputy Dorey.

**Deputy Dorey:** The switch was not carried out because it was not done and what I have done is that, as I have said previously, when I was informed that there was a problem – which was in October 2013 – I had  
680 a meeting with MSG and we immediately started the review process which led to the report that was published, which was called the HSSD Bowel Screening Programme 2011-2013 Evaluation and Recommended Next Steps, which sets out the programme for changing the service into a permanent service.

Those events have been explained in answers, verbally and in writing, and I have nothing more to add  
685 other than to just keep repeating myself.

**The Bailiff:** Deputy Hadley.

**Deputy Hadley:** Mr Bailiff, can I ask the Minister what efforts are being made to recruit specialist  
690 nurses who should be paid for out of the current allocation of funds?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, Deputy Hadley refers to the Band 5 and Band 6 nurses referred to in the  
695 business case.

The establishment in the day patient unit was increased by one Band 5 post in 2012, following the introduction of bowel cancer screening. In practice the bowel cancer screening process is supported by a number of Band 5 nurses on the day the screening takes place. The additional staffing member makes this possible.

700 The Band 6 post is currently being covered on a part-time banked staff basis following the departure of the previous post-holder. This post is for a bowel cancer screening nurse to carry out the pre-assessment clinics and support the Bowel Cancer Screening Service.

A recruitment process for a permanent replacement, either as one full-time or two part-time posts, commenced earlier this month.

705 The previous Band 6 bowel cancer screening nurse was in the process of training a nurse in endoscopy. This meant she would have been able to carry some of the screening processes alongside the MSG consultant. A nurse endoscopy post is likely to be graded as at least Band 7, for those familiar with the business case. It would probably be funded from the procedure cost line which also funds the contract with MSG. The question of whether HSSD should provide the service using nurse led or consultant led  
710 endoscopy is a mixture of two which is currently being considered.

**The Bailiff:** Deputy Hadley.

**Deputy Hadley:** Mr Bailiff, will the Minister now reconsider his position and allow the clinicians to  
715 screen the second cohort as they wish?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Mr Bailiff, the Board of HSSD will make a decision following the process which was  
720 set out in HSSD’s report on the evaluation of the Bowel Cancer Screening Programme and recommended next steps. HSSD’s report also explains the practical issues which still need to be resolved in terms of staffing, space and service delivery. A steering group is already meeting to work through these.

725 The HSSD Board values the expertise of clinicians and health and social care professionals and wants to involve them in making decisions about the services should be delivered. But it is important to challenge the implied suggestion in this question that we should accept every wish of every clinician who is involved with a service.

As I have already said HSSD must have a proper process in place for deciding what services to deliver and how, so that we can target our resources to the best effect. This process has been followed for bowel

cancer screening and the relevant clinicians are being involved together with the Department's Professional Guidance Committee.

**The Bailiff:** Deputy Hadley.

**Deputy Hadley:** A supplementary, sir.

Is the Minister not now aware that it is not a case of respecting the wish of every clinician and, in fact, every clinician involved in bowel cancer screening wanted the service implemented as agreed, and it is only because the Director of Public Health stated that all the money had been spent and has opposed the original recommendation of the Board that the service has stalled?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** I do not think it is appropriate for me to talk about individual HSSD members' views.

**The Bailiff:** Deputy Adam.

**Deputy Adam:** Yes, thank you, sir.

The Minister keeps mentioning about the resources available and the Board should decide how they are spent. Sir, would the Minister not agree with me that this money was actually allocated to HSSD for the purposes as outlined in the business case – some £350,000 – and, therefore, that total amount should be decided upon and should be allocated for the purposes this Assembly gave it to the HSSD, otherwise HSSD should be returning any excesses to T&R?

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** *[Inaudible]*

**The Bailiff:** Can you switch your microphone on?

**Deputy Dorey:** I think the actual sum was £327,500. Yes, we are making sure that that money will be spent in the best way, the most efficient way for the public of Guernsey. And we are very well aware of the SSP bid and part of the process that we are going through is we are getting a view from the Professional Guidance Committee on what the service should be and then we will have to evaluate that and see whether that can be delivered within the budget that was given to us by the States.

**The Bailiff:** I see no-one else rising with any supplementary questions. That concludes the questions from Deputy Hadley.

## HOME DEPARTMENT

### Policies relating to drug enforcement and control – Consultation on different policies

**The Bailiff:** We move on to a question from Deputy John Gollop to be asked of the Minister of the Home Department.  
Deputy Gollop.

**Deputy Gollop:** Home Department.

**The Bailiff:** You have got two?

**Deputy Gollop:** Yes, I have got two.

**The Bailiff:** The Home Department first.

**Deputy Gollop:** This is for the Home Department.

In view of the media publicity given the so-called mass march to legalise 'weed', which I personally do not wish to endorse at this stage prior to extensive research in Guernsey, will the Home Department be

prepared to commence this year a public consultation on the merits and demerits of different policies relating to drug enforcement and control, particularly in relation to the use of cannabis for private, recreational or health therapeutic purposes?

**The Bailiff:** Deputy Le Tocq.

**Deputy Le Tocq:** Mr Bailiff, I thank Deputy Gollop for his question. It is an opportunity for the Department to speak about the work of the Drug and Alcohol Strategy (DAS) in relation to this particular topic. The Strategy has a very active and joined up response to the threat posed by the local drug and alcohol scene with over 25 agencies that meet regularly and work together as the operational DAS Action Group.

The aim of the Drug and Alcohol Strategy is to minimise the harm caused by drug and alcohol misuse to Bailiwick residents of all ages.

At a planning day for a new Drug and Alcohol Strategy plan from 2015, which involved over 35 drug and alcohol workers from all relevant agencies and organisations, the reclassification or decriminalisation of cannabis was not even raised.

In relation to the medical use of cannabis, cannabis medications can be imported to Guernsey under a very specific licence and, if endorsed by the HSSD's medicines advisory committee, the Drugs and Therapeutics Committee, can then be available on prescription in Guernsey. This licence would contain the necessary conditions to permit an individual to have cannabis in their possession and to authorise importation, possession and supply by a named person, pharmacy or facility. This remains the case to date.

So the Home Department would, therefore, not be minded to commence a public consultation on the merits or otherwise of policies and controls in relation to cannabis at this time.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Thank you, sir.

A number of persons who commented on the so-called 'weed' march, especially the younger generation but not exclusively, wish to start a dialogue with politicians and experts employed by the States. Would the Home Department be prepared to make themselves available as individual politicians to meet campaigners with a point of view that you probably do not share? (*Laughter*)

**The Bailiff:** Deputy Le Tocq.

**Deputy Le Tocq:** Sir, the Deputy has probably answered his own question. (*Laughter*) However, I can only speak personally on this matter. In my view dialogue is always healthy and it is good and it provides an opportunity to understand different points of view. So I see no problem at all in individual Deputies doing such things.

However, the Department itself, when we discuss this matter and in relation to the Drug and Alcohol Strategy, has a very particular set of priorities; and there is a finite time that we have available – indeed this Assembly has available – during this term and we have far greater priorities in terms of the allocation of our time than this matter that Deputy Gollop is talking about. So, on an individual basis, yes, I think; but, in terms of the Department allocating time and resources, it would be actually unwise of us to do so bearing in mind the other priorities that we have, that I think this Assembly has, and would, make sure that they keep us to account on.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Given those wide-ranging budgetary needs and priorities that we know the Home Department has, would the Department at some stage be looking at the overall cost of the current law enforcement and control and strategy policies and seeing whether they could be reduced in one way or another, depending upon marginal or more major changes in policy?

**The Bailiff:** Deputy Le Tocq.

**Deputy Le Tocq:** Yes, thank you, Mr Bailiff.

The Department, whilst not going into detail, is mindful of the fact that there have been significant changes both in the way in which law enforcement is involved in this instance and, indeed, sentencing policy by the Courts over the last couple of decades; and we feel that is appropriate and the targeting of particular types of criminal activity related to this is far more efficient than it has been in the past. We are

convinced that this is the right direction to go in, particularly because of the ongoing good working relationship that we have with other jurisdictions which is so important in this instance.

845 **The Bailiff:** Deputy Bebb.

**Deputy Le Bebb:** Thank you, Monsieur Le Bailli.

850 Given the recent answer, of course, could the Minister possibly explain why the classification of cannabis is apparently different here to the UK and especially given the consideration that, of course, the health effects of cannabis probably do not justify the criminal actions that we currently place upon it, especially when we compare that with other jurisdictions?

**The Bailiff:** Deputy Le Tocq.

855 **Deputy Le Tocq:** My understanding is that the UK, in the early part of the last decade, downgraded cannabis from a category B to a category C. At that time the States of Guernsey chose not to do so. In 2009, however, the UK re-classified cannabis up to a class B and Guernsey has remained consistent right the way through.

## COMMERCE AND EMPLOYMENT DEPARTMENT

### Northern and southern sea links – Strikes, mutinies and employee wages

860 **The Bailiff:** I see no-one else rising to ask a supplementary question so, Deputy Gollop, it is for you to ask your question of the Minister of the Commerce and Employment Department.

**Deputy Gollop:** Yes, thank you, sir. Rather a different topic. Where is it?

865 Yes, it is directed to the Minister of Commerce and Employment but across Departments to a degree. What strategic steps should the States take to ensure that our essential ferry lifeline northern and southern sea links are protected from both the possibility of wild-cat strikes and so called mutinies by the crew, and also that ferry employees are appropriately remunerated in a way similar to, if not identical with, statutory minimum wages for all industries on Isle?

870 **The Bailiff:** Deputy Stewart, the Minister will reply. I think he will have to go at a gallop to get his answer in in a minute and a half but I am sure he will do that.

875 **Deputy Stewart:** Mr Bailiff, as set out in the recently published Economic Development Framework my Department recognises that sea routes to and from the Island are of strategic importance to the wellbeing of the Bailiwick and that is why we are devoting a great deal of effort, in conjunction with colleagues in Jersey, to securing long-term agreement to meet the Island's year round roll on roll off passenger car and freight needs.

It is a matter of public knowledge that the agreement we seek is with Condor Ferries and the company's announcement that it is in advanced negotiations to invest approaching £50 million in a new high speed vessel is a strong indication of its commitments to the Islands.

880 We seek a reliable accessible and affordable provision of sea links and have taken the view that it would be wrong to try and micro manage the way the company is run. On the evidence of many years we have a service that is reliable and has rarely been the subject of industrial action.

885 The question asked about protection from wild-cat strikes but as these are, by definition, sudden and unofficial, taking place with no notice and without formal trade union support, the very nature of the action means that it falls outside of the processes and protected forms of action that are legislated for in some areas by trade union and labour laws. I do not believe we can ever remove the risk of this sort of strike action, whether the service provider is Condor or another operator.

890 There is a reference to the minimum wage too, but the Minimum Wage (Guernsey) Law 2009 applies to a worker who is working or ordinarily works in Guernsey and his contract of employment. An investigation has shown that seafarers do not usually meet this definition and it is clear that more generally the question of extension of employment protection legislation to people with maritime occupations travelling between various ports raises currently unresolved jurisdictional questions. In other words, which country's laws should apply to seafarers? We do not have an answer to that.

On an international scale we do have the Maritime Labour Convention, which came into force in August 2013, and this States recently approved legislation to cover manning agencies operating in Guernsey, ensuring they must comply. The conventions provisions intend to ensure fair treatment for sea farers around the globe. Of particular relevance to this matter is that all seafarers must have clear written and accurate information on their terms and conditions of employment which includes their pay, in advance of their agreeing to accept the offer of a job. In other words, they are able to make an informed choice about their employment.

**The Bailiff:** Deputy Gollop, any supplementaries?

**Deputy Gollop:** A couple of supplementaries. The first is that, subsequent to the ending of the strike, the *BBC* played an interview with Senator Maclean, the Minister for Economic Development in Jersey and he indicated – in a spirit of co-operation I suspect – that he would wish to see a risk analysis plan and a contingency approach worked out with Condor. Would the Commerce and Employment Department be keen to work with Condor or any other operators to ensure that there is a strategy in place for the future where appropriate?

**The Bailiff:** Deputy Stewart.

**Deputy Stewart:** I think the short answer to that is, yes, we are in constant dialogue with Condor – both myself and the Chair of the External Transport Group, Deputy Luxon.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** And the other supplementary is: the Minister's answer in relation to the freedom of contract that the workers from around the world have when they voluntarily agree to become seamen and women working with a ferry company, is an argument but how is that consistent with the minimum wage policies that we impose on all employers in Guernsey? Because surely foreign workers, migrant workers and local workers have the same freedom of contract on-isle. Is the Minister therefore applying double standards?

**The Bailiff:** Deputy Stewart.

**Deputy Stewart:** I think I really covered that in my answer. I think the jurisdictional standing of who has jurisdiction over a ship at sea that covers many ports with workers from many countries is one that is still unanswered at an international level; and I think the Maritime Labour Convention goes a long way to address this and I think it enhances Guernsey's reputation that we are signatories to this and that the States has approved that.

**The Bailiff:** Deputy Brehaut.

**Deputy Brehaut:** Thank you, sir.

The Minister of Commerce and Employment said that the employees had an informed choice. The Condor vessels operate predominantly from one British port to another – okay, they go into international waters in St Malo. Commerce and Employment is responsible for commerce and employment and employee protection. Could they not simply send out a message to Condor which is, 'We support pay and conditions,' or rather, 'We smile on good pay and conditions and we frown on poor pay and conditions?' The people in the Ukraine at the moment, for example, do not have an informed choice, they are desperate for work and some people who work for Condor work for very low wages indeed, notwithstanding other conditions tied to that post.

**The Bailiff:** Deputy Stewart.

**Deputy Stewart:** I think we have a constant dialogue with Condor. What I will point out is that, again, we are signatories to the Maritime Labour Convention. There is still a jurisdictional problem. And I think that in terms of wages this was a strike by 11 French seafarers and actually did not involve Ukrainian crew at all.

**The Bailiff:** Deputy Luxon.

**Deputy Luxon:** Sir, thank you.

955        Would the Minister confirm that, through Condor's liaison with those different stakeholder groups who are employees – through their staff association, in actual fact the Ukraine workers have indicated to Condor, which has been confirmed to the States of Jersey and Guernsey, that in fact they find Condor to be a very good employer from their point of view.

960        **The Bailiff:** Deputy Stewart.

**Deputy Stewart:** I can indeed confirm that.

**The Bailiff:** Well, Members, that concludes Question Time.

## STATEMENT

### **Update on the Parochial Church Property (Guernsey) Law – Statement by the Chairman of the Parochial Ecclesiastical Rates Review Committee**

965        **The Bailiff:** We now need to go back because – this is a fault on my part for which I apologise, but – on 30th January Deputy Gollop, as Chairman of the Parochial Ecclesiastical Rates Review Committee (PERRC), wrote to me asking for permission to make a Statement and I granted that permission and I am afraid by oversight that had been omitted from the agenda.

970        So we will go back to that and Deputy Gollop will deliver the Statement on behalf of the Parochial Ecclesiastical Rates Review Committee.  
Deputy Gollop.

975        **Deputy Gollop:** Thank you, sir. It would appear to be a rare example when I might have questions asked me. (*Laughter*) This is a Statement that will be made to the February 2014 States meeting. Deputy Fallaize is not here but it came out of a question he raised.

In a reply dated 23rd September 2013 to a Written Question put by Deputy Fallaize to the Parochial Ecclesiastical Rates Review Committee, I undertook in certain circumstances as the Chairman of the Parochial Ecclesiastical Rates Review Committee, to make a Statement to this Assembly. This I now do.

980        The undertaking was to provide information, should the event have not already occurred, as to the fulfilment of a States Resolution made by a previous Assembly on 24<sup>th</sup> February 2012 after consideration of PERRC's States report that directs the preparation of legislation in accordance with the other Resolutions made following the debate.

985        I am pleased to report to Members of the States that the Committee's draft legislation, entitled the Parochial Church Property (Guernsey) Law, was supplied to the Deanery for comment on 30th January requesting a response by 31st March. We gave them a reasonable amount of time after debate because we know that they have a large number of priorities.

990        After that date the Committee intends sending the draft law to the Douzaines and other interested parties for their observations. Following its consideration of comments, the Committee intends bringing the proposed legislation before this Assembly in early course and we would very much hope that this would be well before the end of this year.

Members of this Assembly will recall that in debate over the PERRC report the importance of taking the views of the Established Church – established in law – into account was strongly signalled and undertakings were given.

995        We are seeking to introduce, in a timely fashion, a law that will be widely acceptable whilst, of course, embodying the will of the States as set out in the Resolutions.

**The Bailiff:** Any questions of the Chairman of the Parochial Ecclesiastical Rates Review Committee?  
Deputy Brouard.

1000        **Deputy Brouard:** Just a very quick question, sir.

Can Deputy Gollop just confirm that the law will reflect the States Resolutions that were put forward or is there some movement in between the States approving the Resolutions and the actual law that is being drafted? I am a little bit confused.

Thank you, sir.

1005        **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** I could read out at length the various Resolutions the States made. I do not think I need to do that but they are on the record. Our legislation will strictly follow, after lengthy consideration with the Committee, those Resolutions.

As for the specific details, there are still one or two areas that have to be legally clarified but that will occur and every States Member will have the opportunity to read the legislation and consult with the churches in the parishes well prior to the States meeting.

**The Bailiff:** I see no-one else rising.

## Billet d'État III

### ORDINANCES

#### **I. The European Communities (Implementation of Council Regulation on Nutrition and Health Claims) (Guernsey) Ordinance, 2014 – Debate commenced**

*Article I:*

*The States are asked to decide:-*

*I.- Whether they are of the opinion to approve the draft Ordinance entitled 'The European Communities (Implementation of Council Regulation on Nutrition and Health Claims) (Guernsey) Ordinance, 2014', and to direct that the same shall have effect as an Ordinance of the States.*

**The Bailiff:** We will then move on, Greffier, with legislation.

**The Senior Deputy Greffier:** Article I: The European Communities (Implementation of Council Regulation on Nutrition and Health Claims) (Guernsey) Ordinance, 2014.

**The Bailiff:** Members, I refer you to the first 15 pages of the brochure. Is there any request for clarification or debate? Yes, Deputy Soulsby.

**Deputy Soulsby:** Sir, in order to avoid repetition I would like to speak both on this piece of legislation and the closely linked legislation on Food Supplements that follows, as these issues are interrelated and I did notify the Minister in advance of my intentions.

The fact these two pieces of legislation are before us today irritates me. Why? It all sounds so reasonable, doesn't it? Customers will no longer be exposed to false nutrition and health claims, they will no longer be sold food supplements that are not what they say they are and the food supplements they do purchase will be safe. Well, as far as Guernsey is concerned these Ordinances serve no other purpose than to have a detrimental effect on both local businesses and local consumers and I will explain why.

Let's go back to the reason for this legislation in the first place. We are told that the UK was unhappy about certain parties appearing to operate out of Guernsey, selling food supplements to UK consumers that breached UK rules and they wanted Guernsey to do something about it.

These concerns were expressed before the financial crisis in 2008. Extracts from the UK *Hansard* in 2009 show that Guernsey authorities have spoken to companies concerned and since that date there appear to have been no concerns raised at Westminster. Yes, there have been issues in the past about breaches of UK Advertising Standards Authority rules but the companies concerned changed their marketing material years ago now.

Roll on 2011 and the States resolved to have the relevant legislation drawn up to control nutritional claims and restrict what could be put into food supplements and here it is today. And does it actually make any difference? No.

The problem with this legislation, as with much that is still being produced, is it is not keeping pace with the modern world. What this legislation completely fails to consider is the existence and power of the inter-net. You can Google any vitamin or mineral used in food supplements and all over the internet you can find how these are meant to benefit you. They may not be on the actual retail sites, but various blogs, specialist sites, as well as more mainstream online news channels.

So nutritional claims cannot be made by experienced local retailers on the high street but they can be by someone without a clue, probably paid to post pseudo-scientific articles on their blogs or through press

releases to news channels. Some online retailers even provide a disclaimer on their site saying, 'Scientific independent research is for informational use only. Information is provided as a service but not endorsed.'

The effect of this legislation is that Guernsey retailers will now have to stick to certain specific statements from the new register of health and nutrition claims that, frankly, might make sense to some scientist in a white coat but for the ordinary man or women in the street are pretty meaningless. For example, biotin contributes to normal macronutrient metabolism; choline contributes to normal homocysteine metabolism; copper contributes to the protection of cells from oxidative stress.

Similarly, there will be some supplements that local consumers will no longer be able to obtain locally. Naturally they will look to the internet and, hey presto, they can get what they need from all over the world – except round the corner. How can that be better? From being able to talk and discuss their needs with a local business, the local consumer is now exposed to any cowboy selling out of the back of a room or sweatshop the other side of the world. Isn't that the reason why the UK wanted us to bring in this legislation in the first place – to protect their consumers from anonymous online retailers?

Let's just get back to the real reason for the UK wanting us to bring in this legislation. The truth is back in 2008 was when the Guernsey fulfilment industry was at its peak. The following year saw a 600% drop in mail volumes as the economic downturn began. UK supplement companies were unhappy and this was fed back to Government. Now, six years later with LVCR having been abolished, we only have a couple of large players left operating from Guernsey who, as the Director of Environmental Health has told us, are already compliant and will not be affected by this legislation anyway.

And why has this legislation been prioritised? Per the States website, there were 12 pages of legislation requiring drafting at 31st December 2013. Spending time on an impotent piece of legislation does not strike me as the best use of valuable law officer time.

I do not take any food supplements. I think if you have a balanced diet and are generally well you do not need them. However, for some local people these products do make a difference. I have not heard of any horror stories of how these local people have had an adverse reaction to the products they have bought locally. Neither have we heard of a strong campaign locally for this legislation. Quite the opposite, in fact. This is unnecessary red tape to fix a problem that does not exist.

The recently released economic development framework includes a work stream to undertake a red tape audit. At Commerce and Employment we want to reduce the amount of unnecessary legislation that has developed over time and I would like to see all other Departments do the same. (**A Member:** Hear, hear.)

It is for all the above reasons I cannot support either pieces of legislation and urge Members to follow suit.

**The Bailiff:** Deputy Lester Queripel caught my eye first, then Deputy Laurie Queripel and Deputy Hadley.

**Deputy Lester Queripel:** Thank you, sir.

**The Procureur:** I beg your pardon, but isn't it normal if we are going to have debate on legislation that the Minister responsible introduces it, if he should wish?

**The Bailiff:** Do you wish to do so Deputy?

**Deputy Dorey:** [*Inaudible*]

**The Bailiff:** Oh sorry, that is why you stood. Sorry. (*Laughter*) Perhaps you would like to... Yes, sorry Deputy Dorey.

**Deputy Dorey:** Thank you, Mr Bailiff. Also I believe the last speaker should have declared an interest in this subject. (**Deputy David Jones:** Why?) Is that not right? Okay.

**Deputy Soulsby:** I have no interest to declare in this matter whatsoever. I do not sell food supplements or anything like it. (**Deputy Dorey:** Okay.) You might be thinking about the shop round the corner though. (*Laughter*)

**Deputy Dorey:** There are two Ordinances. I will just do a few words at the start which relate to both of them and I will just speak on the first one, and I believe that is what we should be debating.

HSSD proposes the implementation of these two new food Ordinances which are aimed at improving the labelling, advertising and marketing of food supplements and about their nutritional claims and health claims made about all food products.



The Ordinances are aimed at improving information provided to consumers about the food they buy. Advertising and labelling of food is a mechanism to provide information to the public to allow consumer choice and confidence that the product they have bought contains the ingredients they want to eat.

1115 During the development of the Ordinances HSSD consulted widely with the key stake holders and has taken into account the issues raised by local health professionals, local traders, manufacturers, importers, exporters and the public.

1120 The Ordinance about nutrition and health claims is applied to pre-packaged foods only. This includes information about the composition of food, the ingredients used, nutritional information about the food and will include terms used, such as 'low fat', 'low salt', 'high energy', which make a health claim about the food. Such claims are intended to assist the consumer in making choices about the food they buy and, therefore, they must be true and accurate.

1125 Recent research indicates that 60% of adults are overweight or obese and so radical reforms to food law are required to reduce the levels of salt, fat and sugar in the diet while maintaining consumer confidence and consumer choice. Therefore, nutritional information on packaging is an important way of providing information to the consumer and must be correct.

Thank you.

**The Bailiff:** Deputy Lester Queripel.

1130 **Deputy Lester Queripel:** Thank you, sir.

To avoid my having to make two speeches, may I also speak on both Ordinances now?

**The Procureur:** Not unless the Minister responsible wishes to take both together and to open on the other Ordinance.

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**The Bailiff:** Do you wish to take both together?

**Deputy Dorey:** No, I think they are different Ordinances. They are listed as different and we should just debate –

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**The Bailiff:** It may be that what you say in respect of the first Ordinance will not need to be repeated in respect of the second Ordinance (*Laughter*) So it may be that if you say now what you need to say on that one, it may be in the next debate you can merely say, 'I stand by what I said in the earlier debate', and do not need to repeat yourself. But I think we should keep the debates –

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**Deputy Lester Queripel:** Yes, sir. In that case I will speak on the second Ordinance.

**The Bailiff:** Thank you.

Deputy Laurie Queripel, you rose.

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**Deputy Laurie Queripel:** Thank you, sir.

I am immediately wary whenever I see there is an attempt to impose anything upon us by outside agencies, be it the EU or the UK. We may be a Crown Dependency but we are an independent jurisdiction with the ability and the right to shape our own policies and legislation according to our needs and requirements.

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Sir, this was confirmed recently by a senior figure within HSSD in regard to a review taking place in the UK, concerning the UK's policy on legal highs, who said that we are an independent jurisdiction that can set its own policy – Guernsey is self-autonomous.

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Secondly, sir, I always look for the local evidence base to justify any policies or any legislation being proposed or decisions being made. So the mantra is often quoted at me when I put forward policy ideas at C&E: where is the evidence base? Where is the proof to back up your policy idea? In this case, sir, it just does not seem to exist. If some of the larger locally-based businesses within this industry feel that it could potentially damage their trading position and reputation if this legislation is not taken on board then they can comply voluntarily. This would not be setting a precedent, sir, in an international context and I will cover that further in just a moment.

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Sir, the other think I look for is the effect on smaller independent businesses. Sorry –

**Deputy Dorey:** Is this relevant to the first Ordinance?

1170 **Deputy Laurie Queripel:** It is claims. It is all about claims as far as I am concerned, sir.

**The Bailiff:** Is this relevant to the first one?

**Deputy Laurie Queripel:** Well, the first one is about claims and labelling. (*Interjection*) It is, is it not?

**The Bailiff:** Please continue then, Deputy Queripel.

**Deputy Laurie Queripel:** Thank you, sir.

So the other thing I look for is the effect on smaller independent businesses – what damage might it cause them if we, as an Island, adopt this legislation? Also to be considered, sir, is the freedom of choice for people – how might their options be limited or restricted? Sir, it really does not matter if an august body such as the EU say something works or it does not. What matters is the people using these products who believe them to be effective have the ability to still access them. I, as a Guernsyeiman and a Guernsey politician, will not be harangued into anything unless it can be justified by evidence and I consider it to be essential.

Sir, we apparently as a Government want people to be proactive in regard to their health and wellbeing – to take the initiative to take preventative measures. That is an integral part of the 2020 Vision. This legislation could potentially make that harder if the makers, retailers of these products are not allowed to speak of their possible benefits and if people are not allowed to be advised as to their possible benefits. Clearly it will make it more difficult for people to access information and make choices – not only existing consumers, sir, but also those who may benefit from using these products in the future.

**The Bailiff:** I think Deputy Bebb is asking if you will give way. You do not have to give way. It is a matter for...

**Deputy Laurie Queripel:** I will do, sir, yes.

**The Bailiff:** You will do.  
Deputy Bebb.

**Deputy Bebb:** I am just wondering whether Deputy Laurie Queripel could say how on earth this legislation will prevent people from giving accurate information.

**The Bailiff:** Deputy Queripel.

**Deputy Laurie Queripel:** I am coming to that, sir, if I may continue? (*Laughter*)

Sir, as for the legislation being quite benign and having no material effect on the consumer's freedom of choice, in the UK these laws were brought in under the guise of better labelling and we are already seeing vitamin and mineral supplements vanishing from the shelves or having a proportion of active ingredients significantly reduced, rendering many ineffective.

Sir, there are far more pressing issues and products that the EU should be looking at. Often there are only voluntary codes or what is laughably known as guidelines in place for processed foods. As a result, the labels of giant food corporations add all sorts of chemicals and high levels of salt and sugar, sir, as Deputy Dorey alluded to. Their products do not carry nearly enough detail and they have very little regulation to explicitly comply with. And yet we know that heart problems, diabetes, obesity and so on are very much associated with these products. For example, you may see 'additive 920' listed on a label, but it will not go on to tell you that it is manufactured from animal hair and chicken feathers, sir. So where is the purity criteria in relation to all these things?

Sir, GM ingredients can be used and they have not got to mention that on their packaging or their labelling – horse meat, for example, sir. There are still only voluntary codes in place so when you buy that so-called beef lasagne you could still be eating contaminated horse meat and not be aware of it.

Sir, a few months ago on TV there was a *Panorama* documentary special that informed us that EU inspections of meat factories –

**Deputy Bebb:** Point of Order. I am sorry, I do feel that Deputy Queripel is straying into the next Ordinance. This one is about nutritional health claims and not about the labelling.

**Deputy Laurie Queripel:** Sir, I am addressing this in the context of its source is from the EU and what I am saying is, sir, that their emphasis their priority their attention is in the wrong place; there are far better things for them to be looking at in regard to food and to food safety and food labelling, sir. That is the point I am making. If I could just finish that point, sir. There was a *Panorama* documentary that told us that EU

inspections of meat factories had been cut from once a week to once every three months. So that tells us how skewed the EU's priorities are.

1235 Sir, there is anti-freeze in some alcoholic drinks that has not got to be listed, ham constructed from dyed chicken meat or meat slurry that has not got to be detailed. A label on a tin of beans produced by a very famous household name tells us that half a can counts as one of your five per day; and where is the proof of that; where is the clinical trial that supports that?

1240 Sir, it seems to me that all of that is put in the 'too hard to do' tray. These corporations, whether they be in pharmaceutical or so-called food industry, are extremely well-resourced financially and legally; they are very influential and powerful lobbyists, so the soft target is chosen.

The EU's attention is in the wrong place. If we and the EU and whoever else really wants to ensure the consumers are well-served, well-informed – if this really is about protecting consumers – then it is crystal clear to me all the evidence suggests that we are starting in the wrong place. The hypocrisy and double standards at play, sir, are astounding.

1245 It is also a fallacy to say that if you eat a balanced diet and have your five a day that should be adequate. Clearly it is not. Why would we have a \$300 billion a year pharmaceutical industry, sir? Why would we have prescription drugs being produced and consumed at almost record rates if that was enough? Why have certain medical conditions – and I have mentioned some of them, sir: obesity and diabetes – reached almost epidemic proportions? The truth is, sir, because in the western world – and particularly true in Guernsey, 1250 sir, because we import 90% of our perishable produce of the goods that we consume – we import so much of our food stuffs and we have no knowledge as to the condition or the quality or the soil that these products have been grown in; we do not know what pesticides or herbicides or fertilisers have been used. We do not know what contamination has taken place. We do not know if GM ingredients have been used. In other words, we are in the dark as to the nutritional value of many foodstuffs because the labelling is neither 1255 comprehensive or detailed enough.

Sir, if we need something to tackle the problem of rogue traders why not simply devise a piece of legislation to specifically tackle that problem? (**Two Members:** Hear, hear.)

1260 I would say to Members, sir, if we want to act in a truly responsible manner, if our concerns really are for the consumer, we should be calling for a thorough review of the way that the mainstream food industry is regulated as a priority, because probably half the items we see on sale on shelves and in freezers should not be there in their current form and are not sufficiently labelled or described.

1265 On that principle I oppose this legislation and I will ask just one question, sir – and perhaps the Minister or HM Procureur could answer that question: if on the packaging of a product it claims to help strengthen the immune system, if 'may' is added at the start of that sentence would it then be compliant with this legislation, sir? So instead of reading, 'Will help strengthen the immune system,' if it read, 'It may help to strengthen the immune system,' would that render it compliant?

Thank you, sir.

**The Bailiff:** Deputy Hadley.

1270 **Deputy Hadley:** Mr Bailiff, I hope the Minister will confirm when he sums up but my understanding is that Protocol 3 requires us to enact this legislation and that on a number of occasions the UK authorities have criticised the Island for not in fact enacting it; and it is all about protecting the consumer from misleading claims and I can understand how colleagues get confused as to which item of legislation we are talking 1275 about because the issue is whether a thing is a food supplement or a food. I have certainly seen outside signs advertising green coffee beans for weight loss, whereas the evidence that this actually works is pretty flimsy, to say the least. If you actually take a strong cup of coffee you would probably do just as much good. But it is all about protecting the consumer and it is all required under Protocol 3, is my understanding.

1280 **The Bailiff:** Deputy Gollop and then Deputy Rob Jones.

**Deputy Gollop:** Yes, I could do with those green coffee beans I think. (*Laughter*)

1285 What was it? An anecdote that I believe actually happened was a senior Member of the Assembly was rung up by a persistent member of the media one day and was asked to comment on a particular item of Departmental business, and his response was, 'I am not prepared to comment but you could ring up Deputy Gollop as he would give you a comment.' And the response was, 'But he does not know what he is talking about. Well, that has never stopped him before, but...' (*Laughter*) I must admit that I have been lobbied on numerous occasions, both recently and in the past, on this complicated set of issues on nutrition and health 1290 claims and food supplements and related concerns, and minerals too – minerals come into it – and therapies.

I actually attended – because people asked me – a stakeholder's meeting that Deputy Dorey, as HHSD Minister, also was at and he later gave a presentation to States Members, of which only about a third of us

attended and many of them were already Board Members, so it was not fantastic. My issue with this is that most of us – and I would include myself in this – do not understand the issues in this piece of legislation. I think we will all be guilt today – or nearly all – of voting for something we have not fully understood. I accept Deputy Hadley and Deputy Bebb and a few other Members are well-versed and clearly from what Deputy Laurie Queripel and Deputy Soulsby have said they have done their homework too.

But there are real issues with this kind of legislation whereby a complicated international set of highly scientific issues are put before us. I think it is even a challenge for St James Chambers because they have the legal expertise to deliver but they are not necessarily pharmacists or scientists. Indeed, one was given the impression that the law is couched in such a way as to be watertight, from the point of view of potential actions, prosecutions, but does not necessarily give the guidance to practitioners that they need on a day-to-day level.

A well-known local firm somewhere in the centre of town has already been mentioned in this debate and, indeed, a concern has been raised that some of the products which they sell would be stopped. I think some of that is relevant to the second debate, but as regards the first issue we are talking about nutrition and health claims. As I understand it, established, perhaps partially-qualified practitioners of long-standing retailers will be prevented from replying to my question as to what will help my tummy ache; but I can happily find that out by perusing the internet in a completely uninformed manner and we all know that a lot of what you see and read is inaccurate or even dangerously so. I think that has brought rise to the view that these businesses will suffer, but more to the point there will be a restriction on information and freedom of choice to the Guernsey consumer.

I would have liked to have seen within this legislation far greater derogation to individual Guernsey users and possibly some Guernsey businesses of a certain size. I accept what Deputy Hadley, and I suspect Deputy Rob Jones, will say about the necessity of our international obligations – well, there is a debate we could open I am sure, with contributions from Deputy Perrot and Deputy Jones, in a much broader sense, as to why we have to implement this. But I have concerns about the affect this will have on purely insular locals, on people who want a quality of care treatment and are not able to get it.

I have concerns too about the way in which this law will be implemented. I think the general consensus amongst the stakeholders is they trust the advice that they have received from the Department of Environmental Health – the statutory official responsible – but, of course, nobody can bind their successors and the work on the guidelines we were told is partly a political issue. Deputy Bebb, and Deputy Dorey and Deputy Brehaut and other Members of the Health and Social Services Department will, at a political level, be developing guidelines for implementation. That is a work stream that it is still unknown, that is still subject to consultation. And I hoped, I must admit, to bring a sursis to the States today, not because I am saying we cannot adopt this legislation. I think there may be reasons why we have to, certainly for exports – but why we needed a longer gestation period, more time, more political understanding, more buy in by the stakeholders before we took this step. And as we have not had that – although I can agree with the attitudes of much of the legislation on a technical level – I am afraid I will have to vote against this and the next item; and there are one or two specific issues for the next item that may be brought up as well.

**The Bailiff:** Deputy Rob Jones and then Deputy Dave Jones.

**Deputy Robert Jones:** Thank you, sir.

I was just a little bit concerned two Members of C&E are suggesting that we cherry pick certain obligations, particularly where those obligations relate to reputational risk, particularly with our export of foodstuffs to the EU and I would like some clarification from the Minister in terms of their interpretation of the obligations under Protocol 3.

Secondly, I think if Deputy Queripel were to read the report prior to the 2011 reports on supplements and nutritional claims he would see – and again we may get clarification from the Health Minister – that there is legislation pending that will deal with food legislation on a wider scale, which I think would include things like animal origin and all that type of thing. Because I think we have a law in place now that consists of upwards of 20 pieces of legislation that I believe is going to be consolidated into a more comprehensive piece of legislation in relation to foodstuffs.

Thank you.

**The Bailiff:** Deputy Laurie Queripel, were you to asking him to give way because –

**Deputy Laurie Queripel:** I was, yes.

**The Bailiff:** – he has not given way.

**Deputy Laurie Queripel:** No, I appreciate that. Shall I sit down again?

**The Bailiff:** I am afraid so. (*Laughter*)

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**Deputy Laurie Queripel:** Are you sure?

**The Bailiff:** Deputy Dave Jones.

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**Deputy David Jones:** Thank you, Mr Bailiff.

I am not sure which one of us is the sensible Jones this morning, (*Interjection*) but, as for reputational damage, I have never heard so much rot. Half the EU countries ignore most of the EU directives anyway – not least of all the French – so the reputational damage to this Island is almost insignificant in that regard, and we are talking about Protocol 3. When we signed protocol 3 – or we did not because we were not here – there were six Members of the EU; there are now 27. And, yes, we did sign up for Protocol 3 but we did not agree at that time to relinquish our decision making powers every time the EU snaps its fingers. What is the point of you being here if every time a piece of EU diktat comes along you are just going to surrender?

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No, Deputy Hadley, I will not give way. We have heard quite enough of you this morning. (*Laughter and applause*)

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**Deputy Hadley:** It is a point of correction, Mr Bailiff. [*Inaudible*] on every occasion when a survey has been done [*inaudible*] by no means are we the best [*inaudible*]

**The Bailiff:** That is enough. Please continue, Deputy Jones.

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**Deputy David Jones:** Thank you, Mr Bailiff. I am not sure it is for me to correct Deputy Hadley, but I do not think that was a point of correction. I think it was –

**The Bailiff:** It was not a point of correction.

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**Deputy David Jones:** – a point of meddling. But this is EU meddling at its very worst in people's lives and it is totally unnecessary, but that is what EU officials do. It is what occupies their every waking hour, finding ways, the power to interfere and meddle into the lives of the 500-odd million people under their control.

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But Deputy Heidi Soulsby actually has summed up everything that I feel about this unnecessary legislation. Our people are bombarded with rules and regulations that remove more and more of their freedoms of choice every time that this Assembly seems to meet these days. While some of it is clearly in the best interests of the community, some of it – as far as I am concerned – is the petty nit-picking of officials sent up to gullible politicians who pass all this rubbish without much debate; and that is the problem I have.

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You may have gathered that I will not be supporting either of these two Ordinances.  
Thank you.

**The Bailiff:** Deputy Bebb.

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**Deputy Bebb:** Thank you, Monsieur Le Bailli.

I am rather disappointed by an awful lot of this debate because I hear people making claims that food supplements that are available today will not be available after the legislation has been passed. On what evidence? People keep asking for evidence for the need for this. Well, I would like to ask them on what evidence are you basing that current supplements will not be available after this legislation is enacted?

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In relation to the actual health claims, Deputy Dave Jones makes reference to the fact that freedom of choice... and this is exactly what this will enable, because people will be able to make informed choice based on fact and based only on actual scientific evidence.

Last night I was reading the *LA Times* – it was generally far preferable to the local media, I would like to advise people – and it was interesting that they had an article concerning how taking vitamins to prevent cancer or heart disease may backfire. I actually looked into exactly what this was about and I looked at the original documentation and the US Senate set up a US preventative service task force, which is a far more grand name for looking into exactly what are the benefits – scientifically proven benefits – of various vitamins. And it was quite scary that studies in animals and in laboratory dishes suggest that oxidative stress contributes to disease like cancer and heart disease. Two diseases that together account for nearly half of all deaths in the US. If so there is a reason to believe that antioxidants including beta-carotene, selenium, and vitamins A, C and D could be useful as preventative medicine. But when the task force examined the medical evidence on vitamins it found inadequate evidence to support the claims that vitamin and mineral supplements benefit healthy adults. Multi-vitamins, individual vitamins and minerals, and specifically beta-

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1415 carotene and Vitamin E all failed to show they could reduce the risk of heart disease or cancer in people with no nutritional deficiencies.

I have heard people talk about obesity today. I do not think that nutritional deficiency is a problem that we have here in Guernsey. But what is frightening and what I think that we do need to understand as to the risk of these health claims, is that there is an increased risk for people at higher risk levels of lung disease if they take these supplements; because it puts you in a higher risk, it exacerbates the problem. If you smoke and you take these it actually makes it more likely that you will have a heart attack, more likely that you are likely to have lung disease.

1425 This is scientific evidence, this is not anecdotal nonsense that I keep hearing about; this is scientific evidence that has been before a committee of independent people – independent scientists – and have verified it. So if we are talking evidence let us talk real evidence. Deputy Gollop asked what will cure his tummy ache and the answer is just ‘stop drinking coke’. (*Laughter*) That is purely simple evidence-based; that coke is detrimental and therefore stop drinking it and it is likely to improve it. I think it is time that we actually deal with the evidence.

1430 More importantly, I take supplements. I am a consumer of supplements. I take certain supplements every year when I have hayfever because I find that the supplements that I take stops my hayfever and does not have the unpleasant side effects of making me sleep for 20 hours that antihistamines do. But when buying it I want someone to say clearly what the effects are and it to have been scientifically proven. That is simple. That allows me the freedom of choice to make the right choice for me. Not having this legislation allows people to make spurious claims and outright lies. That is not freedom of choice, that is perpetuating a wrong. That is why we should support this and vote this piece of legislation through.

Thank you.

**The Bailiff:** Deputy Le Tocq, then Deputy Brehaut.

1440 **Deputy Le Tocq:** Thank you, sir.

I was actually glad when I was passing around the sweets before to Members of Policy Council to look on the back and notice that these *bonbons à la menthe extra fort*, not surprisingly, included *sucre* and *l'huile essentielle de menthe poivrée* but also, shockingly, *gélatine de bœuf*. I still had one and so did my fellow colleagues, (*Laughter*) probably because they did not look at the bottom of the tin.

1445 But seriously speaking, sir, I think, in terms of what has been said with regards to directives such as these coming from Europe, we have to be careful as a jurisdiction that we cannot effectively have our nutritionally beneficial cake and eat it. We have to take on board the fact that we do business with the EU and there is risk. I do not think that voting these out is the hugest reputational risk on earth (**A Member:** Hear, hear.) but there comes a point when we have to say and recognise that we do business with members of the EU, and Guernsey needs to continue to do that; and what might be throwing some grapes towards one section of our society actually helps to close the door towards another section of our society and commerce. As to where the line is drawn on that, that is a debate that we can have but we are doing business with the EU through Protocol 3 and we need to recognise that and the effect that it will have in the end.

1455 I am not sure that voting these out will have any immediate or long-term effect particularly, but if we continue to act in that way it most certainly will.

**The Bailiff:** Deputy Brehaut, then Deputy Perrot and Deputy Storey.

1460 **Deputy Brehaut:** Thank you, sir.

I always enjoy Deputy Jones’s speeches with regard to Europe. We could easily forget that the Housing (Control of Occupation) Law is probably one of the most onerous pieces of legislation, as I have said before: where do you live; who do you live with; how long are you here for; what is your marital status? – pretty much everything.

1465 I stand, sir, really not to debate the subject matter, but just about the debate itself. (*Laughter*) I make, I like to think, a potentially serious point. We have lapsed in this Assembly into Second Reading. This is legislation, sir, we have had the principle, we have had the debate, Members have voted on this before. It comes back as legislation and now we are having a Second Reading.

1470 If we want to do Second Reading and we want to debate every piece of legislation let us send SACC and legislation away to come back with a change of the Rules of Procedure so we can debate legislation.

I sense this legislation will go through fairly significantly, on a recorded vote or otherwise, but if we are going to do Second Reading and be more like the UK then let us get that enshrined in the Rules of Procedure then.

1475 **The Bailiff:** Deputy Perrot.

**Deputy Perrot:** I wonder if, in my usual quiet and modest way, I could protest at something asserted by Deputy Gollop, that we do not understand this legislation?

Nothing could be simpler. What this legislation is providing under section 1.1 – and Deputy Gollop has got a law degree, he ought to understand this sort of stuff... Under section 1.1 it says the Council Regulation has full force and effect in the Island [*inaudible*] we look on page 5 of the brochure we see that there is a definition of what the Council Regulation is:

‘Council Regulation means Regulation (EC) No. 1924/2006 of the European Parliament and of the Council of 20 December 2006 on nutrition and health claims made on foods, as given the effect and modified by the European Communities (Implementation of Council Regulation on Nutrition and Health Claims) (Guernsey) Ordinance, 2014.’

– and then if we look at that Regulation... Well, I have looked it up, again what could be simply a mere 17 pages of closely printed text in respect of again one the simpler sections dealing with nutrition information we read under Article 7 of:

‘The obligation and modalities for providing information pursuant to Directive 90/496/EEC where a nutrition claim is made shall apply *mutatis mutandis*’

– nice legal phrase –

‘... where a health claim is made, with the exception of generic advertising. However, the information to be provided shall consist of information in Group 2 as defined in Article 4(1) of Directive 90/496/EEC.’

I hope I am making a point but I doubt actually that anybody has read any of this stuff.

I echo all that Deputy Soulsby said but my problem, of course, is that as soon as I raise the subject of Europe as the bogey man everybody laughs at me. They do it as well with Deputy Jones. Even though the warnings, which at one time were voiced by Deputy Jones and by me, about the dangers of the common currency through Europe have been proved to be correct, we are laughed at. And so I know that my message often falls on deaf ears, but my attitude to this is – if it originates in the European Union be suspicious of it. If that is endorsed by pressure, as we have heard, from the United Kingdom be even more suspicious of it. The problem we have here is that the United Kingdom and, even though we are not members of Europe, Guernsey were too eager or our officials are too eager to adopt all of the madness of European legislation.

Deputy Jones and I have often said that the European Union is one of the most corrupt organisations on the planet. I could quite see here that all of this proposal originates from immense pressure put upon the European Commission by the giants of the pharmaceutical industry. (**Several Members:** Hear, hear.)

We know that much of what is contained in this proposed legislation – these two Ordinances – will be of no effect because of the magic of the internet anyway, but we also know that it is causing immense disquiet in the community in Guernsey amongst people who take supplements.

All Members will have received many emails and this is not correspondence coming from fanatics, this is correspondence coming from people who are making a well-argued case, who are extremely concerned about the adoption of this legislation which is going to affect them.

I think that on this occasion there has been sufficient concern for us to pause and for HSSD to think again about how it ought to approach this and to talk to people who both supply these goods and people who consume these goods.

Deputy Le Tocq said, ‘Well, of course, we do business with the EU, we have got to be careful about this.’ You can use that argument in respect of absolutely everything in which the European Union would like to impose upon us and I do not accept that as a valid argument.

I think that we ought to have perhaps specific legislation, as was suggested I think by Deputy Laurie Queripel, in relation to rogue traders, but that is about it.

**The Bailiff:** Deputy Storey.

**Deputy Storey:** Thank you, sir.

I think too many speeches so far have strayed into the second Article. I intend to purely speak in relation to nutrition and health care claims which, as far as I was aware, was the subject that we were discussing at this moment.

Several speakers have mentioned both positively and quite negatively regarding Protocol 3. My understanding of Protocol 3 is that although we are not members of the EU, Protocol 3 enables us to join in with the arrangements for the free movement of goods and services with EU members.

Practically the whole of our economy on this Island depends on free movement of goods and services with EU countries, especially the UK. So to dismiss the situation of Protocol 3 is, I think, a very dangerous

thing to do. (**A Member:** Hear, hear.) I am afraid that Protocol 3 is not a pick ‘n’ mix basket of goodies that we can choose to comply with one thing and take the benefit from it and disregard another item in the package because we feel it might give us some problems. It is all or nothing and until Protocol 3 is renegotiated – and maybe that is something that might be on the long-term agenda – I am afraid it is all or nothing and I fall down into the ‘all’ count, in order to protect the businesses that provide employment to so many people on this Island.

Aside from Protocol 3, what this Ordinance is doing is effectively providing protection to local residents for the goods and services that they buy on-Island. It provides for a true and complete disclosure of the contents of goods that we might buy so that we are able to identify if, and there are a lot of rogue suppliers of various things that people like to buy which have unacceptable levels of heavy metals in them, that have unacceptable levels of iodine because they are derived from seaweeds or there are seaweeds included in the formulation of these products. We ought as customers to know about this before we buy something. We should be pre-warned, not find out afterwards that what we have been taking has, in fact, been detrimental to our health.

Another point that this Ordinance covers is claims about the benefits that these foods or supplements might provide. Well, we need to understand that claims are justified and in many cases claims are made – I am not necessarily saying by companies on this Island but people off-Island quite often make claims – which cannot be substantiated and which in many instances are quite misleading. My concern is that residents on this Island should have the same degree of protection as people elsewhere, especially in the United Kingdom. Why shouldn’t they? Why should we say to our residents who we represent that, ‘You are not entitled to the same protection as your relatives who happen to live in England’? I think that is quite an unacceptable situation.

So for those two reasons, sir, I would urge everybody to support the passing of this Ordinance so that we can benefit from its effects.

Thank you.

**The Bailiff:** Deputy Harwood.

**Deputy Harwood:** Thank you, sir.

I would like, at this stage, to refer to the first of the two Ordinances and also to endorse the views that have already been expressed by Deputy Le Tocq and Deputy Storey. Before doing so perhaps I ought to consider whether or not I should declare an interest, if in so far as it concerns the sale of wine then possibly it is, and I am aware that some people do claim some therapeutic effects of wine. I have not actually aspired to that.

But in response to Deputy Laurie Queripel, who in his speech drew attention to all the iniquities of lack of food labelling, I would point out that in the case of wine, as far as I am aware, antifreeze has never been a permitted additive. Antifreeze is actually... it has been prosecuted. There have been a number of prosecutions brought against people who have included antifreeze in wine; it is not a supplement to wine.

Sir, when our forebears in their wisdom negotiated the terms of Protocol 3 to the Treaty of Accession when the UK joined the European Community, as it then was – or Economic Community – they did so for very good reasons. They felt it was important that we maintain the ability to trade in goods with the United Kingdom and possibly potentially elsewhere within Europe.

Protocol 3 gives us that freedom to trade; it gives us that freedom of trading goods. At that time, clearly, in the early 1970’s the concern probably was that we should maintain a market for tomatoes and, again with reference back to wine, bear in mind also at one time there was even something called a tomato wine.

The ability to trade in goods is critical and it is still important. The Commerce and Employment Department, I think, will be aware of a number of instances where the goods are traded from Guernsey into Europe and it is important we retain that.

Deputy Martin Storey is absolutely correct. Protocol 3 is not a pick ‘n’ mix. We are committed to maintaining the freedom to trade in goods – we have to comply. Therefore, unfortunately – or fortunately depending on your views of the European Union and this has given a wonderful opportunity for people who want to knock the European Union and its various directives – and, yes, Deputy Perrot, I have also read some of the directives that have been issued by European Union on these matters and I have highlighted, in yellow, various interesting comments; I will not delay this Assembly by repeating those comments here today – if we are to maintain our ability to trade in goods we cannot afford to pick ‘n’ mix.

What I would also say is that this is not a new issue. I think it was Deputy Gollop who said, ‘Oh, we should take longer at this.’ This was, I understand, from records first raised in 2007. It was certainly, when I took office as Chief Minister, one of the first items that was drawn to my attention because the focus of attention was still coming from the United Kingdom; and not from Government itself, but from MPs in the United Kingdom who were concerned from their position of their constituents at the possibility that Guernsey was not complying with these standards and, therefore, the possibility of rogue traders operating



in or from within Guernsey selling to their constituents. It is not an issue where Government has been putting pressure on us, it is an issue where individual MPs who have very genuine constituency rights or interests have been raising this issue over a number of years. As I say, it was one of the first items that was on my desk. I guess it was probably on the desk of my predecessor and possibly even his predecessor because it started in 2007.

In 2011 the States of Guernsey passed a Resolution to enact or to bring in these Ordinances. It has taken another three years, in fact, before we bring the Ordinance that we brought to this Assembly. So, I submit, sir, therefore there has been enough passage of time for due consideration of the Ordinances, for the content of the Ordinances; and I would also endorse Deputy Storey's very good point that this is a matter of consumer protection. Even if it we were not producing the Ordinances by reference to EU directives surely we have an obligation to protect our consumers – those people on this Island – who can otherwise be left to the vagaries of rogue traders.

To Deputy Soulsby, who rightly referred to the fact that in this global age we are dealing with global trading and trading through the internet – and I have to confess I am a total luddite in relation to trading on the internet. But nevertheless it is surely our duty, as a responsible jurisdiction, to put in place legislation whereby we can prosecute such rogue traders if there are people in this Island trading from within this Island who are making false claims in the manner suggested in the Ordinance. Surely we have that responsibility. If we do not pass this legislation we do not have that ability.

So, sir, I would urge all States Members to support both Ordinances and to vote in favour.  
Thank you, sir.

**The Bailiff:** Deputy St Pier.

**Deputy St Pier:** Sir, with this legislation I do not see any great wrongs that need righting by the legislation and, indeed, I do not see any great benefit to the community from enacting the legislation. But I will be supporting it because of the reputational risks of not doing so and, in particular, listening to the words of Deputy Harwood and understanding the position this week that questions of reputational risk are finely balanced judgements and in this case I think the risks of not doing so, not enacting this legislation, are actually greater than the risks of doing so; and for that reason I will be supporting both pieces of legislation.

**The Bailiff:** Any further debate? No, well, the Minister of the Health and Social Services Department, Deputy Dorey, will reply to the debate.

**Deputy Dorey:** Thank you.

Thank you for everybody who has spoken on this debate and I would particularly like to thank Deputy Harwood for his comments he has made just now.

I think there has been quite a lot of confusion because of the two separate Ordinances. When we went out to consultation on the draft legislation, which was two lots of legislation, we had 12 people who replied and I think there was only one which – 12 replies; some from organisations, some from members of the public – and on this particular Ordinance there was only one and it was just about the definition.

So I know you have had some emails and I think Deputy Perrot said 'immense disquiet'. I think there is a handful of people who have written to you and I think you can get that number of people out of proportion with the population of the Island.

But this is all to do with protecting people in this Island and I would hope that everybody wants to do that. If particular health claims or nutrition claims are made they must also be true and accurate and not exaggerated for commercial advantage. Surely that is what we want. We want labelling on our food to be accurate for the population of the Island so they know what they are eating. So I really fail to understand why people would not want that for our consumers – and this is pre-packaged food.

There were a couple of questions. One was from Deputy Queripel about if a product said, '...may help strengthen the immune system.' I do not know if the Procureur can answer that particular question?

**The Procureur:** Actually the Comptroller knows all about this sort of stuff and it is a pity she is not here. *(Laughter)* I do not. I rather fall in with Deputy Gollop rather than Deputy Perrot in the extent to which I understand all the details about this.

You have to look at the list in the annex to the directive to see what health claims have been authorised and I do not have that readily to hand, so I would not want to mislead. I did actually, on this occasion, ask that Members would notify me in advance of any questions having legal elements and so I stand by that.

**The Bailiff:** Deputy Dorey.

**Deputy Dorey:** Thank you. As I understand there are certain claims that you can make and they have to be accepted, but I do not know the legal details and I am not going to try and answer it.

1655 I think the Protocol 3 – Deputy Hadley asked about Protocol 3 – has been answered by Deputy Harwood.

So I would ask Members to support this for the good of the population of Guernsey and I do not believe there has been any reaction to this particular Ordinance.

1660 **The Bailiff:** We come then to the vote on the European Communities (Implementation of Council Regulation on Nutrition and Health Claims) (Guernsey) Ordinance, 2014.  
Deputy Lester Queripel.

**Deputy Lester Queripel:** Sir, can we have a recorded vote, please?

1665 **The Bailiff:** A recorded vote.

*There was a recorded vote*

## **II. The European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014 – Debate commenced**

*Article II:*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled ‘The European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014’, and to direct that the same shall have effect as an Ordinance of the States.*

1670 **The Bailiff:** Members, while the votes are counted shall we move on to the next Ordinance – The European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014 – and I invite the Minister to open the debate.  
Deputy Dorey.

1675 **Deputy Dorey:** The Ordinance about food supplements will introduce measures about the labelling advertising of foods containing food supplements, i.e. vitamins and minerals that are eaten to supplement, enhance or enrich the diet.

1680 This legislation does not include any provisions for Maximum Permitted Levels, which has been of great confusion and concern to local consumers. We have *not* included this. It should be noted that food supplements are not medical products which are prescribed to remedy or treat medical conditions or ill health. Such products fall within the terms of existing medicines law. The Food Supplements Ordinance does not cover personal imports for personal consumption, the rate of consumption of food supplements in the home or products for pets.

If the States approves the legislation the new provisions will come into force on 1<sup>st</sup> April 2014 for imports and exports.

1685 Provision of food supplements being offered for sale locally will come into force two years later on 1<sup>st</sup> April 2016. During this time a technical working group will assist my Department in developing local guidance. The group met on 11<sup>th</sup> February – Deputy Gollop referred to that – and all attendees, including members of the public, traders and health professionals, have agreed to continue to support the development of guidance during the coming year.

1690 It is anticipated there will be little impact on local traders as the majority of pre-packed products sold in Guernsey are imported from EU jurisdictions where legislation has been in force for some time. Local manufactures who export to EU are already compliant with requirements for jurisdictions they export to.

HSSD officials will be focussed on traders that involve internet sales where the products are procured from and packaged in third jurisdictions and marketed by Guernsey based business addresses.

1695 The drafted legislation has been prompted by the UK Ministry of Justice following UK parliamentary questions about business practices in the Channel Islands. The legislation will ensure the continuation of inter community trade in food goods between Guernsey, the EU and other jurisdictions. Similar legislation will be implemented in Alderney and Sark and also in parallel with the States of Jersey.

1700 My Department accepts there has been a great deal of confusion about the complex area of food law especially with medical products, traditional herbal remedies and medical treatments although I believe the communication process now in place has alleviated most of the concerns raised.  
Thank you.

**I. The European Communities (Implementation of Council Regulation on Nutrition and Health Claims) (Guernsey) Ordinance, 2014 –  
Vote results – carried**

*Carried – Pour 33, Contre 11, Abstained 0, Not Present 3*

<b>POUR</b>	<b>CONTRE</b>	<b>ABSTAINED</b>	<b>NOT PRESENT</b>
Deputy Brouard	Deputy Perrot	None	Deputy Domaille
Deputy Wilkie	Deputy Burford		Deputy Trott
Deputy De Lisle	Deputy Soulsby		Deputy Le Lièvre
Deputy Inglis	Deputy O'Hara		
Deputy Sillars	Alderney Rep. Jean		
Deputy Luxon	Deputy Gollop		
Deputy Quin	Deputy Lester Queripel		
Deputy Hadley	Deputy Ogier		
Alderney Rep. Harvey	Deputy David Jones		
Deputy Harwood	Deputy Laurie Queripel		
Deputy Kuttelwascher	Deputy Paint		
Deputy Brehaut			
Deputy Langlois			
Deputy Robert Jones			
Deputy Le Clerc			
Deputy Sherbourne			
Deputy Conder			
Deputy Storey			
Deputy Bebb			
Deputy St Pier			
Deputy Stewart			
Deputy Gillson			
Deputy Le Pelley			
Deputy Fallaize			
Deputy Lowe			
Deputy Spruce			
Deputy Collins			
Deputy Duquemin			
Deputy Green			
Deputy Dorey			
Deputy Le Tocq			
Deputy James			
Deputy Adam			

1705 **The Bailiff:** Before we move on to the next speaker, I have the result of the vote on the last piece of legislation, The European Communities (Implementation of Council Regulation on Nutrition and Health Claims) (Guernsey) Ordinance, 2014. There were 33 votes in favour, 11 against. I declare the Ordinance carried.

**II. The European Communities (Implementation of Food Supplements Directive)  
(Guernsey) Ordinance, 2014 –  
Debate continued**

1710 **The Bailiff:** Deputy Lester Queripel had previously indicated he would like to speak in this debate.  
Deputy Queripel.

**Deputy Lester Queripel:** Thank you, sir.

The first question I would like to ask the Minister is: why was Deputy Gollop allowed to attend the recent traders' presentation when the rest of the Assembly were not permitted to do so?

1715 Another point – or the first real point – I want to make, is that this piece of legislation appears to be totally unnecessary. Legislation already exists whereby random checks can be made on products to ensure

that what is on the label is actually in the container. I do not see why we need additional legislation and bureaucracy, so I will ask the Minister to explain why we need what appears to be superfluous legislation when he sums up, sir. I appreciate I might be missing a fundamental point but the way I see it is that legislation and regulation already exists and this is just another layer of bureaucracy.

I want to focus on some of the other reasons why I intend voting against this Ordinance. Approximately 20 years ago I became very ill. I lost my appetite, I could not sleep, I had no energy, I could not concentrate and basically I had lost my lust for life, which was the complete opposite of the way that I normally feel.

In anticipation, sir, of one of my colleagues getting to their feet to ask is this an episode of This is Your Life, the reason I mention this is because this is my personal experience where vitamins and supplements were a huge benefit to me in my time of need. You can read all the text books and all the reports you want to about any issue, but there is nothing like personal experience to give you a real insight. So after taking all sorts of prescribed medication for over a year I was no better. Then a friend of mine who is a reflexologist suggested I take multi-vitamins, zinc and iron tablets – which I did and I also had a weekly reflexology treatment, and within six weeks I was back to my normal self (**A Member:** Hurray!) (*Laughter*) but I am rapidly fading, sir. A combination of multi-vitamins, iron and zinc tablets, coupled with reflexology, worked for me. Would I have welcomed anybody denying me access to those vitamins and supplements? No, I certainly would not have done. And would I have welcomed anybody telling me I could not take the dose I was taking? No, I certainly would not have done.

Sir, what right have I got to tell someone what they can or cannot take in their time of need? The answer to that, sir, is I have no right at all.

When I was ill – when I was in need – I needed exactly what I was taking at that time. I had been ill for a year and within six months I was back to my normal self. I do not need any more personal experience or any more proof than that.

So I then decided to train to become a reflexologist myself, but to be able to do that I had to first of all undertake a year-long intensive course in anatomy and physiology and it was during that course that I undertook some fairly intensive research into vitamins and supplements. I can condense my year-long study into three sentences: oxidation in our bodies creates cell like structures known as free radicals; these free radicals damage DNA and the molecular structure of the good cells in our bodies; vitamins and supplements contain anti-oxidants which are a natural remedy against free radicals. And that is a proven scientific fact, sir.

Moving on to freedom of choice for the individual, I had an interesting conversation with Deputy Ogier and Deputy Green on the plane going over to Alderney for the funeral of the late and much missed Paul Arditti. I was explaining to Deputy Ogier and Deputy Green that sometimes I struggle to see the difference between dictating to people and guiding and advising them in their best interests. On that occasion the three of us were talking about protecting innocent children from the ravages of cigarette smoke whilst driving in cars.

That conversation, however, was curtailed when Deputy Ogier's face turned a ghostly white and he was convinced we were going to crash. But as the pilot wrestled with the wheel and tried to land the plane in Alderney (*Laughter*) in severe cross-wind... which leads me nicely, sir, into another example of how ludicrous and ridiculous legislation and regulation has become. Are we guiding people in their best interests or are we dictating to them? Because the irony is we travel on planes knowing full well they could crash (*Laughter and interjections*) but we accept that. We understand that. We do not tell airlines to put a sign on every plane that states, 'Warning this plane could crash!' (*Laughter*) Sir, we simply accept that a plane could crash and we climb on board and we pray that we will reach our destination. And here we are being asked to agree to a piece of what appears to be superfluous legislation the essence of which is stating that a member of the public must not be sold a bottle of vitamin pills that only contain 400mg when they label says they contain 500mg. Surely, sir, we need to get this all into perspective.

To focus on another anomaly, I was in a shop recently with a friend of mine who has an eight-year-old son and the boy spotted a packet of cigarettes with the label 'Smoking kills' so he said to his father, 'Dad, if smoking kills why don't Governments just ban the sale of tobacco?' So my friend replied, 'It is too late for that, son,' and the boy replied, 'How can it be too late to save people's lives, Dad?'

Here we are debating what dose and what type of vitamins and supplements we can allow a person to put into their own body when we refuse to see the elephant in the room. I will leave that one with my colleagues to ponder, sir, and say that I am *not* in favour and never will be in favour of restricting the public's access to anything that might be of benefit to them.

To emphasise the point I am making about restriction, if Members turn to page 316 of the Billet they will find a paragraph that clearly states the following:

'The Ordinance imposes... restrictions on vitamins and minerals that may be used in the manufacture of... food supplements, restrictions relating [to the mention of a balanced and varied diet and restrictions relating] to the name under which... food supplements may be sold.'

1775 Focussing on the last restriction on that list, sir, I would like the Minister to explain to me please what it actually means when he responds.

Take salvestrol, for example. Several Members are accessing their iPads so perhaps they would like to look up salvestrol as I speak. Salvestrols are produced by plants, especially fruit, in response to fungal infection, but modern day growers use pesticides that *kill* salvestrols in plants and also when companies produce fruit juices such as cranberry juice, for example, salvestrols are removed because they have a bitter taste. Sir, it makes perfect sense for anyone taking salvestrol as a supplement to want the pills to contain as much salvestrol as possible. The people who buy it know it as 'salvestrol'. The companies that market it, market it as 'salvestrol'. So, in relation to the last restriction on that list, what is the company supposed to call it now? It seems like an absolute nonsense to me, sir. Do we really want to restrict companies who are committed to improving the quality of life for our fellow human beings? Yes, we need legislation we need regulation, but regulation is already in place.

To be perfectly honest, sir, I do not really know what was in the tablets I took to cure my illness 20 years ago. They may have been placebo, but they worked for me when conventional medicine had not, and that is all that mattered to me at the time because I certainly would not have wanted to continue living the way in which I was being forced to live, that my system was dictating to me.

The way I see it is that the hypocrisy of legislation has now gone beyond the point of being ridiculous. Health and safety has forced its way into our lives at the expense of common sense.

Whilst I am focusing on health and safety and EU and EC directives, there are strict rules and regulations in place on building sites here on the Island directed by the EU. Yet one of the very countries who are instructing us to comply with their rules and regulations has actually got the highest death rate on building sites anywhere in the world. So they tell us what to do but they do not comply with the regulations themselves. Do we tell them to get their act together? No, we do not. Are we concerned that they have the highest death rate on their own building sites? Well, we do not appear to be.

Another example of how ridiculous these EU and EC directives actually are.

1800

**Deputy Bebb:** Point of Order. I am sorry, I feel that Deputy Queripel is straying from debate here.

**The Bailiff:** You are, Deputy Queripel. Are you going to come back on to the subject?

1805 **Deputy Lester Queripel:** Yes, sir. I was not aware that I was straying. I was focussing on directives which is all part of the Ordinance. Anyway, I will do my best to keep to the script.

**The Bailiff:** Well, you were in so far as you were talking about building sites, although you made the point that there are rules that are followed in some countries and not in others. You have made that point.

1810

**Deputy Lester Queripel:** Yes, sir, thank you.

Just to conclude on that point, there is far too much bureaucracy and it is taking away the opportunity for people to actually think for themselves. And worse than that it is taking away freedom of choice.

If companies today were seeking licences to market two new products, one of which was called tobacco and the other called alcohol, they would be refused on the grounds that both can kill you. Yet I do not see Governments doing anything to ban the sale of either of them.

Before I finish, sir, I would like to focus on the fact that by supporting this Ordinance we will quite possibly force local businesses to remove some products from their shelves, yet if anybody who wants that product can still buy it on the internet as Deputy Soulsby has already mentioned. So in a very real sense we will be encouraging internet shopping, yet at the same time we ask local people to support local businesses. I would like the Minister's thoughts on that nonsensical situation when he responds please, sir?

In conclusion, with the knowledge I have accumulated in all my years as a complementary therapist I know there are justifiable reasons for voting *against* this Ordinance. I suspect I will be one of a handful that do so, but at least my conscience will be clear, sir, because I will not have voted in favour of restricting someone else's freedom of choice.

1825

Thank you.

**The Bailiff:** I was going to call Deputy Hadley next, then Deputy Bebb and then I will come to Deputy Robert Jones.

1830

**Deputy Hadley:** Mr Bailiff, I just hope that the Deputy Director of Public Health, Val Cameron, is not listening to this because I should think by now she is crawling up the wall and across the ceiling.

She gave an excellent presentation to those of us who wanted to attend and, sadly, I think there were only four people there who were not Members of the Board of the Health and Social Services Department. She made it crystal clear that in no way are we restricting what people buy; we are not restricting, by this

1835

legislation, their freedom of choice. What we *are* doing is saying that they must be properly labelled, they must be able to substantiate the claims that they make.

One of the things that worries me – and I am sorry if this is a little disjointed but I was not expecting to speak again today, I thought I had spoken enough – is that whenever we get emails from people who are trying to restrict the legislation that we are doing the same sort of issues come up. One of the people that emailed us – and I can quite understand that the person was worried about not taking what they wanted to take, but of course, as I said we are not – but they said that their professor had advised them of the vitamins they should take.

I actually looked up the professor – the internet is a great thing these days – and found out that, in fact, he was an assistant professor – which is not quite as good as Professor Conder's title – and I then found out that in fact a quarter of USA academics are professors and something over a quarter are assistant professors. So, in fact, the majority of academics in USA are professors or assistant professors. So actually saying that you are being treated by a professor is no great thing.

But the other thing I then did was to find out what the special area of interest of this professor at the University of Utah actually had, and it was naturopathy. Again if you look at naturopathy it is not a proper science at all. You would probably find half a dozen people on Guernsey who understood what naturopathy was and actually supported it. So, again, what this legislation is about is trying to protect people against silly claims, basically.

Of course, one of the reasons why local people worry is because they are selling products which are, quite frankly, in some cases misleading and dangerous, and the number of products on sale which contain chromium, for example, at a much higher dose than say what is accepted as a safe dose... Again, some of these products are imported direct from America so they do not comply with the same sort of standards that would apply if they were imported from the United Kingdom.

I am saddened by the fact that, constantly, the pharmaceutical industry is knocked. Yes, they may be excessive in the pharmaceutical industry but there are a lot of people walking around alive in Guernsey that would not be alive if it was not for the pharmaceutical industry. (**Two Members:** Hear, hear.)

I worry that it would appear from what the Minister said that some aspects of the legislation are not being implemented because he was saying – unless I misunderstood him – that some of the legislation regarding minerals was not being implemented. But again I am sure he will clarify this when he sums up. Because I think this is very necessary legislation and it is protecting the public.

One of the examples that I gave earlier which I would like to expand on is when I actually went into one of the well-known health food shops in Guernsey to have a look at what they were selling on the shelves, there was a placard outside extolling the virtues of green coffee bean extract which you could buy at the cost of a couple of pound a day, I think if you took the recommended dose, and the proprietor kindly gave me what looked like a very knowledgeable scientific paper on it.

Actually if you read it in the tiny print and got to the end you found out that this will cause weight loss, according to this paper as it said on the placard outside, but the trial they were quoting was when people were taking the product and having five hours exercise. (*Laughter*) You see this is the extent to which people are being misled and so this legislation is to protect people against these sort of claims.

It does not stop you buying them; you can go and buy them, but there is no reason why we should not offer the same sort of protection, as Deputy Storey says, over here that applies in the United Kingdom. I do urge Members to vote and support this legislation.

**The Bailiff:** Deputy Bebb.

**Deputy Bebb:** Thank you, Monsieur Le Bailli.

Deputy Queripel made a few points that I think do need to be clarified. This Maximum Permitted Levels (MPL) is frequently something that has come up, and that we are somehow going to be restricting the strength. This has appeared as a result of the Medicines Law where Maximum Permitted Levels are included in that legislation, which I have every sympathy... I do not particularly think that that is the right course of action. I think that that is incorrect but on this particular legislation there is no Maximum Permitted Levels. Therefore this idea that the strength will be restricted is nonsense. Can we stop spreading such nonsense?

In relation to freedom of choice: well, surely this allows people to make the right choice. If you want to buy vitamin C, strangely enough this piece of legislation shows that what is in the bottle has to be vitamin C. I find that amazing that people think that selling vitamin D and saying on the label that it is vitamin C is breaking my freedom of choice. Can we please stop with the nonsense?

By the way, Deputy Queripel's point that if the bottle says that it contains 500mg but it only contains 400mg then what is the problem? Well, may I suggest that it is theft? (*Laughter*) I am expecting 100mg more. So I struggle to see what this great benefit that we are currently experiencing from not having this regulation in place is going to be.

There are two more points that I would like to make. The question of supporting local business: well, I can tell everyone here now that, as a consumer of these products, I will now be far more confident in buying locally because I know that locally we are well-regulated and I know that the internet is not well-regulated. So I would suggest that this gives me the confidence to buy locally.

The one other point that I would like to make is that in a Channel Island Brussels Office presentation a fair few months ago now, I asked the question of those people what legislation is there in Europe concerning health care, concerning vitamins, concerning a whole manner of things that is happening in Europe that we as the Health and Social Services Department should be aware of and the answer came back, 'Nothing'.

It is a great shame that there are certain initiatives in Europe at the moment and the Brussels Office is evidently not focused in that area, and I would ask that those good people who have contact with the Channel Island Brussels Office ask them to refocus a little, not just on ensuring that our economic interests are catered for but that also our expenditure and certain matters concerning health are also looked into as a matter of course.

Fortunately, we have an excellent person in Val Cameron who does look into these matters and stays abreast of what is happening in terms of regulation. This allows people to have the freedom of choice which I think is necessary for me to buy local. Please support it.

**The Bailiff:** Deputy Rob Jones.

**Deputy Robert Jones:** Thank you, sir.

Setting aside the arguments as to whether we should re-negotiate Protocol 3, we have Protocol 3 so we have to deal with the situation as we find it.

A couple of points that Deputy Queripel made in terms of the law being superfluous: I think he has done a lot of research but it seems his research did not include reading the Billet in May 2011, which basically clearly sets out the background to this. The Law is not superfluous. The Food and Drinks (Guernsey) Law 1970 does contain certain powers that he raised but, quite simply, they do not cover food supplements and they do not regulate food supplements. It is just one simple point. This Law is not superfluous, it is needed. It needs to extend the legislation to cover food supplements and nutritional claims and that is what both Ordinances actually do.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** Yes, sir.

To clarify a procedural point I think that Deputy Brehaut raised about this being a Second Reading. Well, as long as I can remember and before that even, the States had a procedure whereby legislation would be brought to the Assembly and I do recall when, for example, Island-wide elections were introduced as a result of a Second Reading. And I would dispute even the term 'Second Reading' because this is, in a way, a new Assembly different in composition to the one that passed the original Law. I have actually been looking at this and I will refer to it in a minute.

Deputy Bebb has accused some of us of misleading people and speaking nonsense. Well, if I have done it is because it is an extremely difficult topic to accurately represent and more to the point, many of the people on the Island have genuine concerns from a variety of perspectives; and it is not entirely clear from the legislation what the outcome will be on a practical level to individual businesses and consumers.

I would also take Deputy Bebb to task on a particular matter. He alleged that I was drinking cola and it was bad for my health. Well, that may well be but it should be recorded that, according to the magic internet and the *Daily Telegraph* – a well-known National UK paper – Coca Cola is good for your health. Look at an article on January 7th in which it claims it has a certain healing with certain stomach disorders. I make no pledge that is true or not but I am saying that once you get into the world of claims and counterclaims it does become a very murky area and an unclear area, and one in which it would appear that a multi-national company whose products can cause harm has a free reign to promote itself but not these herbal or food supplements.

Specifically on the food supplements, I paid a visit to a certain retailer in St Peter Port and it would very much appear that these supplements range from cranberries to all kinds of herbs – some of them were relatively inexpensive, some of them were expensive – but what was obvious was that most of them appear to have been imported from the United States of America.

We do know on a common sense level the USA is particularly prone to litigation to extensive testing and controls but, nevertheless, the USA has apparently a more liberal regime – at least in some States – than the European Union. It is, therefore, a nonsense that American products will not necessarily be able to be sold but will continue to be supplied on demand through by individual customers. Or am I missing the

point? (*Interjection*) Because I believe that some of these products will either cease to be sold in a retail establishment or will not be allowed to promote their merits in any shape or form.

I do have concerns about this legislation and the process by which it has come to the States. It is quite true we had presentations. I was not specifically invited to the stakeholders' meeting. Individuals who were going told me about it and I assumed that it was effectively a public meeting for interested parties. (*Laughter*) But I think the fact that perhaps the HSSD did not have a wider set of public meetings on this particular area was itself telling because it is clearly an area that interests people, not just the ecological sphere but people interested in different religions, in alternative medicines, in new age cures and all kinds of things, across a very wide spectrum of belief and attitude.

What I would also say is various Members have referred to the report from 2011, of which I have a copy here, that Deputy Adam took to the States. It is actually only eight pages – very brief. The point is made that there is a thriving food supplements industry in Guernsey. Well, maybe it is not as thriving as it was, due to changes in the fulfilment centre and this could further weaken the survival and growth of the industry.

It also says that the European Union introduced standards for food supplements in 2002. Deputy Perrot made the point that this legislation would apply to Guernsey but, in a way, we have already waited 12 years without anything really major happening. And the argument that the Chief Minister and one or two other Members have made that we should be as protective of local consumers as the United Kingdom for example is – surely that argument could apply to everything. Health and safety at work, equal sex discrimination rules, the same paternity and employment rules. I think that is a red herring – I will give way –

**The Bailiff:** Deputy Hadley has asked you to give way.

**Deputy Hadley:** Mr Bailiff, it is not true to say nothing has happened with the absence of this legislation. Those people who attended Val Cameron's presentation will know that people have been operating businesses from their back rooms without any regulation whatsoever, importing things from around the world and exporting them to the UK; and it is complaints from the United Kingdom which is one of the drivers behind the necessity to introduce this legislation.

**The Bailiff:** Deputy Gollop.

**Deputy Gollop:** [*Inaudible*]... specifically of political repercussions or, indeed, health concerns within the Island. Because, as is said in this report on page 610 of 2011, the food supplements industry has been consulted through the Commerce and Employment Departments, Guernsey Fulfilment and Mail Order Group and for open and private consultation meetings with businesses. Well, yes, some of the bigger suppliers are on board but others clearly are not and nor are individual customers. I certainly gauged there was a range of opinion from the stakeholders and although a representative of Commerce and Employment was there I do not believe there was a political representative actively involved on this issue.

I think Commerce and Employment should be involved to ensure that existing retailers in Guernsey who are respectable and have customer satisfaction are given a degree of protection, and for all those reasons I am still unhappy that the legislation is introduced at this time without further work on engagement with the public.

So, reluctantly, I vote against the legislation. But I also hope, even if it is passed, that States Members and stakeholders can work with Health and Social Services Department and the aforementioned Mrs Cameron on guidelines that resolve some of the outstanding areas of concern and argument.

**The Bailiff:** Deputy Fallaize and then Deputy Storey.

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

I just want to make a reasonably brief intervention before lunch on this issue about what is happening today – the debate on this legislation – and some angst there is clearly about Second Readings or the nature of debating legislation.

The point is this: that in most other jurisdictions – almost all other jurisdictions – when things are put to a Parliament for the first time they are in draft legislative form. Because we have this situation where the legislature and the executive are all in one body, committees bring things to the States as policy proposals, the States debate them extensively and if they are approved legislation is prepared. An advantage of that system clearly is that it means that you do not have hundreds of hours of time being spent drafting legislation which the States never end up approving.

Usually doing it this way is very much more efficient because the legislation is prepared pursuant to the policy proposals already approved and that is why we spend so little time debating legislation.



2020 But they are separate issues and they are distinct, and it is not unreasonable for people who were opposed to the original policy decisions, or if new information has come to light, it is not unreasonable for people to seek to challenge at the stage of legislation. It does not mean that there is a Second Reading as such, but they do have a right to challenge legislation and amendments could be laid against legislation. I just wanted to defend Members' rights to challenge at the stage of legislation (**Several Members:** Hear, hear.) and not just at the policy stage.

2025 However, I think those who are asking the States to vote against this legislation are wrong in this instance, for two reasons.

First of all, I do not really understand why we would not want consumers in Guernsey to have a full understanding of what it is they are purchasing. I cannot see what is particularly offensive or objectionable about that, and that is what is proposed.

2030 Secondly, as Deputy Robert Jones has said, we do have obligations under Protocol 3. If we want to withdraw from Protocol 3 that is a completely separate debate, but while we have this obligation if we do not extend these sorts of provisions to the Island we will bring ourselves into bad odour with the other authorities and it is certainly not an issue worth fighting over. There may well be issues which it is worth going into bat over, where we really do not want to extend these sorts of provisions to the Island, but this surely is not one of them.

2035 For those two reasons, sir, I would urge the States to support the legislation.

**The Bailiff:** Well, Members it is now 12.30 p.m. we have a decision: whether we go and take our food supplements now (*Laughter*) or whether we continue the debate. I suggest that we rise and return at 2.30 p.m.

*The Assembly adjourned at 12:30 p.m.  
and resumed at 2.30 p.m.*

## **II. The European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014 – Debate continued and Ordinance carried**

*Article II:*

*The States are asked to decide:*

*Whether they are of the opinion to approve the draft Ordinance entitled 'The European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014', and to direct that the same shall have effect as an Ordinance of the States.*

2040 **The Bailiff:** Well, Members, we resume debate on The European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014.

Deputy Storey, I was just about to call you when we rose for lunch.

**Deputy Storey:** Thank you, sir.

2045 Well, we are now talking about the Food Supplements Directive and my understanding of the provisions in this Ordinance is really that it is not likely to adversely affect local retail traders to any great extent. Mostly because the majority of what they are selling is sourced from the UK and, therefore, already complies with the regulations anyway. So I do not think that apart from one or two small areas, there should be any problem for local retail traders.

2050 A misconception which has been raised earlier is about strengths of substances which can be made available for sale and there is no restriction on strengths in this Ordinance, so I think that is a bit of a red herring. Of course, as has been said many times before in the previous debate, this Ordinance will not affect the ability of residents here to buy stuff for their own consumption through the internet from various suppliers. I have to admit that I think the only thing I have ever bought on the internet is airline tickets and that is mostly because that is the only way you can get them these days.

2055 But to me, sir, the main point about this regulation is something that has been mentioned before by other speakers and that is reputational damage. This area is an area where it is fraught with potential for reputational damage to this Island. There have been traders operating from Guernsey, importing products from third jurisdictions – jurisdictions outside the EU where these products are not necessarily subject to

the regulations, nor do they comply with them – and they are offering these products, via the internet, for sale to people who do live in the EU, in particular to people who live in the UK.

The concern is that Guernsey will become, if you like, a back door for providing non-conforming products to the population in the UK and other parts of Europe. These products quite often do not actually list all the substances in the product nor their relative amounts and there can well be health risks associated with these products because they do not necessarily conform to the regulations.

So what this is aimed at is providing a facility for us to be able to clamp down on these traders so that they do not bring reputational damage to Guernsey. I cannot see any reason why we would not *all* wish to make sure that illicit trading in this way should be stopped to protect our reputation.

I could also add here that all the local manufacturers who do export to the EU do already comply with all the regulations so, by implementing these regulations, there would be no damage to our own significant industry. It is not likely to affect the local residents but what it will do is enable us to protect our reputation internationally.

So, on those grounds, I would ask you all to support the Propositions.

Thank you.

**The Bailiff:** Any further debate? Deputy Adam.

**Deputy Adam:** Thank you, sir.

Since Deputy Gollop kindly reminded me that I brought the States report in 2011 I shall be brief because I have really heard everything this morning that I heard at that States meeting, and if they were there they would probably agree with me.

We have got those who believe strongly against this and those who believe that, in actual fact, it is strictly common sense. It is a sensible thing to ensure the customer knows what they are buying. (**Several Members:** Hear, hear.)

How many vitamins you take is up to you. If you have got 500mg in a Vitamin C tablet and the recommended dose is 1,000mg a day and you take 2,000mg, it is up to you. As long as you have the information to assess what is considered by the medical and pharmaceutical professions is a safe amount, and that is what this Ordinance is doing, as far as food supplements are concerned and labelling. I personally feel that they should be accepted, passed and put in. It will *not* affect what people want to give themselves.

But remember some vitamins taken in large doses can have detrimental side effects. And other so called herbal or medical things can have detrimental side effects, especially if the preparation of them is not well controlled and you have contents within them which may be harmful to you.

I spoke to Deputy Lester Queripel about his experience and suggested to him that probably the best thing that helped him in the situation was the reflexology. It is a very good therapy to help you to relax and to come to terms and understand things etc. It is a type of psychology and the vitamins would have benefitted him because, as he said himself, he was off his food. So what he did was very logical and there is a reasonable scientific basis that reflexology is beneficial.

But, sir, as I said, I am being brief. I did actually print out my speech from last time (*Laughter*) just to see if I could add anything today and, unfortunately, it did cover everything that other people have covered. So please, I ask this Assembly to accept this Ordinance.

**The Bailiff:** I see no-one else rising.

Deputy Dorey, do you wish to reply to the debate?

**Deputy Dorey:** Thank you, Mr Bailiff.

I thank everybody who spoke in support of the proposals – of the legislation.

Deputy Queripel asked the question why Deputy Gollop attended the technical group meeting. I think Deputy Gollop has answered that question. It was meant for members of industry, retailers and members of the public who had responded to the consultation, but anyway Deputy Gollop explained why he attended that meeting.

Deputy Queripel said this was not necessary but I think I can reply to him on three points which I think sum up the debate. It is to protect the consumer and if you look at schedule 1 at the back of the legislation it says – and I will briefly read these sections – of what the labelling should be:

- ‘(a) the name of the category of any vitamin or mineral or other substance with a nutritional or physiological effect which characterises the product or an indication of the nature of that vitamin or mineral or other substance,
- (b) the portion of the product recommended for daily consumption,
- (c) a warning not to exceed the stated recommended daily dose,
- (d) a statement to the effect that food supplements should not be used as a substitute for a varied diet,
- (e) a statement to the effect that the product should be stored out of the reach of young children, and

(f) the amount of any vitamin or mineral or other substance with a nutritional or physiological effect which is present in the product.'

I think that sums it up. It is to protect consumers –to give them the information. And, although I am sure many of us do not like regulations, sometimes regulations are for the benefit of our community and I think this is one of them.

2120 The second point was Protocol 3 and the free movements of goods – I think that has been covered already. And the third one, which is the significant additional point from this legislation as compared to the previous one, is the significant reputational issues for the Island, by these companies which have been using Guernsey addresses and making inaccurate health claims on their products. They have had advertising standards adjudications against them and some of their products have even caused harm to people. I think as an Island we do not want to be associated with that and this legislation will give us the ability to stop

2125 people using Guernsey addresses for those products.

Deputy Rob Jones asked about the technical meeting. Yes, it is to draw up the guidelines and that will be done over the next year or so. There are two years for the legislation to come in for local sales, so there is plenty of time and that was the first meeting that Deputy Gollop attended and the idea is that we work with industry and retailers, with those interested, to come up with those guidelines.

2130 I will just remind Members that there was consultation in 2011. We did consultation on the legislation from 2012 to 2013 over the year change and we extended the consultation period. We have looked at all the comments we have had back and I will remind you that we do not just get people who are opposed to it, we get people who are in support of what we are doing – and that is from industry.

2135 The only other point that has come up is about the Maximum Permitted Levels. We left that out because it is currently subject to debate in Europe and MPLs appear to be a subject of concern among quite a few stakeholders. It is important to note that draft Ordinances do not provide any MPLs to be implemented in the Bailiwick as that was the comment that was most frequently made in the consultation.

So I would ask Members to again support this Ordinance for the good of the Island.

Thank you.

2140

**The Bailiff:** We come then to the vote on the European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014, which is at pages 16–37 of the brochure.

Deputy Lester Queripel is requesting a recorded vote. Is that right Deputy Queripel?

2145 **Deputy Lester Queripel:** Yes, sir. Before I do that I just wanted to ask the Minister if he could perhaps... I thank him for his comments but could he just not perhaps elaborate a little bit on my request for his thoughts on the fact that we are going to encourage internet shopping by agreeing to this Ordinance? What are his thoughts as the Health Minister on that issue, please?

2150 **The Bailiff:** Do you have thoughts on that Deputy Dorey? (*Laughter*)

**Deputy Dorey:** As I said, there is the opportunity for people to personally import products. That was part of the legislation so, yes, there is the opportunity but I think everybody will use the internet as and when they choose and there is not a lot we can do about that.

2155 What is important is that we can control sales within Guernsey and we can control Guernsey's reputation by stopping people misusing Guernsey addresses for internet sales.

**The Bailiff:** So perhaps you were not requesting a recorded vote Deputy Queripel?

2160 **Deputy Lester Queripel:** Yes, I was going to do that now, sir, if I may, please? (*Laughter*)

**The Bailiff:** So a recorded vote on the European Communities (Implementation of Food Supplements Directive) (Guernsey) Ordinance, 2014.

2165

*Carried – Pour 33, Contre 10, Abstained 0, Not Present 4*

**POUR**

Deputy Brouard  
Deputy Wilkie  
Deputy De Lisle  
Deputy Inglis  
Deputy Sillars  
Deputy Luxon  
Deputy Quin

**CONTRE**

Deputy Perrot  
Deputy Burford  
Deputy Soulsby  
Deputy O'Hara  
Deputy Gollop  
Deputy Lester Queripel  
Deputy Ogier

**ABSTAINED**

None

**NOT PRESENT**

Deputy Domaille  
Deputy Conder  
Deputy Fallaize  
Deputy Le Lièvre

Deputy Hadley	Deputy David Jones
Alderney Rep. Jean	Deputy Laurie Queripel
Alderney Rep. Harvey	Deputy Paint
Deputy Harwood	
Deputy Kuttelwascher	
Deputy Brehaut	
Deputy Langlois	
Deputy Robert Jones	
Deputy Le Clerc	
Deputy Sherbourne	
Deputy Storey	
Deputy Bebb	
Deputy St Pier	
Deputy Stewart	
Deputy Gillson	
Deputy Le Pelley	
Deputy Trott	
Deputy Lowe	
Deputy Spruce	
Deputy Collins	
Deputy Duquemin	
Deputy Green	
Deputy Dorey	
Deputy Le Tocq	
Deputy James	
Deputy Adam	

2170 **The Bailiff:** Deputy Conder has entered the Chamber while the vote was being taken, although he was not here when his name was called. I think he is probably too late.  
Mr Procureur, what is your view? He is in the Chamber now.

2175 **The Procureur:** I think that is as the precedent which has been established (**The Bailiff:** Yes.) – that if a Member is not (**The Bailiff:** – here when his name is called.) in the Chamber... I seem to remember having a bit of an argument once about whether the Member had to be in his place. But if he is not in the Chamber at all (**The Bailiff:** – not in the Chamber, then that is it.) then... Fortunately, it is not a particularly tight vote.

2180 **The Bailiff:** I do not think it is a close vote but we will see.

**Deputy Conder:** Thank you for your consideration, sir. And my apologies.

2185 **The Bailiff:** Well, Members, the result of the vote on the European Communities (Implementation of Food Supplements (Directive) (Guernsey) Ordinance 2014 was 33 votes in favour and 10 against. I declare the Ordinance carried.

## ORDINANCES LAID BEFORE THE STATES

### **The Al-Qaida (Restrictive Measures) (Guernsey) (Amendment) Ordinance, 2013**

**The Senior Deputy Greffier:** The following Ordinance is laid before the States, The Al-Qaida (Restrictive Measures) (Guernsey) (Amendment) Ordinance, 2013.

**The Bailiff:** I have not had notice of any motion to debate this.

## STATUTORY INSTRUMENTS LAID BEFORE THE STATES

**The Taxation of Real Property (Guernsey and Alderney) (Amendment) Regulations, 2013 –  
The Health Service (Pharmaceutical Benefit) (Amendment) Regulations, 2013 –  
The Health Service (Benefit) (Limited List) (Pharmaceutical Benefit)  
(Amendment) (No. 6) Regulations, 2013 –  
The Aviation Registry (Eligibility) Regulations, 2013 –**

**The Aviation Registry (Fees) Regulations, 2013 –  
The Financial Services Commission (Fees) Regulations, 2013 –  
The Protected Cell Companies and Incorporated Cell Companies  
(Fees for Insurers) Regulations, 2013 –  
The Registration of Non-Regulated Financial Services Businesses  
(Bailiwick of Guernsey) (Fees) Regulations, 2013 –  
The Amalgamation and Migration of Companies (Fees payable to the  
Guernsey Financial Services Commission) Regulations, 2013 –  
The Criminal Justice (Proceeds of Crime) (Legal Professionals, Accountants and Estate Agents)  
(Bailiwick of Guernsey) (Amendment) (No. 3) Regulations, 2013.**

2190 **The Senior Deputy Greffier:** The following Statutory Instruments are laid before the States: The  
Taxation of Real Property (Guernsey and Alderney) (Amendment) Regulations, 2013; The Health Service  
(Pharmaceutical Benefit) (Amendment) Regulations, 2013; The Health Service (Benefit) (Limited List)  
(Pharmaceutical Benefit) (Amendment) (No. 6) Regulations, 2013; The Aviation Registry (Eligibility)  
2195 Regulations, 2013; The Aviation Registry (Fees) Regulations, 2013; The Financial Services Commission  
(Fees) Regulations, 2013; The Protected Cell Companies and Incorporated Cell Companies (Fees for  
Insurers) Regulations, 2013; The Registration of Non-Regulated Financial Services Businesses (Bailiwick  
of Guernsey) (Fees) Regulations, 2013; The Amalgamation and Migration of Companies (Fees payable to  
the Guernsey Financial Services Commission) Regulations, 2013; The Criminal Justice (Proceeds of Crime)  
(Legal Professionals, Accountants and Estate Agents) (Bailiwick of Guernsey) (Amendment) (No. 3)  
2200 Regulations, 2013.

**The Bailiff:** Again, I have had no notice of any motion to annul any of those Statutory Instruments.

**APPOINTMENTS LAID BEFORE THE STATES**

**Guernsey Deposit Compensation Board –  
Re-appointment approved**

**The Senior Deputy Greffier:** The following appointments are laid before the States, the re-  
appointment of the Guernsey Deposit Compensation Board.

2205

**The Bailiff:** This is an unusual piece of legislation in that it merely provides for the appointment to be  
laid before the States and the States merely have the power to annul the appointment. I have had no notice  
of any motion to annul the appointment.

**POLICY COUNCIL**

**III. Financial Transformation Programme –  
Propositions carried**

*Article III.*

*The States are asked to decide:*

*Whether, after consideration of the Report dated 2nd December, 2013, of the Policy Council, they are of  
the opinion:*

- 1. To note the progress towards delivering the Financial Transformation Programme targets and objectives.*
- 2. To direct the Policy Council to present a report to the States by September 2014 detailing proposals for Transformation beyond 2014.*
- 3. To note the Policy Council's intention to lay the next annual report before the States during the second quarter of 2015.*

2210 **The Senior Deputy Greffier:** Article III: Policy Council – Financial Transformation Programme.

**The Bailiff:** The debate on this item will be opened by the Deputy Chief Minister, Deputy Le Tocq. It  
will be closed, I believe, by the Treasury and Resources Minister, Deputy St Pier.

2215 **Deputy Le Tocq:** That is correct, sir. Thank you very much.

Sir, this report is the penultimate annual report from the Policy Council on the States' Financial Transformation Programme.

2220 Members will recall that this Programme has very clearly defined value and time frame targets. Its primary objective is to reduce the baseline general revenue expenditure of the States by at least £31 million per annum by the end of 2014.

The report in front of you covers the period 1st November 2012 to 31st October 2013 and shows that the total benefits signed off at that point stood at £20.1 million of annual recurring savings.

I am now able to update that figure and tell you that by the end of January 2014 the annually recurring savings had risen to over £24 million.

2225 A few weeks ago, sir, I encouraged this Assembly to give praise where praise is due with regard to our emergency services, but this, I would suggest, is also such an occasion. Not for any self-congratulation for, whilst we are the decision makers, the vast majority of the work has and does take place through our officers and public servants. But we should pause here for some reflection and some praise.

2230 The States is now sustainably spending £24 million a year less than it otherwise would have done so, despite many predicting that this could not be achieved. Of course, it has not been without difficulties and challenges, but the teams across the States who have worked hard to get this far should be praised and thanked.

2235 However, we still have a long way to go. There remains a minimum requirement of a further £7 million in annually recurring benefits to be delivered by the end of this year. All Departments have clear targets for the remainder of the Programme and the majority have portfolios of projects planned to deliver against these.

2240 The end of the Programme forecast, compiled from all Departmental and cross-cutting forecasts, now stands at £32 million, although this falls to £31 million once the risk is adjusted. I and my Policy Council colleagues do not under-estimate the challenges that crossing the finishing line will present. This is especially the case for the Health and Social Services Department and the Education Department, who are both currently showing shortfalls against their targets which between them total over £3 million.

2245 I am pleased that the T&R Minister, as FTP champion, is working closely with the Ministers of these Departments, in order that as an organisation as a whole we do everything possible to support them through their challenges and to achieve these targets. Other Departments have met or even look set to exceed their targets. This is to be highly commended. There is no need to stop at the target if there are more cash releasing efficiencies that can be delivered.

2250 We set out on a journey to demonstrate value for money in the delivery of public services. This, of course, is not defined by a target such as £31 million we have set ourselves; instead, we need to continue to question and challenge the way we have done things and continually strive to do things better. It is only by doing so that we can demonstrate the taxpayer's money is being spent wisely.

2255 So there will be certain initiatives and projects that we have not been able to complete by the end of the year. That does mean that we should stop. We will not switch anything off on New Year's Day 2015. I have heard people talk of going back to normal after the end of this year. This Programme has been the beginning of a journey and a setting of a new norm. The need to demonstrate value for money in public service delivery remains and it is our duty to ensure that they are delivered as efficiently and as effectively as possible.

2260 As laid out in the report, the Policy Council recognises the many indicators which point to a need for an integrated transformation programme beyond 2014. These include further cash releasing opportunities that could not be delivered over this five-year period due to the current organisational environment – for example, property, support services and procurement work streams. These should not be forgotten or shelved.

2265 There will continue to be pressure on the overall revenues available for the provision of public services, with lower future forecasts for growth, not only in Guernsey but globally, and we will need to deliver services more efficiently in order to create opportunities for service development elsewhere, even if we no longer aim to reduce our baseline expenditure.

Of course, we all know of the pressure that the demographic changes will put on our public services and some Departments have already embarked on longer term transformation of services, such as HSSD, Education and Home.

2270 An integrated transformation programme would need to ensure the organisation is properly structured and balanced to cope with these pressures. The Policy Council, therefore, believes that a contributory factor in not delivering some of the savings originally envisaged was a lack of organisation or readiness to change. I stress that it is not to say that people are not working hard to implement the required changes, because they absolutely are. It is important, however, to ensure that valuable lessons are learned from the experience of the last four years in order to be fitter for the future. That includes the importance of recognising that

2275 public service in Guernsey is a single, highly complex organisation and that operating as such can bring significant efficiencies and benefits. The Policy Council also firmly believes that although efficiency should be at the heart of what we do any future transformation programmes should not be primarily financially driven.

2280 As set out in the report, in collaboration with the Treasury and Resources Department, my fellow Ministers and I intend to investigate the options for future transformation over the coming months. We recognise the importance of engaging with all Departments and the States Review Committee before settling on detailed proposals to be brought back to this Assembly.

2285 Sir, there is an opportunity now for the Financial Transformation Programme not only to deliver the revenue savings for which it was designed, but also to pave the way for future transformation that can build on its successes. It is vital that Members of this Assembly continue to support this Programme throughout the remainder of this year.

2290 To reiterate, we have, to date, delivered over £24 million in ongoing revenue savings. In doing so cumulatively over the Programme period to date, we have spent £54 million less than we otherwise would have done. That is £54 million more than we have remaining in our Contingency Reserve. The achievements to date should be praised but not at the expense of focusing on delivering the overall objective of a substantial contribution towards bringing the States back to financial balance.

2295 Sir, this has been a Financial Transformation Programme but, ultimately, we are talking about cultural change – a change in thinking. This has started that change in thinking, by seeking to deliver the same level of services at a more efficient and more cost effective way. In the future, we can be extending that thinking and cultural change to new ways of thinking for delivering new services and this gives us the opportunity to do so.

Thank you.

2300 **The Bailiff:** Deputy Lester Queripel.

**Deputy Lester Queripel:** Thank you, sir.

2305 I have said in this Chamber on more than one occasion that I am not a supporter of rapid deficit reduction. I did not sign up to the FTP to cut services, I signed up to identify efficiency savings. But there have been cuts in services and I need some clarification please from the Deputy Chief Minister when he sums up because –

**The Bailiff:** It will be Deputy St Pier summing up.

**Deputy Lester Queripel:** Okay, sir, Deputy St Pier.

2310 The last paragraph on page 328 of the Billet tells us that the Policy Council has not allowed any projects identified as service cuts to be admitted into the Programme, because the Programme was designed to remove £31 million of savings through service efficiencies but was never intended to result in service cuts. If we look at the pie chart on the page opposite we see that service cuts have not been included. Yet the latest figures we all received last week from the FTP Communications Manager showed us that 1% of service cuts have been made from October 2009 until December 2013. Sir, I am wondering why those service cuts have been included in the latest figures, yet they were not included in the Billet?

2315 Also, in response to a Rule 6 question that I submitted in January 2013 regarding the FTP, I was told that service cuts of 2% had been made up until that point, yet at the end of the same year we are told that service cuts of 1% have been made. So my next question to the Minister is an obvious one: have service cuts of 1% or 2% been made within FTP?

2320 Also, regarding the issue of increased fees and charges – which certainly was an issue at the St Peter Port Douzaine on Monday evening – I have a real concern that this could become the easy option for some Departments in this last year of the Programme. Particularly when we bear in mind that the pie chart on page 329 of the Billet tells us that up and until October 2013, increased fees and charges made up 10% of the Programme savings, yet the latest figures supplied by the FTP Communications Manager show a 17% increase in the fees and charges up until December 2013. So a further 7% has been added in two months. Sir, can the Minister give me an assurance that simply increasing fees and charges will not be allowed to become an easy option for Departments?

2330 Staying with the issue of increased fees and charges, the FTP portfolio of projects recommended by Departments to meet their targets is categorised at 81% efficiency savings and 19% income generation, so bearing in mind that we are already at 17% that only leaves a 2% margin.

Also, bearing in mind that the much publicised golden thread we need to attain joined up Government is communication, I would like to ask the Minister, please, how closely do Departments work with each other? How does a Department know when another Department is intending to increase fees and charges, to

2335 stay within that 2% margin? Also, how important does Policy Council consider it to be for the Programme itself to stay within the overall 19% margin of income generation?

2340 Staying with communication a moment longer, sir, in late 2012 one of our top civil servants stated in the media that there was a severe lack of communication between civil servants and Departments regarding the FTP. That was after the five-year Programme had already been running for three years. So is the Minister able to give me an assurance that any communication problems regarding the FTP within the States have now been resolved? And I think I am right in saying, sir – I know one of my colleagues will jump to their feet and correct me if I am wrong, but – the only reason this Assembly had any real input into the FTP was because Deputy Brehaut expressed his concerns via a post-it note at an FTP presentation at Beau Séjour. So there were really some major communication problems in the early days of the FTP.

2345 In fact, I set up a meeting for some of my colleagues and the top civil servants concerned and it was apparent at that meeting that the levels of engagement and communication really did need to be improved, which is why I am asking for an assurance that they have, sir.

2350 I also have a concern in relation to one of the five key drivers for change, which Members will find in paragraph 7.10 on page 335. The last one at the bottom of the paragraph tells us that there is a need to create clear lines of accountability and responsibility to ensure that decision making is effective. Well, I presume I am right in saying that once the Programme has run its five-year course at the end of this year, the portfolio management board, the executive leadership team and the FTP programme managers will hand over responsibility to the Heads of Departments and the Deputies on the boards. In which case, surely we already have clear lines of accountability. So I would like the Ministers' thoughts on that issue, please – regarding who will be accountable and responsible from then on.

2355 My final concern revolves around engagement with staff. Far too often we hear reports of members of staff being ignored when they submit their ideas on where efficiency savings can be made. So, therefore, is the Minister able to give me an assurance that *all* ideas suggested by any member of staff at any level are considered by programme managers and not ignored?

2360 I will close, sir, by saying that I do take some comfort from the fact that there has obviously been some excellent work done by all Departments to achieve savings within the FTP and long may it continue without cutting services or too many increases in fees and charges.

2365 I apologise to the Minister for asking so many questions but, unfortunately, I was not able to attend the FTP presentation recently. I was involved in trying to resolve an issue on behalf of some of my parishioners.

Thank you, sir.

**The Bailiff:** Deputy Soulsby, then Deputy de Lisle and Deputy Green.

2370 **Deputy Soulsby:** Sir, on behalf of the Public Accounts Committee, the Committee would firstly like to emphasise that it believes that the core principle of the FTP remains sound. Running a fiscal deficit, albeit as a consequence of funding our capital requirements, is not sustainable and we must seek to return to a balanced budget. The FTP is a significant tool in the quest to achieving this aim.

2375 Members may recall that in the January 2013 States meeting it was resolved that the Policy Council not only provide the Assembly with this specific Annual Report, but also that the Public Accounts Committee be provided with a report of quarterly progress.

2380 We are pleased to be able to confirm that four such reports have been received by the Committee, which have enabled it to effectively monitor progress through 2013. Senior officers of the FTP office have also attended meetings of the Committee, in order that Members could seek clarification on a number of matters. There has also been extensive communication at officer level, seeking further information arising out of the quarterly reports and those meetings.

2385 We would like to thank the Minister of Treasury and Resources and his senior officers for responding to the requests for additional information in a professional and timely manner. Indeed, I would like to thank *our* officers for the work that they have done with the FTP office to help develop these reports and those for the Policy Council.

It now appears from our latest report that the £23 million savings forecasted in the Billet have been surpassed. Almost all Departments have exceeded their individual targets with some £6.5 million having been claimed in the last quarter of the year. The Committee acknowledges the hard work that has gone into achieving these savings, for which Departments should be congratulated.

2390 However – there is always a 'however' – it is evident that the balances remaining for 2014 remain a challenge and the Committee believes that some Departments will not be able to reach their targets for 2014 and, therefore, conclude that achieving the total FTP target of £31 million will require some Departments to realise savings beyond their original targets.

2395 It should be noted that the reports received by the Public Accounts Committee are retrospective in nature and do not provide detailed information on the future projects within the Programme, nor does the



report before us today. As such, the Committee is not able to determine whether the savings plan for 2014 is robust and would welcome further details from the FTP office.

2400 We also note that a *significant* portion of the savings for 2014 – that is some £4 million – is scheduled to be banked in the latter part of this year. Clearly, there is an inherent risk that the momentum gained in 2013 is not sustained throughout the forthcoming year and we call upon Ministers, members of boards and senior officers to continue their strong leadership whilst striving towards the end goal.

2405 The Financial Transformation Programme is a major initiative with over 200 individual savings *lines*. As such, it would not be possible for the Committee to undertake a full and comprehensive review of every aspect of the Programme. However, as I mentioned earlier, the Committee has sought clarification on a number of matters throughout the last year and, without wishing to get too technical, one area on which we are seeking to obtain more information is in relation to the apportionment of savings to Departments and allocation of costs of various cross cutting projects, such as SAP.

At this stage, whilst we understand what has been done, we do not agree with some of the approaches taken.

2410 In addition, the Committee also feels it is essential that the Voluntary Severance Programme, which was an FTP project, is given proper financial scrutiny. The Committee would, therefore, consider the merits of further analysis of this individual project.

2415 Scrutiny of the four reports we have received to date have shown that some of the benefits claimed have been reduced due to double counting or deemed to no longer be recurring savings. This, perhaps ironically, increases the confidence of the Committee in respect of the validity of the reporting. However, in light of the scale of the FTP project and its importance in reflecting a fundamental change in the culture of fiscal discipline within the States, the Committee believes that there is enough evidence to call upon the Ministry of Treasury and Resources to acknowledge the need for an independent audit of the claimed benefits up to the end of 2013, to assure the Committee and the Assembly that these savings are valid and sustainable.

2420 In this regard, I must stress that it is the mandated role of the Committee to provide a level of financial scrutiny rather than be responsible for the assurance of the validity of all the claimed benefits, though the Committee would be willing to work with the Minister and his senior officers in the scoping of any such audit.

2425 With regard to the future, the Committee will continue to focus on further aspects of the Programme where it believes it can add value, within the bounds of PAC's limited resources. With that in mind I will set out the areas of work on which the Committee will be concentrating on over the next few months, over and above the scrutiny of the quarter reports that it will continue to undertake.

2430 I can announce that the Committee has begun a review relating to the proposed outsourcing of Beau Séjour Leisure Centre and Foote's Lane facilities and, like other major projects within the FTP where the benefits will take time to be realised, this project has been completed.

2435 The review will evaluate the business case and the tendering procedure with a clear focus on establishing whether these processes culminated in the best value for money option being pursued. The Committee will continue to have a keen interest in the cost of the project, particularly the remuneration arrangements between the States and Capita and its predecessor, Tribal. It has already undertaken preliminary work in reviewing the contract. However, it is also clearly essential that the process by which remuneration is paid to Capita is verified appropriately and is one of the areas that PAC will be considering further.

2440 We would also call upon the Minister of Treasury and Resources to ensure that there is a comprehensive closure process to the FTP beyond the end of the implementation phase of the Programme – this aligned with best practice within programme management. The management of the savings and lessons learned are critical if we are to fully reap the benefits of the significant investment into this Programme. But it is acknowledged within the Billet that there are major projects in motion whose benefits will be realised beyond 2014 and it is necessary to ensure that these are completed in a systematic and timely manner. The Committee will take a keen interest in monitoring the developments within this area.

2445 Noting what the Deputy Chief Minister stated earlier about cultural change, we believe that it is still not apparent from the information that we have that the non-financial benefits of the FTP have been fully realised. The 'T' for Transformation is an area that also requires further analysis and we would welcome full details in the final annual report.

2450 As such, we note with interest the sections within the Billet related to an integrated transformation programme – this being alluded to within the original report from Tribal in 2009 – the management of changing performance within the whole organisation is going to be increasingly important if cost savings are to be maintained on an ongoing basis. The work of the States Review Committee is referenced and we would encourage any proposal to have a sufficient degree of flexibility to embrace any change in the future organisational structure.

2455 Finally, the Committee has witnessed, through the meetings it has had with senior officers of the FTP Office, the way in which the Programme has matured and developed over time. We would, therefore, call

upon the Minister of Treasury and Resources and Policy Council generally, to ensure that the lessons learned from the years of work within the FTP, from the fundamental spending review through to today, are acknowledged and embedded within the chosen future direction.

2460 It will be important for the whole organisation to commit to building on the strengths of the current Programme and to work together to fix any shortcomings as, regardless of the fact that the five-year term of the FTP comes to an end this year, changing the way that the States thinks and acts is a continuous process, as this Assembly noted last year.

2465 The Public Accounts Committee endorses this principle and looks forward to receiving a report from the Policy Council setting out its proposals for the future. The next five years are going to be as important, if not more important, to get right than the last five if the States really is to achieve true and lasting transformation that serves the people of Guernsey effectively for the coming years.

**The Bailiff:** Deputy de Lisle and then Deputy Green.

2470 **Deputy de Lisle:** Sir, this policy letter provides good news in that, while not there yet, the £31 million recurring saving is considered achievable by the end of this year and the start on a post-transformation programme, using the experience gained, is already entrained and part of this particular policy letter.

2475 The Financial Transformation Programme will provide a 10% saving on a £300 million-plus revenue budget to help reduce the Budget deficit and dependency on reserves.

2480 We have to remember that the last Budget report provided a bleak picture with Income Tax and document duty receipts down by £11 million, as the economy had failed to grow as quickly as predicted and the Island faced a total deficit of £27 million and a drawdown of £10 million more than expected from our savings fund. Recent Policy Council economic reviews have shown domestic conditions continue weak, in terms of finance and confidence and no guarantees of a quick turnaround in the near term.

2485 So the Financial Transformation Programme's success will help to reduce the deficit and I am encouraged that it will be followed by a post transformational programme of spending cuts. Because with the introduction of Zero 10 corporate tax policy nearly 80% of everything Government spends is taken from individuals through personal taxation, having accounted for 60% before. This is eating ever deeper into the incomes of middle and lower earners *and* those on fixed incomes and pensions and is being reflected in cuts in consumer spending locally.

2490 So we must do more with less, in other words, and I have called repeatedly on the Assembly for the States to cut spending and implement proper financial controls. We have to be wary of new measures of taxation. That or sales tax would impact negatively, particularly on pensioners and those on fixed and lower incomes. And I have consistently opposed increases in tax on real property on domestic buildings and small independent businesses.

2495 So the challenge for us, in addition to welfare reform and economic growth, is further fiscal restraint and austerity if we are to avoid increases in taxation. But I encourage and support this policy letter throughout and its drive to further fiscal restraint and austerity in order to avoid increases in taxation in the future.

Thank you, sir.

**The Bailiff:** Deputy Green and the Deputy Langlois.

2500 **Deputy Green:** Thank you, Mr Bailiff, Members.

2505 The States as a whole does deserve credit for having delivered in excess of £20 million or so in year-on-year savings from general revenue. That is – it may not be popular to say it and you may get a certain level of kickback from members of our community when you say this, but – substantial progress, on any view. And I know that across many Departments, including the two Departments I sit on, we have worked very hard to achieve what we have achieved so far, always accepting of course that there is a long way to go.

2510 I also agree that there is a need in future for this Government to continue to transform the public sector and public services to instil greater efficiency and value for money into the very DNA of the system, if you like, but we are not there yet. I would suggest that any future efficiency or transformation programme must be about more than just management consultancy principles and it should actually be based, in my view, on progressive principles. A smarter States – which is what we all want and which I think is probably underpinning this report – does not necessarily mean a smaller State or a minimalist State, in my opinion.

2515 Sustaining efficiency will be hard, there is no doubt about that, and I will certainly support a programme that aims to eliminate waste and break up needless bureaucracy. We need a programme that will really seek to embed a culture of enduring efficiency, but what I will absolutely *not* support is any policy that will, in effect, damage or undermine the very core public services that ordinary working families and middle Guernsey depend on – particularly in the spheres of health care and in education.

I do approve of the language in paragraph 7.7 of the Billet, including the seven bullet points listed therein which talk about:

‘A culture of cost consciousness... A change in behaviours towards... implementing best practice [always]... Developing the performance of the public sector... facilitating the right skills to do the job... Clear lines and boundaries of accountability... Effective management systems... Continual improvements of processes or efficiency...’

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I applaud all of that and I think most Members probably will. Those are fine notions and I agree with them wholeheartedly. But what I want to say is this: this success of Programme must not become, by stealth or otherwise, a vehicle to downsize the States and its key services for thinly veiled ideological reasons. Because if it is about that then I will have no part of it and I will not support it, particularly out of concern for health and education.

2525

There will come a time – fairly shortly, I believe – when we may actually need to consider spending *more* money on certain public services – healthcare springs to mind, but also education... when you think of pre-school education as one example – and that is precisely why we need to consider slimming down other areas and getting rid of the waste that perhaps still lingers in certain areas.

2530

I am pleased, at this stage, that paragraph 7.11 says that any future programme should not be primarily financially driven. I absolutely agree with that. But I have a feeling that the proof of the pudding will only be clear once the next States report is published on this, and perhaps not even then.

2535

The other point that I wanted to make was about the importance of the grass roots and speaking to those on the front line in public services on this issue, because I think one of the fundamental of the FTP to date has been that it has been top down and not bottom up. I think it was Deputy Lester Queripel who made the point just a moment ago that there has to be a level of engagement with those who manage in the public services, to speak to those grass roots, to take on board their observations; because there is wisdom there, there is experience there of how public services work and perhaps where the unnecessary inefficiency could be eliminated.

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So I sincerely hope that the successive programme to the FTP – whatever it is going to be called – will be one that draws upon those resources from the grass roots upwards rather than top down, as we have seen in the last few years.

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But, in general terms, I do absolutely support this Billet. I commend the States and for individual Departments for having the metal to see through the FTP to the end of this year, but as regards the successive programme, let’s use it as an opportunity to reshape and renew our States and our services so they are genuinely fit-for-purpose in the 21st Century and let us not turn this into simply a ruse to slash public services.

**Deputy Langlois:** Thank you, sir.

2550

This will be a brief intervention, partly because there are occasions when repetition is justified – not least on this occasion to give the Treasury and Resources Minister a bit of time to regain his composure after hearing comments about even more expenditure, so blandly put; but there we are, I am sure he will have an answer for it.

2555

There are clear reasons in this report to avoid complacency. To my mind the most important graph there is on page 326, figure 1, where you have got the original aim and the actual performance. We must be very careful, however, about how we describe the word ‘savings’ and I am aware of some public disquiet expressed quite recently about free use of the word ‘savings’ in the FTP documentation as a whole.

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However, sir, I do believe we should also signal the positive aspects of this report and people have already done that so I will not repeat all the details of that. But what the graph on page 326 shows is that the forecast line has now been exceeded for some two years. We are ahead of the game for two years of the project.

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About half of us in the Assembly were here when the project was approved in 2009 and I put it to you, sir, that if as an honest appraisal the day we approved that project – which I think was by a very large majority... If we had an honest appraisal of people walking out of the Assembly that day and we had taken some bets on how close we would get to the target, or that we would be exceeding it most of the time, I wonder how many of us would have had significant confidence that we would be where we are today.

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Nonetheless, we bit the bullet, we attacked the problem and now we must all review our commitment to see it through successfully to the end of this year. However, sir, I would like to echo the wishes expressed in different ways by different people coming from quite different directions about gaining some reassurance from Deputy St Pier, as the FTP champion, about the plans that will need to be prepared for the future beyond the end of 2014.

The original project took – I seem to remember because it went through T&R and various things and I saw it in its very early stages – something like a year to 18 months, from inception to launch, and we are now just 10 months from the end. Therefore, the planning time available for going through to the next stage

2575 – whatever that means – is quite short. And, despite the quantified gains that are clearly demonstrated in this report – they have been validated; they are unquestionable in my view – I have real concerns about whether the culture change that was part of the original project has properly occurred... has really become embedded.

2580 The consequence of this is that we need firm plans for what happens in organisation development terms after the end of this year. It does not just then stagnate into, ‘Well, we have got the answer now. We have got the most efficient public service in the world. Let’s just get on with it and run it,’ because that is not the way organisations work.

2585 It was partly on the basis of getting a culture change that the original project was put in place and that was partly on the basis that if we tried to do this without external intervention – whatever that means and under whatever sort of contract – it would never have happened and I still believe that to be the case.

So can the Minister, in summing up, please assure us that planning for the next stages – planning for future organisation development and transformation activities for 2015 and beyond – will be a key part of the work streams for this year, alongside meeting and, indeed, beating the remaining FTP targets?

2590 **The Bailiff:** Deputy Gollop.

**Deputy Gollop:** I find myself in sympathy with a lot of what has been said. Somebody asked me over lunch – ‘would I be voting against this?’. And I thought it would be good to, wouldn’t it, (*Laughter*) but there is nothing to vote against because we are noting - in a rather anodyne way – the report. We are noting 2595 the next stage and really it does not amount to much; it is a non-debate. What are we doing? Directing the Policy Council to present a report by September. It is something or nothing really. And actually, strangely enough, I do support many elements of the Programme.

I support the culture change, as long as it is not ideological. I definitely support doing things smarter, doing things better, being efficient, saving civil service and public sector costs where clearly a saving can 2600 be identified, adopting the best of the private sector and integrating it into a public sector culture. But my motivation in supporting this is not necessarily to restrain public expenditure – although that can be important – but it is to improve the service level for the public, especially the less affluent and more needy – people who are disabled or in other categories. The other aspect is investment for the future and that investment could be about skills, could be about education, could be about transport and could be in arts 2605 even.

The concerns I have are still, to a degree, there. We are gradually leaving the Financial Transformation Programme agenda and moving on to the next stage – transformation – and I salute that.

I want to really focus on three points. The first is feedback. I think one Member, who may speak later, has implied that there is still a degree of reserve about the payment structure of the Tribal Helm and 2610 whether that has been the best use of public money and the right way forward, but I do acknowledge that they have contributed a lot of thinking to galvanising efficiency.

I bring in, in this context, that some of us heard at a recent Douzaine meeting at St. Peter Port some queries from two or three Douzeniers who were sceptical. Various Deputies and Ministers pointed out the error of their ways perhaps and I think they came to understand that some of the queries they were making 2615 were not actually evidence-based. But then again, to be fair, States Members have access to presentations and insights to Departments that other people do not have and I think the lesson to be drawn from that is we need a stronger, perhaps – dare I say – more expensive communications and public relations strategy, because, as other Members have said, as Deputy Langlois has just said, it is a success story; it has achieved most of its objectives already.

2620 Two more specific points I will come to. On page 331 we see – I am sure these figures do not tell the whole story but you have – Table 2 – 2013 Forecast Recurring and One-Off Savings. Here one sees a mixed bag of results, in that Culture and Leisure – which is close to my heart in many ways – has, according to this, not necessarily... Well, the target was curious because its forecast outturn and the one-offs contribute to the whole but they have had a very high target to reach, with the additional burden, in a way, of the work 2625 that has needed to be done at the Footes Lane Stadium.

Yes, Culture and Leisure are not the biggest Department there but they have a very important role with tourism. There was an upturn in use of Castle Cornet last year and it is intriguing that £600,000 to them is equivalent to nearly 20% of our Budget. If we saw those savings in some of the bigger Departments that would be astonishing and I think the smaller departments have taken an undue hit here. Environment has 2630 been another Department that has had a good corporate gain, in reducing its costs and expenditure, but maybe a long-term cost.

We are seeing too from the figures that Education, and especially the Health and Social Services Department, are not making it. I mean the figures are clear – £3.294 million was the target and the best they will achieve perhaps will be £1.8 million. Clearly extra resource is needed at Health and Social Services

2635 Department, both to identify cost centres and, more significantly, to present a report to the whole States if for good reasons they cannot achieve all of those savings.

My other point is a more general point: that I think this report in a subtle way suggests a change of direction which Deputy Green has alluded to, because on page 334 we read that the local economy has suffered in recent years – paragraph 7.3:

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‘The pressure on the public purse will not be lifted by the conclusion of the [FTP] and the need for restraints will continue.’

But, although it is a necessary and important short term objective, on its own it is insufficient to bring spend back to sustainable levels in the long-term. Analysis of potential future demand shows we will need to continue these efficiencies if the States are to provide services to the level that the community expects and has become accustomed to. That is both the call for further restraint and transformation, but it also suggests that we may have to look at difficult decisions of not necessarily saying ‘no’ to every possible additional or revised tax and charge in the future.

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I think, too, 7.6 should be flagged up:

In the future, the Policy Council believes that it will only be possible to develop and deliver new services if transformational opportunities continue to be sought and delivered. It therefore [needs] to continue to work with Departments to drive financial transformation and efficiency.

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Well, of course, some services are statutory services and there may well be new services where we really have no choice but to provide. So I only accept that argument so far. But I do support the positive message there that we are back to a situation where new services can be contemplated, if justified, as long as financial restraint is shown in other areas.

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So for all of those reasons, whilst not supporting all of the Financial Transformation Programme, I can support this report.

**The Bailiff:** Deputy Dorey and then Deputy Conder.

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**Deputy Dorey:** Thank you, Mr Bailiff.

The Financial Transformation Programme has been a significant challenge to the Health and Social Services Department, which has a £10.6 million target to achieve over the life of the Programme.

Deputy Gollop quoted some figures and I am not quite sure where he got them from, but hopefully I can correct them in the next paragraph or so.

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When the current Board was elected at the end of 2012 the Department was nearly £1 million short of the £2.35 million target for that year. The shortfall was carried forward into 2013, giving us a target of £3.29 million for the year ahead. I am pleased to say that by the end of December 2013 HSSD has almost completely caught up, banking £3.25 million in recurring full-year savings against a target of £3.29 million.

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But the Department has an even bigger challenge to meet in 2014. Our remaining savings target for the year is £4.7 million. In other words, nearly £1 in every £20 the Department spends. The table in paragraph 4.2 of the States report shows some of the diversity of projects which HSSD has pursued to help make savings so far. These include staffing restructures, service changes and procurement initiatives.

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The projects lined up for this year are equally diverse, ranging from the final phase of the closure of King Edward VII Hospital and the expansion of our catering service to other States’ sites. When I was elected Minister, I said I would do my utmost to work with HSSD staff and fellow Board Members to maximise efficiency and to ensure that spending was kept under control without affecting vital front line services.

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So far we have been successful in delivering FTP savings without affecting front line services, but it is a continual challenge to strike the balance between ensuring financial control and providing the range and quality of health and social care services which the people of the Bailiwick rightly expect.

This year will be especially tough for HSSD to deliver another £4.7 million of recurring savings. So far HSSD has identified about £2.2 million of savings through its ongoing financial recovery plan, with a pipeline of possible further opportunities ranging from £0.5million to £1.5 million. HSSD staff are working with officers from the central FTP office to verify and validate the savings available in 2014.

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Within the next month the Department expects to establish what it can realistically achieve within the year. The Treasury and Resources Department is well aware this work is ongoing and Deputy St Pier and I continue to meet on a monthly basis to discuss HSSD’s financial management, including the FTP.

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The demographic changes and public demand from all services and higher standards, which are mentioned in Section 7 of the States report, will have a substantial impact on HSSD over the coming years, especially as the older population tends to lead to greater use of health care and social care services.

We recognise that there will be a successor to the Financial Transformation Programme and that ongoing efficiencies and prudent financial management are required across the States. HSSD is committed

to working with other States Departments and the Policy Council to ensure that the next stage reflects the aims of that report, on paragraph 7.11, that it is:

2695 'Well thought through... collaboratively, take account of the lessons [that have been] learned [from the FTP],'

– fits with the goals of the States Strategic Plan and is not primarily financially driven.

2700 We need to make sure that the challenges we set ourselves are rigorous but not impossible, that they enable us to continue to deliver good front-line services that Islanders expect from us. This year's FTP target is a challenge for HSSD but we will do all we can to achieve it without damaging vital front line services. Together with other States Departments, working out the plan for the future will be a major priority for HSSD this year as well.

We are committed to ensuring that we do it well and that we continue to meet Islanders' needs, promote good health and wellbeing, both during and beyond the life of the FTP.

2705 Thank you.

**The Bailiff:** Deputy Conder.

**Deputy Conder:** Thank you, sir.

2710 Mr Bailiff, colleagues, I am an unashamed and unembarrassed supporter of FTP and have been since my election to this Assembly. In terms of the future economic health of this community FTP, as I have said before in other circumstances, is a key component of sustaining this Island – sustaining our economic development.

2715 Before moving forward, sir, I would like to acknowledge again the success of this Programme – and I do not think anybody has, if they have I would like to repeat – I would like to express my appreciation of our senior civil servants who have had to drive this forward. Nobody is popular in leading a cost cutting exercise and they have done that and helped us and supported us and led this Programme. Our successes are, in many ways, thanks to them, so I would like to put that on record.

2720 Sir, we have achieved this success without massive cuts in services. Yes, there have been cuts in services but other communities within Europe, within the economic community, have equally had to face cuts – indeed, more stringent cuts than we have had to face – and at massive impact upon their social welfare, upon their economic environment, upon their public services. And yet we have managed to do it almost to target, almost in time – hopefully in time – with, yes, some cuts in services but without impacting dramatically on the welfare of those for whom we have responsibility – our fellow citizens.

2725 I would agree with many, including the Minister of Social Security, in saying that we now have to embed this. This cannot stop now. We cannot take our foot off the accelerator or the brake – whichever the right analogy is. We cannot assume that economic growth is going to generate sufficient additional revenue to resolve our long-term fiscal issues. So FTP and the son or daughter of FTP have to be part of our continued financial management and fiscal policy.

2730 I was also – I think, like many colleagues – at a Douzaine meeting earlier this week, when a number of our fellow attendees – the Douzeniers – expressed some concern about our communications. There is an issue, of course, in terms of increased fees and charges being included under the general heading 'savings'. But actually it was the Deputy Minister of Treasury and Resources who helped me understand that: of course, they are perfectly legitimate to include in the savings, in terms of being savings in our general revenue. And maybe we do need to get that message out, colleagues, particularly – the Minister of T&R could perhaps respond to that. We need to get that message out and we need to get the overall message out to our fellow citizens that FTP has been a success. For every pound that we save in terms of running the public sector, it is a pound we do not have to put on taxation or further cuts.

2740 So I hope and trust that the second recommendation – that when the Policy Council presents a report to the States by September of this year for proposals for transformation beyond 2014 – that we will resolutely continue this exercise. It is, I believe, the only way in which we can continue to sustain our economic health and continue to sustain the welfare of our fellow citizens and community. It would be foolish to assume that we are going to be rescued in the short-term anyway – that despite the best efforts of the Minister of Commerce and Employment and his team, we are going to be rescued by short-term economic growth. We have to control our spending and FTP has allowed us to do that and I hope we will continue to support these motions and the FTP philosophy for the rest of this term and beyond.

2745 Thank you, sir.

**The Bailiff:** Deputy Trott.

2750 **Deputy Trott:** Thank you, sir.

This process was first recommended to the States as part of my last Budget as T&R Minister back in 2007 and advanced by the Treasury Department of the last term. It has certainly been an initiative that has been embraced by the current Treasury and Resources Department and the Policy Council.

2755 There is, however, one team that has been ever present throughout this process and it is, of course, the Chief Accountant – or the States Treasurer as she is known today – and her assistant. I join Deputy Conder and others in extending my appreciation to them for all the work that they have done. **(Several Members: Hear, hear.)**

2760 When the Deputy Chief Minister was opening this debate, sir, he referred to £20 million of savings and I noticed that the States report was very careful to use slightly different language – language I confess to not completely understanding. The language included in the conclusions in paragraph 8.1 is something that is referred to as an ‘ongoing cash releasing benefit’.

2765 One thing has changed since my day at the Treasury, sir. The language has become slightly more complex than I recall using, because I do not know what an ‘ongoing cash releasing benefit’ is. But I suspect that language is used because it is not a ‘saving’ and I thoroughly look forward to hearing the Treasury Minister’s interpretation of those four words a little later on.

Thank you, sir.

2770 **The Bailiff:** I see no-one else rising. Maybe you are about to find out, Deputy Trott. *(Laughter)*  
Deputy St Pier to reply to the debate.

**Deputy St Pier:** I wonder if anybody else would like to know that.

2775 First of all, sir, thank you to all Deputies who have participated in the debate which is appreciated. I will respond so far as I can to all points or as many points as I can that have been raised and then just sum up generally before closing the debate.

Deputy Lester Queripel – I thank him for a number of questions and I will attempt, as ever, to answer them. As ever, it is always a struggle to answer them all comprehensively and to Deputy Queripel’s satisfaction but I will do my best, sir.

2780 First of all, in relation to the description of cuts and why there seems to be a discrepancy between what is in the States report and what is in the most recent information which was circulated to all Deputies up to the end of January... Sir, just to remind Deputy Queripel that the information which appears in the report is for the 12-month period to October 2013, and in that period no service cuts were signed off – hence it not appearing in that pie chart.

2785 In relation to the Programme as a whole, for the period to date, there have been projects which have been signed off as cuts and hence it appearing in the latest information as being 1% of the total. In terms of the difference between the 1% and the 2%, in essence, that is rounding. Again, this is information which Deputy Queripel I know has already requested from the Department and received, but in January 2013 service cuts totalled £161,200. That number actually has not changed but, of course, the Programme total has. At the time it was £10 million and, of course, now we know it is a lot higher which explains the reduction from 2% to 1% with rounding.

2790 In terms of just to be clear what the service cuts are – what it was categorised: £16,000 for the public conveniences – the famous toilet closures; £103,200 various service cut areas in Commerce and Employment including plant protection and so on and £32,000 in Home for TV subtitling. That brings the total to £161,200.

2795 In relation to fees and charges – it not being an easy option – I do not think any Department that has sought to increase fees and charges would necessarily regard it as being an easy option, but it was always intended to be a part of the Programme and – as has been said, I think by Deputy Conder today and by others elsewhere – this is about reductions in general revenue expenditure and it was always intended that insuring that we do charge the right costs for the services which we provide as a service provider, are indeed recovered.

2800 The project management office oversees the whole Programme but, of course, as Members will be familiar, much of the Programme is driven at Departmental level. In particular, Deputy Queripel asks whether all ideas have been considered. Well, one would hope so but, of course, it depends on how much filtering there was through the layers of management within Departments for it to be considered at  
2805 Departmental level. But all I can say is that if it had been relayed to the project management office as being one of the Department’s ideas then it would have been tracked and considered and either pushed forward or rejected as part of the whole Programme process.

2810 I would submit to Deputy Queripel that communication has radically improved around this Programme, particularly in the last year and not least because some of the amendments which were placed this time last year which were... requests – some from Deputy Gillson and others who requested greater clarification around some of the information that was provided. And I think it is a shame and perhaps an irony that Deputy Queripel was unable to be at yesterday’s presentation because I think he perhaps would have

experienced that improvement in communication for himself on that occasion and that is a shame. (Laughter)

2815 I thank Deputy Soulsby for her comments on behalf of the Public Accounts Committee. They are greatly appreciated. In terms of the robustness of the forecasts, again, I can confirm that one of the project management office's roles is to test and re-test the forecasts and constantly ask the question of actually what is achievable and, therefore, that does remain our best estimate of what is achievable.

2820 She has quite rightly identified the risks around both the quantum and the timing of the forecast benefits in 2014 and, in particular, the issue of those benefits that appear in the last quarter and the risk of those not making the year end, and that was an issue that I drew to Deputies' attention at the presentation yesterday. Deputy Soulsby is quite right to draw attention to it.

2825 In relation to an independent audit for the claim to benefits up to 2013, I personally have no objection to that, indeed I think it is probably a sensible idea. However, I am not sure that doing it for benefits up to the end of 2013 is the right time. I personally think it may make much more sense to do it at the end of the Programme. My fear, otherwise, is that we will incur the costs and time and distraction of doing it now, only to be requested to do it again at the end of the Programme, because there will be the accusation that maybe you have kind of fudged numbers in the last year.

2830 I think it does need to be done. The community does need to have some confidence that these benefits have been genuinely captured. But I would just question and challenge whether the end of 2013 is the right time to do that or the end of 2014.

2835 Flexibility in the future organisational structure was one of Deputy Soulsby's comments. I absolutely agree with, that being essential and that the lessons have been learned or should be learned. Clearly, the knowledge and skills transfer was a critical piece of this whole Programme and seeking to make sure that we do learn the lessons.

In relation to the targets, because Public Services and Social Security have taken additional targets and because of some of the cross cutting work and some of the over-delivery then actually it will not be necessary for every Department to hit the targets in order for us to hit the overall, providing we can deliver in all those other areas as well.

2840 Deputy Soulsby asked for further information and it certainly has been agreed that we will provide to her Committee further information on the full list of projects for PAC's review. Yes, I would agree also that the Policy Council should and does want to do an end of Programme report that will include the lessons learnt in line with the best practice principles, which I think was one of her latter points.

2845 Deputy de Lisle – I would agree entirely that further fiscal restraint is going to be an ongoing feature. Again, that was a point which I made yesterday. Given the change to the economic environment, given our change to the corporate tax structure, given the increasing pressures on public services – not least because of demographic changes in the longer term – we do have to deliver in the area of further ongoing fiscal restraint which will require us to be as efficient as we can.

2850 That actually ties very neatly into the next speaker, sir, which was Deputy Green. I actually think his vision of the post-FTP programme very much spoke to my own actually – about it being about a smarter States, it not being management consultancy principles driven. That is absolutely right. For me, the management consultancy bit comes into the process, it comes into the discipline to challenge and actually, again, as I have said, the recognition that we will need to spend more in some areas – whether it is long-term care, whether it is health, whether it is pensions – is very much – as he will know from his work with the Personal Tax, Pensions and Benefits Review – an acknowledged problem that will need to be funded in due course.

2860 I do challenge him that this has been an entirely top down process. I think, again, that was one of the acknowledged areas that it started off as being top down and actually traction was only really gained when it became bottom up. But I would absolutely acknowledge that in the post-2014 world there is probably a lot more that can be done in terms of making sure that it is driven from the bottom up.

2865 Deputy Langlois spoke about not being complacent about the level of culture change which has been undertaken and that further culture change is required. I would concur with that, I would agree with that and, indeed, I think the importance or the acknowledged importance of having a post-2014 programme and that this all does not stop on 31st December is very much part of achieving that culture change and everybody across the whole States understanding that this is not going away, it is an ongoing change of State, which I think the Deputy Chief Minister referred to in his opening comments.

2870 Indeed, I would suggest, sir, that the Income Tax Programme that I spoke about in my Statement this morning is perhaps the first example of a post-FTP project, which is going to transcend the end of this year, which very much signals the need for ongoing transformation in order to deliver the service delivery, which in fact Deputy Gollop – the next speaker – spoke about as well.

The other confirmation Deputy Langlois sought was that it will be a key work stream to plan for post 2014, I can confirm that is acknowledged and there is a lot of work to do before a report comes to the States in September. An element of that certainly will be considering what resources do we really require, How



much of those already exist within the States, given the work that has gone on and what else is required, that we will have to present to the States once we have reached our own recommendations for the States to consider.

Deputy Gollop – well, there is a surprise! I think I have to say that if I was not sitting down I probably would have done so. The warmest words so far from Deputy Gollop (*Laughter*) in relation to the FTP and I do thank him for those.

I have addressed a number of the points he has already raised. In particular though, he mentioned one of his Departmental interests of Culture and Leisure and, indeed, yes, he is correct, Culture and Leisure do have a bigger target because of the Beau Séjour project and, again, to be fair and to give due credit to Culture and Leisure – which I hope I have done on previous occasions – with the absence of that project proceeding, they have managed to identify additional benefits and look very much as if they are on track to still achieve the target, notwithstanding perhaps their biggest project did not actually proceed. I think full credit is due to them for that.

I thank also Deputies Dorey and Conder for their comments and Deputy Conder, in particular, again, the comment about focusing on this being savings in general revenue. It is a point that was raised yesterday and I think we do need to be very conscious of.

Finally, Deputy Trott, (*Laughter*) thank you for your question seeking interpretation of the language. ‘Ongoing cash releasing benefit’ – well, ‘ongoing’ I would suggest probably means recurring – which is the phrase which I think the Deputy Chief Minister used – and ‘cash releasing’ actually means that we are actually able to reduce the budget, actually able to reduce the cash limits, the budgets, for different Departments and ‘benefits’ I think is to acknowledge that it is not all about savings, it is sometimes about income generation, which is the point that Deputy Conder made. I hope you are somewhat clearer, Deputy Trott.

**Deputy Trott:** [*Inaudible*] (*Laughter*)

**Deputy St Pier:** Good, excellent.

Just, sir, in summing up, as has been said, much has been achieved but, as has been said, there is much still to do. And £24 million a year of recurring savings or ongoing cash releasing benefits and £54 million cumulatively, should help confound the sceptics who said that it could not, should not or would not be done. To be fair to the sceptics, Governments around the world struggle to contain, let alone reduce, spending and we have done both. So we can take a moment – as the Deputy Chief Minister said – to congratulate, but clearly we cannot be complacent.

At paragraph 4.2 it is interesting to note that 130 smaller projects make up £2.5 million of the savings. So that is an average of £20,000 per initiative and I actually find encouragement in this detail because, for me, I hope it shows that we have started to question spending line by line and maintaining that culture should continue to yield savings for taxpayers.

Again, as the Deputy Chief Minister said in his opening comments, the States report notes at paragraph 5.6:

‘... overall progress...’

– with the so-called –

‘...cross-cutting themes of Property, Procurement and Support Services has continued to prove challenging,’

–to quote from the report and, whilst this is clearly disappointing, again, I actually take encouragement that this gives us real opportunity for further substantial savings in the post-FTP world. This is even before the yet further opportunities which would come from truly embracing e-Government with a robust IT strategy, which is something which has received very little attention other than, of course, from the Minister of Commerce and Employment –

**Deputy Stewart:** Thank you.

**Deputy St Pier:** – and his personal vision in the project Proteus.

The States report and the Deputy Chief Minister in his opening speech in this debate both speak of the need to continue transformation beyond 2014, and I am delighted that so many other speakers this afternoon have also spoken to reinforce that need. As Members will have heard me say many times before – including yesterday – the fundamental spending review in 2009 always envisaged a States transformation programme, not just a financial one – which again I think Deputy Green touched on.

With the benefit of hindsight and without the responsibility of having been involved in that decision, I think it was probably a mistake to only adopt the Financial Transformation Programme. So as we draw

towards the end, hopefully, having achieved its prime objective, as one of the components of the Zero 10 corporate strategy to bridge the short-term money deficit, I have little doubt that the FTP will be an unloved brand which is not much missed. And I will welcome us – as I said in response to Deputy Green’s comments – finally adopting a more broadly-based transformation programme.

And when we use that term ‘transformation’ I think that many of us think it applies to the States as a whole or at least it speaks to the need for changes in the behaviours of others, but perhaps not ourselves. But, actually, I think we need to challenge and transform some of the long-held unchallenged shibboleths which we seem to hold, sometimes it seems dogmatically. And I just want to give some examples of those.

The first I touched on last month during the debate on the Alderney Airport Requête. We need to transform our relationship with the Contingency Reserve. We need to stop thinking of it as the rainy day fund and start viewing it as our family silver fund – our core capital, our sovereign wealth fund. Only then, with this clarity of purpose, can we start making it work for us, for example, by using its excess investment returns for the benefit of the Bailiwick.

Secondly, we need to transform our thinking on borrowing. Folklore holds that we do not have any borrowing because all borrowing is bad. (**A Member:** Hear, hear.) This is simple, easily understood and a widely-held view but, sadly, it ignores the inconvenient truth that our public sector already has significant debts. And, sadly, it has forced our public sector to borrow more expensively than if we had faced up to the facts. Sadly, it ignores the reality that borrowing for projects that do have an income stream will actually be a cheaper form of finance than the opportunity costs of the lost investment returns of using our reserves.

Thirdly, the Personal Tax, Pensions and Benefits Review will challenge us to transform our thinking on how we can fund our public services in the long-term – 2025 and beyond. An ageing population will bring with it a declining economically-active population. It will bring an increased pensions bill, it will bring an increased healthcare bill and it will bring an increased long-term care bill. We will be doing our Islanders no service, whatsoever, if we do not face up to the fact that as a community we will be unable to fund those increased costs without diversifying the very narrow tax base which we currently have.

So those are just three examples of why transforming the way we do things and the way we think are important. I mention them to illustrate the point that we still of the problems in isolation. We debate FTP one day, we turn the page of our Billets and debate our Capital Programmes the next and then we debate long-term care. We debate them separately as if they are all unconnected and my point is, they are not, they are all interlinked, and they are all part of a continuum. The FTP, the Contingency Reserve, borrowing and our long-term tax and pensions strategy are all part of the continuum. And the continuum is our short-, medium- and long-term fiscal strategy. We cannot, we must not, continue to think of them in isolation, we must transform our thinking and that is why the post FTP transformation is so critical to all that we do and all that the States does.

Thank you, sir.

**A Member:** Hear, hear.

**The Bailiff:** Members, we come now to the vote. There are three Propositions on page 338. Unless anybody requests a separate vote, I put all three Propositions to you together. Those in favour, those against.

*Members voted Pour.*

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

## HEALTH AND SOCIAL SERVICES DEPARTMENT

### IV. Amendments to the Loi relative à la Santé Publique, 1934 and Public Health Ordinance, 1936 and Drafting of a Public Health (Enabling Provisions) Law – Propositions carried

*Article IV:*

*The States are asked to decide:*

*Whether, after consideration of the Report dated 2nd December, 2013, of the Health and Social Services Department, they are of the opinion:*

*1. That the list of notifiable diseases in the Public Health Ordinance, 1936, as amended, be replaced by a list to be prescribed by Order of the Department.*

*2. That the Department be authorised to prescribe by Order a list of notifiable causative agents.*

3. That the following persons be required to notify the Medical Officer of Health and any other person prescribed by Order of the Department if they are aware or have reasonable grounds to believe that a notifiable disease or notifiable causative agent is present or has occurred in the Islands; the notification should include the premises or person in which the disease or causative agent is believed to be present or to have occurred, together with any other information, and should be made in the form and manner prescribed by Order of the Department:

- (i) the States Analyst and any other person in charge of, or acting as an agent for, a laboratory;
- (ii) occupiers and owners of premises, in relation to the presence or occurrence of a notifiable disease or notifiable causative agent in those premises;
- (iii) medical practitioners; and
- (iv) any other person prescribed by Order of the Department.

4. That the Department be authorised to exempt any of the persons in proposition 3 from the duty to provide the notification and information, by Order.

5. That the presence or occurrence of a notifiable causative agent in any premises be specifically taken into account in defining a "nuisance" for the purposes of the 1934 Law and the 1936 Ordinance.

6. That officers performing functions under the Loi Relative à la Santé Publique, 1934, or the Public Health Ordinance, 1936, as amended, be required to keep confidential information received in the course of performing those functions, subject to specified exceptions (e.g. where required by law or Court order, or where necessary to perform those functions).

**The Senior Deputy Greffier:** Article IV: Health and Social Services Department – Amendments to the Loi relative à la Santé Publique, 1934 and Public Health Ordinance, 1936 and Drafting of a Public Health (Enabling Provisions) Law.

**The Bailiff:** The debate will be opened by the Minister of the Health and Social Services Department, Deputy Dorey.

**Deputy Dorey:** Thank you, Mr Bailiff.

The Public Health Law dates from 1934 and is still known by its French title, 'Loi relative à la Santé Publique'. This law creates a requirement, among other things, for all medical practitioners to notify the Medical Officer of Health if they diagnose cases of certain infectious diseases which could pose a threat to the health of the population.

These diseases are listed in the 1936 Public Health Ordinance. Similar legal arrangements exist in the United Kingdom and other countries for the protection of public health, but in April 2010 the UK modernised its health protection laws in response to the risk of emerging threats such as SARS.

This report recommends that we modernise our laws in a similar way, in order to improve public detection for new infectious diseases. The report recommends three main things.

First – that all health professionals should have a duty to report infectious diseases. At the moment only doctors have this duty. The role of other health professionals has changed substantially since the 1930's when this Law was first drafted and it is not only doctors who come into contact with new cases of infectious disease. Ensuring that all health professionals have a duty to notify the Medical Officer of Health will help encounter such diseases. We will be able to ensure that Islanders health is protected more effectively.

Second – that the list of infectious diseases should be expanded to include certain new threats and an indicative list of the diseases is given in appendix 1 of the report. A quick glance will show how serious they are.

Third – there is a list of Causative agents that should be added in a new schedule to the Ordinance. Causative agents have the organisms which cause disease. These may be identified by the local laboratory, in human or non-human samples, and indicate a risk of disease to the community. The changes to the list of infectious diseases and the introduction of a list of causative agents reflect what has been done in the UK. HSSD will be able to update the list of infectious diseases and the list of causative agents by order of the Department. This will give us the ability to respond quickly and appropriately when new threats are identified in order to take the necessary steps to protect public health.

These three changes are short-term but highly necessary amendments to a Law which is now quite antiquated. There are a wide range of Laws – some of them even older than this one – which relate to the protection of public health. Many of these Laws give far-reaching powers to help officials, sometimes without the possibility of review or appeal. Many of the provisions are outdated in light of modern methods and understanding of public health controls. The Laws do not compare favourably to the more modern statutory framework in place elsewhere, particularly in England and Wales.

HSSD has, therefore, recommended that all public health Laws should be reviewed with the aim of consolidating them into a single modernised framework under a new Public Health (Enabling Provisions)

Law. This will allow the controls and duties and the roles and responsibilities of the various public health officials to be revised in line with modern expectations. HSSD will report back to the States on this in due course.

But this is a substantial piece of work which will require significant input from health professionals and Law Officers in order to complete. It is important that the short-term changes to the existing Laws which are recommended in this report are not postponed whilst the large scale work is done. These immediate changes will bring Guernsey in line with the best practice elsewhere in the way that we respond to risks of infectious diseases and organisms and involve a wide range of health professionals in more effective protection of public health.

**The Bailiff:** Is there any debate? No. We go straight to the vote then. There are nine Propositions on pages 352 and 353 of the Billet. I put all nine Propositions to you together. Those in favour; those against.

*Members voted Pour.*

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

## COMMERCE AND EMPLOYMENT DEPARTMENT

### V. Trade in Endangered Species – Propositions carried

*Article V:*

*The States are asked to decide:*

*Whether, after consideration of the Report dated 5th November, 2013, of the Commerce and Employment Department, they are of the opinion:*

- 1. To approve the proposals as set out in section 3 of that Report.*
- 2. To direct the preparation of such legislation as may be necessary to give effect to the above decision.*

**The Senior Deputy Greffier:** Article V: Commerce and Employment Department – Trade in Endangered Species.

**The Bailiff:** The Minister of that Department, Deputy Stewart, will open debate.

**Deputy Stewart:** Thank you, Mr Bailiff.

If I must say another excellent report from Commerce and Employment laid before you today.

This is really a tidying up report and you will just notice at the end there is a couple of little notes from ‘head of worrying about stuff’ at Treasury and I notice actually, sir, you had a slight worry about some things here. So, far be it for me to stress out the Presiding Officer, I did some ministerial prodding around to find out if there really might be a real chance of extra costs involved regarding legal aid and court time.

Actually we issue about 50 or 60 licences a year and strangely enough it is a pity Deputy Trott has left the Chamber because it mainly involves tortoises and we actually have one lady who used to get a licence each year from my Department to bring a tortoise on holiday. I thought it might be the asthmatic tortoise that Deputy Trott always talks about and she probably takes him down the west coast for some fresh air for his asthma. So mainly tortoises, a few parrots, some antiques and also he added sometimes we get a few reptiles for pet shops. So about 50 or 60 licences a year.

We have never had an appeal – never ever. So hopefully that will put everyone’s minds at rest. We have never had an appeal as far as we know. It really is a tidying up exercise.

That is the end of my speech and if we are lucky we can all get away by half past four.

**The Bailiff:** Is there any debate? No. There are two Propositions on page 360; I put both of them to you together. Those in favour; those against.

*Members voted Pour.*

**The Bailiff:** I declare them carried. We might get away by 4.20 p.m. *(Laughter)*

**APPENDIX**

**POLICY COUNCIL**

**States of Guernsey Public Servants' Pension Scheme –  
2014 Pensions Increase – Not debated**

3060 **The Bailiff:** Just one Appendix, Greffier. Perhaps we will not get away by 4.20 p.m. (*Laughter*) There is one Appendix, Greffier – that is all – on the front page of the Billet.

There have been no requests for it to be debated (*interjection*) and there has been no notice of any motion to debate it. So you may close this meeting, Greffier.

3065 **H.M. Deputy Sheriff:** All rise.

*The Assembly adjourned at 4.20 p.m.*