



OFFICIAL REPORT

OF THE

STATES OF DELIBERATION

OF THE

ISLAND OF GUERNSEY

HANSARD

Royal Court House, Guernsey, Tuesday, 7th July 2015

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Present:

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

Law Officers

H. E. Roberts Esq., Q.C. (H.M. Procureur)

People's Deputies

St. Peter Port South

Deputies P. A. Harwood, J. Kuttelwascher, B. L. Brehaut,
R. Domaille, A. H. Langlois, R. A. Jones

St. Peter Port North

Deputies M. K. Le Clerc, J. A. B. Gollop, P. A. Sherbourne,
R. Conder, L. C. Queripel

St. Sampson

Deputies G. A. St Pier, K. A. Stewart, P. R. Le Pelley,
S. J. Ogier, L. S. Trott

The Vale

Deputies M. J. Fallaize, D. B. Jones, L. B. Queripel, M. M. Lowe,
A. R. Le Lièvre, A. Spruce, G. M. Collins

The Castel

Deputies D. J. Duquemin, C. J. Green, M. H. Dorey,
B. J. E. Paint, J. P. Le Tocq, S. A. James, M. B. E., A. H. Adam

The West

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The South-East

Deputies H. J. R. Soulsby, R. W. Sillars, P. A. Luxon,
M. G. O'Hara, F. W. Quin, M. P. J. Hadley

Representatives of the Island of Alderney

Alderney Representatives L. E. Jean and S. D. G. McKinley, O. B. E.

The Clerk to the States of Deliberation

S.M.D. Ross, Esq. (H.M. Senior Deputy Greffier)

Absent at the Evocation

Miss M. M. E. Pullum, Q.C. (H.M. Comptroller);
Deputy M. J. Storey (*indisposé*); Deputy E. G. Bebb (*relevé à 9h 48*)
Deputy P. L. Gillson (*absent de l'île*)

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States of Deliberation

*The States met at 9.30 a.m. 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: 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 Tuesday, 7th July 2015 at 9.30 a.m. to consider the item contained in this Billet d'État which has been submitted for debate.

In Memoriam of Sir Graham Dorey

5 **The Bailiff:** Members of the States of Deliberation, it is with sadness that we commence our proceedings today by honouring the memory of Sir Graham Dorey who died on 25th June this year.

10 Graham Martyn Dorey was born in St Sampson's parish on 15th December 1932, the youngest of four children born to Martyn and Muriel Dorey. Immediately prior to the German Occupation he was evacuated to the UK, initially to Cheshire and then to Perthshire.

After the war Sir Graham's education included two terms at L'École des Roches of Verneuil in Normandy. He later attended Bristol University and the University of Caen.

Sir Graham was admitted as a solicitor of the Supreme Court of Judicature in 1959 and the following year he was admitted as an advocate at the Royal Court.

15 In the tribute which I will pay in the Royal Court, I will refer to the contribution he made as a judge both in the Royal Court and in the Court of Appeal, and I do not therefore propose to say more today in that regard.

20 Sir Graham's public service and his service to this Assembly covered some 29 years, during which he held five different offices. He was elected as a People's Deputy for the Vale in 1970 and served in that capacity until 1973 when he was appointed Her Majesty's Comptroller. He was subsequently appointed Her Majesty's Procureur in 1977, Deputy Bailiff in 1982 and, finally, presiding over this Assembly as Bailiff from 1992 to 1999. Sir Graham remains the youngest person to have been appointed to the office of Deputy Bailiff.

25 Despite the relatively short period in which he held political office, he served on several States' Committees, including the Board of Administration, the Committee for Agriculture, the Legislation Committee, the Gambling Control Committee and the Public Lottery Committee. But of all his committee posts I suspect the most satisfying and most significant was that as President of the

Guernsey Flag Investigation Committee to which he was elected by the States when he was Deputy Bailiff – and I will say more about that in a moment.

30 Sir Graham was made a Knights Bachelor in the 1993 Queen’s Birthday Honours for services to Guernsey, and in January 1997 he was appointed by Her Majesty as a Knight of the Most Venerable Order of the Hospital of St John of Jerusalem.

35 He took a very keen interest in music and the arts, and he was an enthusiastic supporter of local causes. Maritime activities were a special interest and one of his passions was sailing. He was a member of the Royal Ocean Racing Club and the Royal Yacht Squadron and for many years he competed in Cowes Week events and also in four Fastnet yacht races.

It is impossible in the time available to describe all that Sir Graham did for his Island but I will refer to four areas in an attempt to give you an idea of the lasting contribution he made to the wellbeing and prosperity of this, his beloved Island.

40 His period as an advocate and subsequently as a Law Officer in St James Chambers, namely from 1960 to 1982, spanned the development of the financial services industry. Graham was quick to spot the potential and his energy and enterprise, not to mention his integrity, played an active and influential part in the successful development of financial services in this Island.

45 Sir Graham’s first passion was music. Richard de la Rue credits Sir Graham with playing a crucial rôle in the conversion of the then derelict St James into a concert and assembly hall. He says that advice given by Sir Graham to Roger Berry in the drafting of the requête requesting the States to reassess the case for a concert hall rather than a police station helped to secure the success of that requête.

50 Thirdly, fishing. Sir Graham’s knowledge of our constitutional position, his love of maritime matters and his fluency in the French language, together with his patient but robust negotiating skills, all came together when he took a close, personal interest in seeking to combat the ambitions of others who sought to plunder our fish stocks.

55 The recently retired Nigel Lewis tells me that, of the many rich experiences he enjoyed as a civil servant, perhaps the most outstanding was accompanying Sir Graham and Chris Day, together with Steve Ozanne, on various forays to the Foreign and Commonwealth Office and to the Quai d’Orsay to plead Guernsey’s case.

60 Sir Graham, he said, showed a Churchillian commitment to our just cause. While he came over as mild mannered and gentle, Nigel witnessed him changing in an instant when, in the middle of a meeting in the Bailiff’s Chambers, he spotted French trawlers in the Sark Box (*Laughter*) with the pair of binoculars he kept in the bookshelf in his Chambers. Having to restrain a Bailiff from initiating action that would probably have caused an international incident was a first for the two officers present. Nigel Lewis opines that Guernsey’s fortune in securing greater control over our waters, which has taken the best part of two decades, owes itself in no small measure to Sir Graham’s support and drive all those years ago.

65 Finally, I come back to the Guernsey flag. Jurat Le Conte, who was secretary to the Flag Investigation Committee presided over by Sir Graham, says that the inspiration for the flag – both the concept for the need for a distinctive Island flag and its striking design – is entirely Sir Graham’s. It was he who picked out the idea of using symbols from the Bayeux Tapestry, specifically the Cross of Duke William, as being worthy of consideration. The flag has, of course, become the symbol of our national identity, both locally and around the world.

70 Sir Graham would have been immensely proud to have seen so many Guernsey flags flying all over the island of Jersey last week, urging our Island Games team to ever more successes. He would also have been proud that his own great-niece, Clementine Thompson, was a member of our team – appropriately in the sailing team.

75 There is much for which we can be thankful to Sir Graham but the flag flying today outside the Royal Court will be a lasting memory and an inspirational legacy.

Sir Graham married Penelope Wheadon in 1962. Penny was the daughter of Nora Wheadon who, in 1957, was the first woman to be elected Douzenier and the first, in 1968, to be elected a Conseiller. Penny was the granddaughter of Edward T Wheadon.

80 Penny and Graham were devoted to each other but sadly Penny died in 1996 and he missed her greatly. Subsequently, he formed a new relationship and married Cicely Lummis.

To Lady Dorey and to the four children from his first marriage, Suzanne, Jane, Robert and Martyn, and to his seven grandchildren – some of whom we see in the Public Gallery this morning – to you we extend our sincere sympathies. (**Several Members:** Hear, hear.)

85 Now, Members of the States of Deliberation, will you please rise to honour Sir Graham's memory?

Members stood in silence.

The Bailiff: Thank you very much.

Billet d'État XII

STATES' REVIEW COMMITTEE

I. The Organisation of States' Affairs – Second policy letter – Debate commenced

Article I.

The States are asked to decide:

I. Whether, after consideration of the Policy Letter dated 15th May, 2015, of the States' Review Committee, they are of the opinion:

1. To agree that, as set out in section 5.1 of that Policy Letter, the mandates of Principal Committees shall follow a consistent format and be divided into discrete sections as follows:

- title of the Principal Committee;*
- constitution of the Principal Committee;*
- purpose for which the Principal Committee exists; and*
- policy, advisory and general responsibilities of the Principal Committee.*

2. To agree that, as set out in section 5.3 of that Policy Letter, there shall be a Principal Committee entitled the Committee for Economic Development, which, as set out in section 6.1 of that Policy Letter, shall comprise five States' members and up to two non-States' members and which, as set out in section 5.4 of the Policy Letter, shall have the following purpose and policy and advisory responsibilities:

- a) Purpose – to secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment opportunities possible by promoting and developing business, commerce and industry in all sectors of the economy;*
- b) Policy and advisory responsibilities – the promotion and development of all sectors of business, including construction, creative industries, digital, financial services, horticulture, intellectual property, manufacturing, media, retail and tourism; the reputation of the Island as a centre for commerce and industry; the promotion of air and sea links to and from the Bailiwick; inward investment at the corporate and individual level; the labour skills necessary to sustain economic prosperity; and competition, innovation, diversification and regulation in the economy.*

3. To agree that, as set out in section 5.3 of that Policy Letter, there shall be a Principal Committee entitled the Committee for Education, Sport & Culture, which, as set out in section 6.1 of that Policy Letter, shall comprise five States' members and up to two non-States' members and which, as set out in section 5.5 of that Policy Letter, shall have the following purpose and policy and advisory responsibilities:

a) Purpose – to encourage human development by maximising opportunities for participation and excellence through education, learning, sport and culture at every stage of life;

b) Policy and advisory responsibilities – pre-, primary, secondary, further and higher education; apprenticeships; skills; lifelong learning; sport, leisure and recreation; youth affairs; the arts; libraries, museums, galleries and heritage; Island Archives; and civic celebrations and commemorations, including Liberation celebrations.

4. To agree that, as set out in section 5.3 of that Policy Letter, there shall be a Principal Committee entitled the Committee for Employment, Housing & Social Security, which, as set out in section 6.1 of that Policy Letter, shall comprise five States' members and up to two non-States' members and which, as set out in section 5.6 of that Policy Letter, shall have the following purpose and policy and advisory responsibilities:

a) Purpose – to foster a compassionate, cohesive and aspirational society in which responsibility is encouraged and individuals and families are supported through schemes of social protection relating to pensions, other contributory and non-contributory benefits, social housing, employment, re-employment and labour market legislation;

b) Policy and advisory responsibilities – financial and social hardship; social housing, including States' housing and the States' relationship with housing associations; supplementary benefit and housing benefit; social insurance; pensions; health insurance; long-term care insurance; social inclusion, including in relation to disability; the unemployed and the various initiatives to encourage employment and re-employment; labour market legislation and practices; health and safety in the workplace; industrial relations; and legal aid.

5. To agree that, as set out in section 5.3 of that Policy Letter, there shall be a Principal Committee entitled the Committee for the Environment & Infrastructure, which, as set out in section 6.1 of that Policy Letter, shall comprise five States' members and up to two non-States' members and which, as set out in section 5.7 of that Policy Letter, shall have the following purpose and policy and advisory responsibilities:

a) Purpose – to protect and enhance the natural and physical environment and develop infrastructure in ways which are balanced and sustainable in order that present and future generations can live in a community which is clean, vibrant and prosperous;

b) Policy and advisory responsibilities – long-term infrastructure planning; spatial planning, including the Strategic Land Use Plan; climate change; protection and conservation of the natural environment; waste, water and stone reserves; energy, including renewable energy; solid waste; general (as distinct from exclusively social) housing; the coast and coastal defences; Alderney breakwater; traffic and transport; the road network; biodiversity; agriculture, animal health and welfare and the sustainability of food and farming; safeguarding living marine resources and the sustainable exploitation of those resources; maritime affairs; and public parks.

6. To agree, that, as set out in section 5.3 of that Policy Letter, there shall be a Principal Committee entitled the Committee for Health & Social Care, which, as set out in section 6.1 of that Policy Letter, shall comprise five States' members and up to two non-States' members and which, as set out in section 5.8 of that Policy Letter, shall have the following purpose and policy and advisory responsibilities:

a) Purpose – to protect, promote and improve the health and well-being of individuals and the community;

b) Policy and advisory responsibilities – adult social care; the welfare and protection of children, young people and their families; the prevention, diagnosis and treatment of acute and chronic diseases, illnesses and conditions; mental health; care of the elderly; health promotion; environmental health; and public health.

7. To agree that, as set out in section 5.3 of that Policy Letter, there shall be a Principal Committee entitled the Committee for Home Affairs, which, as set out in section 6.1 of that Policy Letter, shall comprise five States' members and up to two non-States' members and which, as set out in section 5.9 of that Policy Letter, shall have the following purpose and policy and advisory responsibilities:

a) *Purpose – to support a high standard of living and quality of life by maintaining and promoting a safe, stable and equitable society which values public protection and justice and respects the rights, responsibilities and potential of every person;*

b) *Policy and advisory responsibilities – crime prevention; law enforcement, including policing and customs; justice policy; the association between justice and social policy, for example domestic abuse and the misuse of drugs and alcohol; the new population management regime, once introduced; immigration; imprisonment, parole, probation and rehabilitation; fire, rescue and salvage; consumer protection and advice; trading standards; data protection; emergency planning; civil defence; lotteries and gambling.*

8. *To agree that, as set out in section 6.2 of that Policy Letter, the arrangements which allow States' committees to delegate their functions should be made more permissive such that functions may be delegated to specific members of a committee or to other committees.*

9. *To agree that, as set out in section 6.4 of that Policy Letter, senior officer(s) of the States shall be accountable to any committee of the States which they serve in respect of policy direction.*

10. *To agree that, as set out in section 6.4 of that Policy Letter, if after the exhaustion of reasonable procedures a committee of the States makes a resolution to the effect that it has no confidence in a senior officer or senior officers serving it there shall be an expectation that the officer(s) will be transferred out of the service of that committee; and to agree that, as set out in section 6.4 of that Policy Letter, the Chief Executive and other senior officers must obtain the views of the president of a committee, and through him or her the members thereof, when appointing and appraising senior staff in the service of that committee.*

11. *To agree that the full mandate of the Policy & Resources Committee shall be based upon the duties and powers set out in section 7 of that Policy Letter.*

12. *To agree that the Policy & Resources Committee, once constituted in May, 2016, shall establish a policy and resource planning process through a Policy & Resource Plan, as set out in section 7.4 of that Policy Letter.*

13. *To agree that, as set out in section 7.5 of that Policy Letter, the Policy & Resources Committee may by resolution permit the adaptation of nomenclature and appellations in connection with the external relations and constitutional affairs of the States.*

14. *To agree that, as set out in section 7.6 of that Policy Letter, the Policy & Resources Committee, once constituted in May, 2016, shall, following examination of the issues, lay recommendations before the States to reform the political arrangements in connection with the States' role as an employer.*

15. *To agree that, as set out in section 7.6 of that Policy Letter, the Policy & Resources Committee, once constituted in May, 2016, shall, following examination of the issues, lay recommendations before the States to secure more visible and demonstrable impartiality in statistics and research issued by the States.*

16. *To agree that, as set out in section 8.2 of that Policy Letter, there shall be a Civil Contingencies Authority.*

17. *To agree that, as set out in section 8.3 of that Policy Letter, there shall be an Overseas Aid & Development Commission.*

18. *To agree that, as set out in section 8.4 of that Policy Letter, there shall be a States' Assembly & Constitution Committee.*

19. *To agree that, as set out in section 8.5 of that Policy Letter, Special States' Committees shall be known as States' Investigation & Advisory Committees.*

20. *To note the continuation, as set out in section 8.6 of that Policy Letter, of the Elizabeth College Board of Directors, Ladies' College Board of Governors, Prialx Library Council and Guille-Allès Library Council.*

21. *To agree that there shall be a Passenger Transport Licensing Authority constituted as a committee of the States as set out in section 8.7 of that Policy Letter.*

22. *To agree that there shall be a Development & Planning Authority constituted as a committee of the States as set out in section 8.8 of that Policy Letter.*

23. To agree that there shall be a States' Trading Supervisory Board constituted as a committee of the States as set out in section 8.9 of that Policy Letter.
24. To agree that, as set out in section 8.11 of that Policy Letter, the States should be free, if at any time they so wish, to constitute committees on which States' members are not in the majority but with the qualification that no person shall be the President of a States' committee unless he or she is an elected member of the States.
25. To agree that the full mandate of the Scrutiny Management Committee shall be based upon the duties and powers set out in section 9 of that Policy Letter.
26. To agree that, as set out in section 9.2 of that Policy Letter, the States shall elect to the Scrutiny Management Committee three States' members and two members independent of the States.
27. To agree that the arrangements in respect of precluding or not precluding members of the Scrutiny Management Committee from sitting on other States' committee shall be as set out in section 9.2 of that Policy Letter.
28. To agree, as set out in section 9.3 of that Policy Letter, that the Legislation Select Committee shall be dissolved; that the functions of the Legislation Select Committee (other than those arising under Article 66(3) of the Reform (Guernsey) Law, 1948) shall be transferred to the Scrutiny Management Committee with the intent that the functions arising under Articles 66(1) and (2) of the Reform (Guernsey) Law, 1948 shall be discharged by a standing Legislation Review Panel, as set out in paragraph 9.3.10 of that Policy Letter, for and on behalf of the Scrutiny Management Committee; and that the functions of the Legislation Select Committee arising under Article 66(3) of the Reform (Guernsey) Law, 1948 shall be transferred to the Policy & Resources Committee.
29. To agree that the Scrutiny Management Committee, once constituted in May, 2016, shall, following examination of the issues, lay recommendations before the States in relation to the matters in paragraphs 9.4.3, 9.4.4, 9.4.5 and 9.4.9 of that Policy Letter.
30. To agree that, as set out in section 9.4 of that Policy Letter, the Scrutiny Management Committee shall be provided with accommodation, facilities and support staff independently from those provided to the Policy & Resources Committee and the Principal Committees, including removing the line management links between the States' Chief Executive and officers supporting the Scrutiny Management Committee.
31. To agree that, as set out in section 10.5 of that Policy Letter, the number of People's Deputies to be elected at the 2016 general election shall be 38; and to note that later in 2015 the States' Assembly & Constitution Committee will lay recommendations before the States regarding the allocation of those 38 seats between the electoral districts.
32. To agree that, as set out in section 10.10 of that Policy Letter, the States' Assembly & Constitution Committee shall enter into discussions with the Bailiff with regard to the seating arrangements in the Royal Court Chamber, taking into account any views on the matter expressed during the States' meeting.
33. To agree that all standing committees of the States as presently constituted shall be dissolved from May, 2016.
34. To agree that, as set out in section 11.2 of that Policy Letter, the Treasury & Resources Department shall be authorised to approve the use of up to £530,000 from the Transformation & Transition Fund to provide for the implementation of the improved committee system from May, 2016.
35. To note that, as set out in various sections of that Policy Letter, later in 2015 the States' Review Committee will lay before the States further recommendations necessary to allow the improved committee system to be established.
36. To note that, as set out in various sections of that Policy Letter, later in 2015 the States' Assembly & Constitution Committee will lay before the States the recommendations necessary to amend the Rules of Procedure and the Constitution and Operation of States' Departments and Committees etc. in order that they will be consistent with the improved committee system.

37. To direct the preparation of such legislation, as set out in section 11.1 of that Policy Letter and otherwise, as may be necessary to give effect to the above decisions.

90 **The Senior Deputy Greffier:** Billet d'État XII, States' Review Committee, The Organisation of States' Affairs, Second policy letter.

The Bailiff: The debate will be opened by the Chairman of the Committee, the Chief Minister, Deputy Le Tocq.

95

The Chief Minister (Deputy Le Tocq): Thank you, Mr Bailiff. Sir, Edmund Burke, who is increasingly becoming one of my –

100 **The Bailiff:** Sorry, can I just interrupt? It is going to be very warm in here. Those who wish to do so may remove their jackets. I apologise for interrupting. Perhaps you wish to pause while those who do so get themselves undressed! (*Laughter*)

The Chief Minister: I have been waiting for some time! (*Laughter*)

105 **The Bailiff:** Sorry, Chief Minister, please continue.

The Chief Minister: Sir, Edmund Burke, who is increasingly becoming one of my political heroes, is reported to have said:

'All government, indeed every human benefit and enjoyment, every virtue, and every prudent act, is founded on compromise and barter.'

110 Sir, what I believe we have before us today is such human endeavour and human benefit in terms of the reorganisation of States' affairs. The machinery of Government, or Organisation of States' Affairs, as this policy letter is entitled, is not an exact science – if anything, it is more of an art – but there is a certain logic to it, I believe. The States' Review Committee hopes that the Members of this Assembly will have perceived that logic running through each page of this, our second policy letter.

115 It is, sir, a logic based firmly on the clear decisions made by this Assembly last year in determining to reform and revise our existing committee structure rather than move towards a more executive form of government.

120 As such, I cannot agree with the BBC who this morning tweeted 'Radical proposals to change the structure of Guernsey's Government will be discussed when Deputies meet today.' These, sir, are not radical proposals, these are evolutionary proposals which help us to move forward in a positive direction, not only for those of us who are elected to this Assembly but for our Island as a whole, so that we can make better policy decisions in the future and manage the responsibilities which are given to us by the electorate.

125 These proposals, sir, are based not only on the logic of the framework decisions made last year but on multiple interactions, consultation and dialogue with members and committees and groups as we have progressed this Report, along with serious and deep consideration by the Committee, of the breadth of options for restructuring before presenting you with our considered, logical, best-fit proposals today.

130 I believe, sir, this process is underlined by the fact that although we have several amendments, most do not challenge this logic and, indeed, the feedback that we have received and the comments from T&R and Policy Council, as well as the feedback from presentations to the public and States' Members alike, have all been highly supportive of this logical and evolutionary approach.

135 There will, of course, be the need to further improve and to amend, to tweak, our Government as we move forward. I encourage the States to accept that it is an evolutionary process and as a

result there will be further changes. That is part and parcel of our system, and it is good and healthy that we should do so.

140 Indeed, there will need to be a third policy letter which will detail out some of the legislative changes and the mandates for each committee, and I hope also, in conjunction with the Guernsey Language Commission, produce some suggestions for Guernesiate uses within our system of government so that our national identity along with the flag we have heard about this morning can also be maintained.

145 Overall, sir, I believe that what we have worked hard at as a committee to produce is in the best interests of Guernsey and I do not want to go into details further than this this morning, except to encourage this Assembly to think seriously before amending the proposals in any substantial way, and to work with us in the future so that we put these things into practice so that a more streamlined, more effective system of government is available to us and to future generations.

150 Thank you, sir.

The Bailiff: I should have mentioned before we started – Deputy Bebb, do you wish to be relevé?

155 **Deputy Bebb:** Yes, please, sir.

The Bailiff: Right.

160 We have had a number of amendments circulated. I am not going to predict how many amendments we are ultimately going to debate but you have had a number circulated. There is one proposed by the Chairman of the Committee and by Deputy Fallaize, so it is an amendment laid by the Committee. By convention, that is taken first, although I do not know whether Deputy Brouard wishes to suggest a procedural motion whereby it be taken second?

Deputy Brouard: Thank you, sir.

165 If I may, as the Brouard/Jones amendment goes further, there is a convention that usually that one is taken first and, as I understand it from the Committee, if the Brouard/Jones amendment is successful the Fallaize and Deputy Le Tocq amendment will fall away. So for brevity's sake anyway it would be preferable just to carry straight through, sir.

170 **The Bailiff:** Well, it is also convention we take any committee amendment first and I believe that is the wish of the Committee, Deputy Le Tocq, but I will put the procedural motion to the States and the procedural motion will be that we take first the Deputy Brouard/Deputy Jones amendment.

175 So if you want to debate first the Brouard/Jones amendment, vote Pour; if you want to take the amendments in the order in which they are shown on the Agenda before you, i.e. the Committee's amendment first, then vote Contre. I hope you are all clear as to the procedural motion. The procedural motion then is that we debate first the amendment proposed by Deputy Brouard, seconded by Deputy Jones. Those in favour, those against.

Members voted Contre.

The Bailiff: The procedural motion fails.
Deputy Le Tocq, do you wish to lay your amendment?

Amendment by Deputies Le Tocq and Fallaize:

1. In Proposition 23, to add at the end of the words: ' , including that the States' Trading Supervisory Board shall take policy direction from the States and their relevant Principal Committees as set out in the first sentence of paragraph 8.9.23 of that Policy Letter'.

2. In Proposition 5, paragraph b), to delete 'long-term infrastructure planning' and substitute therefor 'infrastructure, including but not limited to water, wastewater and the ports'.

180 **The Chief Minister:** Yes, sir, and I will read it out – although I do love the Greffier's voice, but I will read it out myself! (*Laughter*) It is:

'1. In Proposition 23, to add at the end of the words: ", including that the States' Trading Supervisory Board shall take policy direction from the States and their relevant Principal Committees as set out in the first sentence of paragraph 8.9.23 of that Policy Letter".'

– and secondly:

'2. In Proposition 5, paragraph b), to delete "long-term infrastructure planning" and substitute therefor "infrastructure, including but not limited to water, wastewater and the ports".'

Sir, if I can say just first of all, in clarification, by 'ports' we mean both airports and sea ports.

185 All this amendment does really is to clarify perhaps some of the questions that the Committee has received with regard to the rôle of the States' Trading Supervisory Board. It may well be that members of the Committee, particularly the Treasury Minister, may want to make some further comments on this, but we had received a number of questions and as a result we feel that the Proposition particularly should refer back to what is already set out in paragraph 8.9.23.

190 If I can draw Members' attention to that and indulge them just to read out that so that we understand what is meant there, it states:

'8.9.23 The Island's long-term policies in respect of, say, economic development, agriculture, water reserves and infrastructure would remain the responsibility of the relevant Principal Committees and ultimately of the States, while the Board would have political leadership and oversight of the specific trading concerns, which would include their operational policies. For example, establishing a target to have a certain percentage of households connected to the public sewer by a certain year would be a matter of infrastructure policy and would be the responsibility of the Committee for the Environment & Infrastructure; whereas a decision by States' Works to bid for, say, parish refuse rounds would be a trading matter – or operational policy – and responsibility would rest with the States' Trading Supervisory Board. It is recognised that the full mandate of the States' Trading Supervisory Board, to be presented in the third policy letter, will need very clearly to set out its duties, powers and confines and also encapsulate its relationship with the States, the Policy & Resources Committee and the Principal Committees.'

195 So what we intend by this is to be very clear, and this runs right the way through our logic in presenting these proposals, that the States' Trading Supervisory Board would have a specific rôle, policies would be applied to that board from the various principal committees of the States that are responsible for those policies and, indeed, therefore the States who remain the executive policy maker for that board.

We hope that the specifics in amending these Propositions go towards answering the questions that were arisen out of that.

Thank you, sir.

200 **The Bailiff:** Does anyone wish to debate the amendment?

Deputy Fallaize: Sir, shall I second it first?

205 **The Bailiff:** Deputy Fallaize. Sorry, yes, that would be helpful, wouldn't it! (*Laughter*) Could you please formally second the amendment?

Deputy Fallaize: I do, sir.

210 **The Bailiff:** Do you wish to reserve your right to speak?

Deputy Fallaize: Yes, I do.

The Bailiff: Thank you.

Now it has been seconded, would anybody wish to speak on it?

No? Oh, yes, Deputy Ogier.

215

Deputy Ogier: Just briefly, sir, it is really to add to the clarification because this amendment before us aims to add further clarity in regard to the relationship between the States' Trading Supervisory Board and the principal committee. The principal committee will have responsibility for policy development for the unincorporated States' trading entities.

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Currently the Public Services Department have responsibility for the policy formulation for Guernsey Water, Guernsey Airport, Guernsey Harbours and States' Works; and in the States' Review Committee's vision this policy formulation will take place in the Committee for the Environment & Infrastructure. So the policy formulation for the States' trading entities currently under PSD move in to the States' Trading Supervisory Board and the policy development for those

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entities will take place at the Committee for the Environment & Infrastructure. So in the States' Trading Supervisory Board, in relation to the States' trading entities currently under PSD, there will be no policy development other than perhaps some limited operational policy development.

It was considered that this further clarity would be helpful for States' Members today in order to understand the relationship between the STSB and its principal committee.

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Thank you. That is all.

The Bailiff: Deputy David Jones.

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Deputy David Jones: Thank you, Mr Bailiff, but, sir, that is not what we are talking about here. We understand what the individual responsibilities will be and mandates will be of the individual trading boards, but this is about political oversight and I think this amendment was brought very late in the day in order to try to head off at the pass, so to speak, of the Brouard/Jones amendment. I am not going to go into that one because hopefully we will get to lay that one and Deputy Brouard will lay out our case.

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This is about proper political oversight of these boards that have huge expenditure, that have huge incomes and huge responsibilities, and I do not believe that the new Policy & Resources Board are going to have either the time or the will, in fact, to give the kind of scrutiny that Deputy Brouard and I want to see over these entities.

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The Bailiff: Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

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Deputy Jones betrays a misunderstanding when he speaks. He spoke about how the Policy & Resources Committee will not have enough time to do something in relation to the trading entities. Well, there is no proposal for the Policy & Resources Committee to be involved at all.

This amendment was not designed to head off at the pass the Brouard/Jones amendment. The Committee is wholly and vehemently opposed to the Brouard/Jones amendment and will make its case on that amendment at that time.

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This amendment purely came out of conversations with one or two States' Members who felt that it would be useful to encapsulate in the Propositions the relationship between the Committee for the Environment & Infrastructure and the States' Trading Supervisory Board.

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The amendment does not actually change what is being proposed by the Committee. The text of the policy letter in the view of the Committee outlines what it is that we are trying to achieve, but some Members felt that it would be useful if that text or the effect of that text in the policy letter was incorporated in the Propositions. So that is all the Committee is trying to achieve with this amendment.

If this amendment is successful it clearly does not preclude the States from voting for the Brouard/Jones amendment and in due course the Committee will set out why it is actually the

265 only amendment that the Committee is so vehemently opposed to, but that will be in the next debate. I hope Members will vote for this amendment in the meantime.

The Bailiff: Does anyone else wish to speak? No.
Deputy Le Tocq, do you wish to reply to the debate?

270 **The Chief Minister:** I have nothing else to add. Thank you, sir.

The Bailiff: In that case, we go to the vote on the amendment proposed by Deputy Le Tocq, seconded by Deputy Fallaize. Those in favour; those against.

Members voted Pour.

275 **The Bailiff:** I declare it carried.
The next amendment then is the amendment to be proposed by Deputy Brouard.
Deputy Brouard.

Amendment:

To delete Proposition 23 and insert a proposition between Propositions 7 and 8 as follows:

'7A. To agree that there shall be a Principal Committee entitled the Committee for Trading Supervision, which, as set out in section 6.1 of that Policy Letter, shall comprise five States' members and up to two non-States' members and which, as set out in section 8.9 of that Policy Letter, shall have the following purpose and responsibilities:

Purpose – to provide political leadership and oversight in respect of the trading companies and concerns, and the commercial property, entrusted to it, so that they deliver cost-effective and innovative services responsive to customers' needs, operating efficiently and responsibly in the best interests of the community, and contributing to the States' economic, environmental and social objectives;

Responsibilities – to fulfil the States' shareholder rôle in the following States' trading companies: Guernsey Electricity Limited, Guernsey Post Limited, the Cabernet Group of Companies, Jamesco 750 Limited; to act as [if it were] the board of directors of the following States' unincorporated trading concerns: Guernsey Airport, Guernsey Dairy, Guernsey Harbours, Guernsey Water, States' Works; to oversee the management and operation of the commercial elements of the States' property portfolio.'

Deputy Brouard: Thank you, sir, Members of the Assembly.

280 I did not speak in the last debate. I did not understand what the Review Committee were doing in trying to bring forward that amendment because it was just moving the deck chairs; it was part of the text they were moving across to the main Proposition. I think it was just a tactic to try to take some of the sting out of the next debate, to be honest.

The Chief Minister made a very good point when he opened the debate. We had the binary choice, the black and white choice, of the executive government or to have a more consensus government. That choice was a real sharp black and white choice.

285 The next lot of decisions which we have now, as the Chief Minister said, is not an exact science. You can make some very strong arguments as to which departments should go where and which ones should not. So please keep an open mind, States' Members.

290 It is like Lego blocks; you can make some very attractive castles. They do not have to actually look exactly as the Review Committee proposals; you can still have a very attractive Bill that does the job, but as you gather departments together you will always have some departments that will not fit quite so well with others and, in fact, spitting them back out, as we had with 54-odd committees, is in some ways a better way, but I do understand that as we bring them together

you can sometimes have some departments which will not necessarily make the best fit but it will be the best we can do in the circumstances.

295 I am not sure if I am the only one here but I have hardly drawn a breath and we seem to have these fundamental changes in front of us – and I do appreciate the extra time set aside by the States to debate the issue, but somehow, for me at least, the last six weeks have basically flown by and we are suddenly here with the States debating between, and I perhaps would have liked a little bit more time but we are where we are.

300 This amendment seeks to elevate the States' Trading Supervisory Board to the status of a principal committee, to ensure it has full political oversight. This is in view of its size and its importance as a major deliverer of essential Island services.

I do dislike it in a speech when Members say, 'More on this point later,' because my heart always drops then, but I am going to do exactly that and I will come back to that later on.

305 But first of all I am not reinventing the wheel. The States' Review Committee, bless, have already invented the concept of the States' Trading Supervisory Board. It may be helpful, especially for Members who have brought their Billets with them, to have a look at page 1347, because I will refer back to it quite a few times – and perhaps even leave it open on page 1347.

310 I like graphic representation and I am speaking about moving the trading board's lozenge or irregular hexagon from the bottom of the page, (*Laughter*) to be one of the round satellites revolving around Policy & Resources, like moons around a new world or bees around the honeypot, or flies – No, I won't go there! (*Laughter*)

315 The main *raison d'être* of the trading board does not change on its elevation to a principal committee; it is the same animal. If you look at the approach taken to principal committees... There is no need to look in the book, but I will just read out the main thrust of what a principal committee does and I want you to just reflect on whether or not the States' trading board would fall into that particular pot.

The Committee says this about the approach to principal committees:

'It is essential to good government that matters should be dealt with at their appropriate level.'

– matters should be dealt with at their appropriate level –

'The States should concern themselves with debating legislation, broad policies and priorities, items of significant expenditure and matters of major public interest, and setting up the framework in which the rest of the administration should operate. Principal Committees should develop policy, advise the States on policy, review performance and budgets and oversee and hold to account the delivery of services with a view to securing improved outcomes for the community.'

320 There is nothing in there that puts being a principal committee out of reach of the trading boards. There is nothing in there that puts out of reach the trading boards being a Principal Committee.

325 There are some elements that are more relevant to some principal committees than others, but all are relevant to a lesser or greater degree. There is nothing in that banner that prevents the joining of the States' trading boards.

330 As you all know – those of you who work in departments – things are in a continual state of flux. Once a policy is formed in a particular department now or a policy is given to a department by another, the department looks at implementing, looks at reviewing, looks at accountability, performance and so on, and once again looks to improve the policy; it is a continuum with different areas of policies or workstreams and different places in the cycle at different times in a continuum.

Just looking at the original words of the tenant that the principal committees envisaged by the States' Review Committee:

'States' Trading Boards will be a major player in significant expenditure and matters of public interest. Principal Committees should review performance, budgets, oversee and hold to account the delivery of services.'

335 How well the States' Trading Board fit in to that – this is the bit at the beginning I said I would
come back to. Just looking at the size of the States' trading boards... Guernsey Airport and
Guernsey Harbours: income of about £20 million; staff, between them – about 225; assets under
management about a quarter of a billion. The Dairy: an income of about £7 million; staff – 35;
assets under management – about £2 million. Guernsey Water: income – £55 million; assets under
340 management – £112 million; 90 staff. States' Works: income – £15 million; assets under
management – £5 million; staff – 230.

Cabernet (Aurigny) – I was quite surprised at this one actually – I do not have a figure for their
income expenditure; it is not published, but we have got £50 million-worth of loans outstanding
on the books there; and staff... 250 staff at Aurigny.

345 Guernsey Electricity: £55 million income; assets – £112 million; staff – 220. Guernsey Post: £33
million income; assets under management – £11 million; 200 staff. And of course JamesCo, again, I
do not have the commercial details but there is a £13 million-loan outstanding; overall we are
looking at income of well in excess of £200 million; assets – I am just totalling up and these are
just book values, these are probably well underestimated – £551 million! That is well over half a
billion pounds-worth of assets; and staff – a staggering number of staff – 1,245 staff working in
350 this area. And we have this down as a minor committee!

That is the size. Just have a look at some of the existing committees – Education, Health, Social
Security – they cannot beat it in size. Some may have a larger figure for assets under management
like T&R with the Superannuation Fund or Health with the number of staff, but overall not one of
the new Committee principal satellites comes close.

355 Let's look at the importance – and I am not trying to denigrate... I probably am but I am not
trying to denigrate the other new committees – but if you just think about it for a moment, I sit on
Commerce & Employment, which will become in the new world the Economic Development
Department, but if it went on holiday for a day would the Island still function? If the department
closed down on Saturday or on a Sunday would it make a difference? If Environment closed for a
360 staff training day would the Island stop? Would Education and Sport... if it closed for a day due to
snow would the Island still function?

But if the lights went out or the water was turned off or the harbours and airports were closed,
that is where we have essential services and the trading boards are a reflection and a
manifestation of our Government and the services we provide. It needs to be up there with the
365 principal committees.

I have argued it sits well as a principal committee but just to make a point, let's look at the
peer group – and I am going back to the map on page 1347 – and let's look at where it is sitting
in its peer group: Development and Planning, a five-man team – note it is five-man –to administer
the narrow but important function of the quasi-judicial rôle – and I think as everybody would
370 understand it, it is basically the IDC.

Civil Contingencies – it meets every now and then. I think it last met to do with the ambulance
issue and that is a set number of members according to the issue that is in hand. Hardly a major
committee... very important at all.

375 Transport Licensing – well, that means me and my colleagues, Deputy De Lisle and Deputy
Collins; we are the Transport Licensing Department, the three of us. We sit a few times a year; we
do very important work, but I would hardly class us as a principal committee.

Overseas Aid – they have a budget of about £2 million and we have one States' Member plus a
committee of about six lay members.

380 So this is where you are putting 1,200 staff, half a billion of assets and of *major* concern to the
daily concerns of islanders... and you are putting that in a peer group with the Transport Licensing
Department and IDC. The Development and Planning Department – probably the biggest one
there – of about 50 staff and around £3 million in budget, but the States' trading board sits there
like a cuckoo in the nest.

385 Let's look at the make-up of the boards and committees, now principal committees – the
satellites revolving around Policy & Resources – will have five States' Members and two non-

390 States' members, as we do now, so it is a pretty reasonable political oversight on the ability to have non-States' members on. And you can have as many sub-committees as you can shake a stick at – just as T&R do now; they have their shareholders' sub-committee – but overall control is exercised by the elected members of Treasury & Resources' main board. That is the principal committees as proposed and that is what I suggest for the trading boards on their elevation.

395 If you look at the proposed peer group of the States' trading boards, as announced on page 1347, Planning and Development will have five States' Members only – no non-States' members – so they have got five members, okay. Civil Contingency – that ends up with about five, depending on the disaster that is befalling upon us. Passenger Licensing, even – that ends up with five, although the suggestion is that only three would sit at any particular panel. And Overseas Aid has one States' Member, probably, and six can be States' Members or lay.

400 But when we come to the States' trading board the proposal from the Review Committee is to have a committee of two States' Members as a minimum – two States' Members as a minimum! – and two non-States' members with full voting rights and a fifth member who could be either be a States' Member or another non-States' member.

So if the new board had two States' Members and three non-States' members, if it became a States' Committee, which I am suggesting, you would have five States' Members – i.e. an additional two – and if the board is created with two Non...

405 It all gets very complicated but the bottom line is it is either two or three States' Members on this major committee and the rest is made up with non-States' members, non-elected by the public. But the changes that I am proposing change the dynamics by putting the States' trading entities under proper political oversight for what are our essential utilities.

410 So not only will it have representation in the States but it will also have politically-elected Members in control of a very important group. That does not prevent the use of non-States' members and, in fact, it is... and its mandate is exactly the same as the States' Review Committee proposed; it still is to act as if it were a board of directors on behalf of the States for the benefit of islanders. The ability to engage the assistance of non-States' members, just as departments like T&R do now in their shareholder function, will be equally available to the new boards of the trading committees.

415 Just reflect at present on the oversight of these essential public services: Harbour, Airport, States' Works and Guernsey Water – five political members on PSD; Aurigny, States' Electricity, Guernsey Post, JamesCo – five political members on T&R; Dairy – five political members on C&E. That is a total of 15 States' Members, and yet the proposal we have in front of us is to go down to a minimum of two, with a maximum of three, which in my view is just insufficient for its size and importance. Hence, you need a full board with the ability to have non-States' members, just as a principal committee for the States' trading boards.

425 To overcome the problem of oversight, the easiest way to do it is to move the States' trading boards to a principal committee. The mandate does not change its rôle and its reason for being will be exactly the same. The only added new resource will be up to an extra three States' Members to sit in addition to the two proposed by the Review Committee, which I think is excellent – to have a proper voice in the States.

430 These utilities, mark my words, will be hungry for capital, with some pretty big projects – cable links, etc. – so it is of paramount importance that there is proper reflection and accountability, not only to the public for these utilities but to other States' Members. What do you think the position will be where you have three non-elected by the people of this Island sitting on the trading board, with two States' Members being out-voted every time. It could happen. I know it would probably be very rare, but what an impossible position you would put those two elected States' officials in! That is why this department needs a proper board, just as we do for Education, for Health, for Social, etc.

435 I would urge Members that the lozenge needs to move up the page and join the satellites. The effect on us is an extra two or three States' Members will be required to serve on this committee and I think that is a price well worth paying to have proper oversight of our essential services,

because, mark my words, if those essential services fail they will be knocking on your doors and you need political accountability to answer those questions. I would strongly urge Members to ensure you vote for this amendment.

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Thank you, sir.

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

Deputy Fallaize, do you wish to speak on behalf of the Committee at this point?

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Deputy Fallaize: Soon but perhaps not just quite yet.

The Bailiff: Soon. Deputy Laurie Queripel will speak next then.

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Deputy Laurie Queripel: Thank you, sir.

I think and I hope that Deputy Brouard and Deputy Dave Jones know how keen I am on political oversight and political scrutiny, and I am pretty sure that other Members know it as well. I have probably repeated my views *ad nauseam*. As in regards my views on commercialisation, I think they are well known as well, sir, so I will not go over those.

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I would be very tempted, sir, to vote for this amendment, to support this amendment, if it did not elevate the States' Trading Supervisory Board to the status of a principal committee. But I do not think you can have more than one committee creating or sponsoring policy in the same or a specific area. It will just lead to conflict and duplication and inefficiency, sir, (**Several Members:** Hear, hear.) and I thought the whole idea of this exercise was to create clearer lines of accountability, clearer lines of responsibility and greater efficiency. That is what we are looking for from this exercise, sir – re-organising States' affairs – and the idea of the trading board is to provide oversight and to hold to account the various trading bodies.

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If Deputy Brouard and Deputy Dave Jones had placed, or are still prepared to place an amendment that does not elevate the States' Trading Supervisory Board to the status of a principal committee and stipulates that there should be five members and three of those should be States' Members, I would support it without hesitation, because whatever tag or title we give to these trading bodies, sir – commercialised etc. – they are owned by the public, even though they have been once removed from political control, a board of directors put in place etc. But anyway, they are publicly-owned and should be overseen and be accountable to a supervisory board where States' Members who are in turn accountable to the public are in the majority.

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So I am going to vote against this amendment, sir, for the reasons I have given, but I would urge Deputy Brouard and Deputy Dave Jones, if this amendment does not success, to please consider constructing another one along the lines I have described and I will support it.

Thank you, sir.

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The Bailiff: Deputy Gollop.

Deputy Gollop: Thank you, sir.

I am going to support the amendment. Although I can see clearly the direction of travel of the august work of the States' Review Committee, I do consider that they have, on occasions, followed a philosophical route that I am not entirely in sympathy with.

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One of the planks of our argument is, to a degree, to separate policy from operation, whereas we often find out, in terms of common sense, that there is not actually that much of a difference. You can have the best policy in the world – careful, well-structured, well-written, well-focussed – but if there was an operational failing, that inevitably brings the policy as well as the States' service or sub-contracted service into disrepute; and it is important, I think, that Members manage a balance between policy and operations. Indeed, within some areas, such as Education, it is almost impossible to separate them because, unlike the United Kingdom or a larger national

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490 structure, the Education Department, and no doubt its successor, will continue to both run schools and set education policy.

It seems to me the direction of travel here is to effectively separate political, strategic broad concerns for delivery of the Island's essential infrastructure from the infrastructure themselves and to de-politicise that committee by incorporating on it up to three non-States' members who, by implication, will be professionally qualified individuals, such as senior engineers, accountants, lawyers, whatever.

495 Again, that brings a barrier between the public, the elected representatives and the delivery of the services, and we are certainly in danger of seeing the kind of situation we have witnessed for the past decade with the tit-for-tats we have sometimes seen with the Office of Utility Regulation and both publicly and privately-owned bodies.

500 I therefore urge strong caution to adopting the proposals as they stand and am very sympathetic to the Deputy Brouard/Deputy Jones amendment, because I think we should consider raising the status of these semi-commercial businesses to a proper, full States' Committee, run in the same way as the other States' Committees.

505 The only irony I sense within this is – especially from Deputy Jones' point of view – the recreated entity will be not unlike the old Board of Administration that Deputy Jones put, at times, challenges to and very nearly became president of at one stage. But I think actually that model, to a degree, worked. We saw very successful operation at both staff and political level and for the kind of society and community we are, that was the useful model to follow.

510 There are actually many aspects of this package that I do welcome. I perhaps might not necessarily be in the minority of one here, but I suspect, for example, merging much of Environment Department with Public Services Department is the right way forward, because too often those two departments, as we can see in other areas – maybe Housing and Social Security – do shadow each other, they follow each other. It is like Ant & Dec, Bill & Ben – one does one thing, one does the other and you can always blame the other department when things go wrong. I certainly believe in a hierarchy of leadership whereby, both at a senior executive level and a political level, you can manage it.

515 But, as has already been pointed out, this risks – Deputy Queripel pointed this out in the... and Deputy Brouard – creating a new division between thinkers and doers, and I suspect that is an issue throughout the whole of this review. But what we do not want are thinkers coming up with lots and lots of strategy, ideals, visions, missions and everything else, and the doers, who are actually running the show, have completely different agendas, mind-sets, goals. I mean even the examples given in the Report about parish waste... I think parish waste can be very political and goes well beyond an operational matter.

520 So we have got to be cautious – Deputy Brouard is absolutely right. A really busy summer... overly heavy agendas will stop people dotting every 'i' perhaps today and tomorrow, but I am going to give Deputy Brouard and Deputy Jones – very experienced members of the Public Services Department in the past, and the Board of Administration – the opportunity to get their amendment passed today.

530 **The Bailiff:** Deputy Domaille.

Deputy Domaille: Thank you, sir. I will be brief.

535 In producing these proposals, the Chief Minister made it very clear – and I think it is absolutely right – that this is more of an art than a science. I think that is right and for me, for each of the amendments today, I think I have to look at it and say, 'Does it feel right?' and, for me, I am afraid this amendment *does* feel right.

540 I would merely mention the number of times that previous States' Members in previous States' Assemblies have felt almost emasculated being unable to influence various events. In fact, the Ports Holding Account was a bone of contention and real friction for a number of years and I think that real political involvement in these trading boards is essential.

Thank you, sir.

The Bailiff: Deputy Ogier.

545 **Deputy Ogier:** Thank you, sir.

How to govern Guernsey most effectively is a question that has challenged the States of Guernsey on several occasions in the recent past. Guernsey is a unique Island and it needs a bespoke solution. Each and every Member of the States is both legislator and executive at the same time, and this Report covers many aspects which any one individual is not capable of
550 addressing in one speech and I will focus on the amendment.

Firstly, I would like to say thank you to the SRC for their hard work in trying to develop a solution that delivers an effective government, appropriate governance and allows the States to continue its drive to deliver value for money for islanders.

555 But for a while now I have been thinking that in order to execute the responsibilities we have to the trading entities of the States, a fresh approach is needed. Those entities under the PSD mandate are key assets: the provision of fresh water, a functioning airport, our vital sea links and the fourth, fifth and sixth and other emergency services, in the form of States' Works. These are the entities at the heart of this amendment.

To execute proper governance of these entities as well as providing strategic policy direction,
560 calls for a specific set of skills in scrutiny, analysis, oversight, boardroom behaviour and commercial experience, amongst others. In coming to this review, it made sense for me for these trading entities to be gathered together along with the other trading entities of the States, so that a team of skilled individuals could provide the governance for these entities rather than having them spread out amongst other departments.

565 As the Harwood Report identified in 2000, it would seem logical to assimilate as many of the revenue-gathering activities under common control. The functions inevitably operate in a similar manner, to some greater or lesser extent, and putting those activities under a single dedicated function ought to aid governance, efficiency and accountability, amongst other benefits. So to gather States' trading entities together in the supervisory board makes logical sense to me.

570 There are two main potential models for the governance of that entity, and this is either a fairly simple matter or a fairly complex matter. There are two sorts of entities within the States' Trading Supervisory Board: those incorporated entities, such as Guernsey Electricity, Guernsey Post and Aurigny, who have their own boards to give oversight to their activity and to set policy for them – those are the two main things their boards do, they ensure the company is run properly, through
575 scrutinising their activities, and they set policy for that company; the other sort of entity in the States' Trading Supervisory Board would be the unincorporated entity, such as Guernsey Water, Guernsey Airport, Guernsey Dairy, who do not have their own board, but have a shared political board – currently PSD and Commerce & Employment – who provide operational oversight and who set policy for those entities.

580 Currently, the Public Services Department acts in a similar fashion to the boards of Guernsey Electricity and Guernsey Post. We ensure the trading entities are properly run through appropriate scrutiny and we provide policy direction. Policy direction could be such as we want 90% of homes connected to the main drains or we may want to cultivate a super-yacht business for the additional commercial and financial benefits it brings to the Island; we want to maintain and grow
585 the cruise industry or we want to maintain a cadre of experienced, professional tradespeople to provide services to the States of Guernsey and the Island.

We set those overarching policies. We then set the detailed policies needed to deliver those policies, and the trading entities carry them out and we scrutinise them while they do that. Under the States' Trading Supervisory Board, however, it is proposed that policy setting for the
590 unincorporated trading entities would not take place on that supervisory board, but would continue to take place at the principal political level and would take place in the Committee for Environment & Infrastructure. The States' Trading Supervisory Board would have few, if any, policy

making powers. It is a board tasked with oversight. So at the States' Trading Supervisory Board level the board would ensure the trading entities are properly run, but would not set policy for them, other than maybe certain minor operational policies.

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At this stage, where the line will be drawn between operational policy and overarching political policy is not exactly clear and would need to be properly delineated, something the States' Review Committee envisages would take place in their next report. But the direction is clear – the politician's will set overarching policy in the principal committee only while the trading entities will carry out the implementation of the policy supervised by the States' Trading Supervisory Board.

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This model does raise some interesting ramifications for members of the STSB. They would carry out the shareholder responsibilities in regard to the incorporated trading entities such as Aurigny and Guernsey Post and thereby they would be operating at the very highest levels of scrutiny – no operational matters – all high level stuff, for overseeing the activities of the entities which have their own boards. Then for the entities without their own boards, on perhaps the very next board paper, they would be plunged into the operational oversight of pontoons, waste water pipes, pumping station maintenance, sewer pipe maintenance and the provision of aviation fuel at Alderney Airport for a few examples. With little access to policy development whatsoever, so it would be an unusual mix of boardroom activities operating at the very highest level for some and almost at the very lowest level for others.

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I do wonder what sort of individuals would be content or available to wrestle with such a differing remit, to have the responsibility for overarching policy for one set of incorporated entities and only the most rudimentary operation policy setting for the other trading entities.

At present having the policy makers, operational management of contracts and trading entities within a single department has great advantages. Working as a team means that policies are built up and developed out of practical experience and understanding the activities. In future, under the States' Review Committee proposals, there will need to be a clear split of responsibilities but with an understanding of how the two blend together and a situation should not be created where a committee and the Supervisory Trading Board are at loggerheads. Deputy Gollop outlined some of his concerns in this area.

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So we do need to ensure that we are making policies that work and we can deliver. And this relies on involving those who are busy delivering the services and so maybe in order for the successful integration of policy and operations there may need to be something akin to a working party or a meeting between the STSB and the Committee for Environment & Infrastructure on a regular basis. If one is divorced from the other the production of policy will become slurred as it could become idealistic and not realistic.

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However, what the States does not want to do is create additional layers of bureaucracy for the trading entities and without careful consideration this is a very real possibility when you separate the operational activity of the trading unit from the policy formulation. Such careful consideration will be given and we will see the results of this careful consideration in the next report from the States' Review Committee.

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I said earlier that there were two potential models for the governance of the States' Trading Supervisory Board. We have explored one and highlighted some concerns. The other model would be where the policy making responsibility was not taken away from the States' Trading Supervisory Board and placed with a principal committee, and this is the amendment here before us.

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The make-up of the States' Trading Supervisory Board would therefore be one where the members act as the shareholder for the incorporated entities and continue to act in the way the board of Public Services currently do and both scrutinise the operational activities of the unincorporated trading entities as well as setting overarching policy. This duplicates the current arrangements and merely joins the activities of two bodies together – the T&R supervisory subgroup and the Public Services Department board. Members with appropriate skills would be chosen to populate this board and give policy guidance as well as operational oversight as we currently do. This is what Deputy Brouard is suggesting.

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645 So why should we choose one governance model over another? Why should we go with the States' Review Committee instead of with Deputy Brouard's model? I think there are additional advantages to having trading entity activities not so closely linked to political terms and political interferences. These businesses, in the execution of their operational duties, should have some distance from political consideration at operational level. They should be more responsible to commercial opportunities, able to react quicker, able to make operational decisions in the best interests of islanders without necessarily having to weight how those decisions will play out at the ballot box or measure the gain and loss of public popularity.

650 As the States of Guernsey we should be reorienting public sector service provision in the trading areas *away* from a traditional administrative approach to an approach which departments such as Housing are now using by delivering services in a semi-commercial way. I thank Deputy Jones and the Housing Department for acting as such a good rôle model for the States' Review Committee (*Laughter*) in the way they deliver the operational side of Housing's mandate.

655 Deputy Jones's department gives us an excellent example of how to harness the benefits of a more commercial approach, deliver operational benefits whilst keeping control of the overarching policy. In order to deliver services differently, other departments now need to harness a more flexible approach and to do this we will need both political and non-political membership of the board, as proposed by the States' Review Committee model. But having the States' Trading Supervisory Board populated mainly by politicians responsible for all levels of policy development as well as operational oversight, merely duplicates what we currently have. And in the opinion of those currently executing this rôle, this would fail to achieve additional realisable benefits.

660 Deputy Brehaut talks about hefty infrastructure requirements for these boards – and there will be. (*Interjection and Laughter*) He talks about non-States' members –
What did I say?

670 **Deputy Brehaut:** I think we have lapsed into the perpetual Brouard/Brehaut confusion. (*Laughter*) I am almost tempted to grow a '*tache* after today!

Deputy Ogier: I am terribly sorry. It says Brouard down here; I do not know why I said 'Brehaut'.

675 Deputy Brouard (*Laughter*) talks about hefty infrastructure requirements for these boards, and there will be. He talks about non-States' members outvoting political members on the development of this kind of infrastructure. But this kind of policy development will occur at principal committee level, at the Committee for Environment & Infrastructure. *That* is where the policy development will take place. (**A Member:** Hear, hear.) At a political board consisting of five political members. So any fears about non-States' members setting policy requiring massive investment, fundamentally fails to grasp the relationship between the STB and the principal committee.

680 The aim of the first amendment, laid by the Chief Minister, was to inform the Assembly on this very point. The States' Trading Supervisory Board will have operational oversight of the trading entities; Environment & Infrastructure will be responsible for policy development. So for me, introducing an element of distance between the operational trading entities and the policy making, if it can be done correctly, is a move which has the potential to reap greater rewards than continuing on with the current model of governance.

685 I think the States' Review Committee proposals for the States' trading board should be allowed to continue unamended at this stage, and that, on balance, the Brouard amendment should not be supported.

The Bailiff: Deputy Luxon.

695 **Deputy Luxon:** Thank you, Mr Bailiff.

I will not read my speech out, as Deputy Ogier has just, I think, covered all the ground. I think he may have hacked the e-mail system. But it is interesting that the last two PSD Ministers have almost complete agreement about the unnecessary need of this amendment.

700 Sir, there are two reasons why I will not support it. First of all, I would just like to challenge Deputy Brouard because reading the States' Report, I can only see that the proposals actually say a minimum of two States' Members and a minimum of two non-States' members, but I do not see anywhere that it says a maximum of five members. So Deputy Brouard's concerns about a 2:3 situation of non-elected members always being able to overrule, if you like, elected members – I just do not see that.

705 The other thing, sir, is *Jenga* is a wonderful family game for rainy Sunday afternoons, and Deputy Fallaize did remind us of that when the previous review of Machinery of Government proposals came forward an amendment took away the Chief Minister's Office proposals. In fact, I think it might have been Deputy Trott that reminded us of this last meeting. Of course, that led to the Policy Council and to many of the frustrations that result in some of the proposals today. I just worry that this amendment, of all of the 14 or so amendments we are looking at today, is the only one that concerns me – that it could have a dislodging impact on the balance.

710 I think I speak for most Members... through the consultation submission process and discussions that we have all had, I think we all feel a genuine involvement in these proposals before us, and indeed we approved the direction of travel pretty unanimously at the last sitting. So for me, sir, the risk of dislodging, putting some imbalance into these new proposals, risking perhaps some of the unintended consequences that happened for this Assembly and the previous one with that amendment that took away the Chief Minister's Office and created the Policy Council that Deputy Fallaize is so incredibly fond of in terms of how it functions, I think it would just be too much of a risk.

720 Just a couple of other points – and I would just simply ditto everything that Deputy Ogier said, so I do not want to bore Members by simply repeating – but currently the Treasury & Resources supervisory board works well in terms of what it does as shareholder oversight, in terms of Guernsey Post, Guernsey Electricity, Aurigny and JamesCo.

725 Sir, the proposals in the Report we have before us... the new States' Trading Supervisory Board for me will work equally well too and the policy formation through the Environment & Infrastructure Principal Committee, if approved, absolutely will give that continuing political oversight and policy development and allow the States' Trading Supervisory Board to get on with dealing with the oversight of Guernsey Post, Guernsey Electricity, Aurigny and JamesCo, but also the operational oversight and board responsibilities for the trading entities of the Ports, Guernsey Water and States' Works.

730 For me, I think it is a logical compromise. I can understand why some Members would be concerned about almost handing over the political responsibility of oversight but I think we absolutely enhance it. The Environment & Infrastructure board will have five elected members; we will have that political scrutiny. There will be at least two, if not more, members on the new States' Trading Supervisory Board and of course we have to recognise, sir, that each political term 85-90 people stand for election for 45 places; if the new proposals are approved, down to 38. Rather like the tide coming in and out, we do not quite know what we are going to get.

740 We may have – within our political membership of each term – people that have the skill set and expertise to absolutely deliver all of the functions that we want, but, sir, we may not. And if we do not then having consistency and continuity of people who really do have expertise and experience, that can support the political oversight in terms of what we want from these entities, for me is a real, happy and logical Guernsey compromise.

745 So, sir – nothing wrong with the intent of the amendment, I just do not think we need it. And the risk of dislodging the balance of a carefully crafted set of proposals, for me, simply is not worth taking a risk... unintended consequences, no Chief Minister's Office, the Policy Council – and we all know what we think about the Policy Council.

I will not be supporting the amendment but I understand the merits behind the proposals.

Thank you, sir.

750 **The Bailiff:** Deputy David Jones, and then Deputy Fallaize.

Deputy David Jones: Thank you, sir.

755 I was listening to Deputy Luxon's speech and thinking, 'Does he live on a different island to me?' The oversight that is currently given by T&R, who act on behalf of the shareholders, has not worked well in the past. It is certainly not working well for the residents down at the power station at the moment. It did not work well when the Post Office spent – what was it? – a million quid trying to form a bank and it has not worked well in some other areas. It has not worked well for Aurigny, for instance.

760 **Deputy Kuttelwascher:** Sir, point of correction, please.

The Bailiff: Deputy Kuttelwascher.

765 **Deputy Kuttelwascher:** The Treasury's supervisory committee was not there at the time Guernsey Post spent whatever they spent on trying to start a bank.

The Bailiff: Deputy David Jones.

770 **Deputy David Jones:** Thank you for that useless interruption, but I was talking about what Deputy Luxon said – that it is working well at the moment, and it is not working well at the moment. It has not made air travel for some of the people on our Island more affordable, and that is political shareholder oversight by T&R.

775 The other thing is the idea that we are running our boards now is a nonsense. Education is not running its own board at the moment; it is being run by Treasury. Housing is not running its own board at the moment; it is being run by Treasury. *(Interjections)*

A Member: Absolutely ridiculous.

780 **Deputy David Jones:** Oh really? It is ridiculous. Well, I am there; I am the Minister of that board and Deputy Sillars is the Minister of Education and we discussed things and that is how it seems to us at the moment. So the idea that this is all working well – it is not.

785 I was asked to second this amendment and I jumped at the chance because I think that political accountability should always be more important than efficiency in many ways because it is the public that suffer when we do not get that oversight right. And the public have suffered in the past because we have not had the power as politicians to intervene at times when things have gone badly wrong that we should have done.

790 I believe that when you look at the figures – half a billion pounds in assets, 1,245 staff, an income in excess of £200 million plus... as Deputy Brouard has said, some of these entities are going to be cash hungry; they are going to be looking for huge investment from T&R for their projects and we will have very little political oversight as far as that goes and control over what happens.

795 I read these reports... 16 years I have been in here, nearly, and I have read lots of things in reports that tell you how things are going to be, and yet the reality often is nothing like what was presented to the States at the time. All the long-serving Members know that. Those who have come in on this last term will not have had the experience of the old days of A&F and the Board of Administration some of us have. And I have real fears about this whole issue of changing our Machinery of Government because I think, sadly, we are going to go back to the old A&F days. Yes, Deputy Scott Ogier talked about autonomy of departments. You will have that all right until it gets up to T&R, and if they do not want it to happen it will not happen, you can trust me on that.

800 **The Bailiff:** Deputy Fallaize.

Deputy Fallaize: Thank you, sir.

That was a rant, (*Laughter*) which did not in any way justify the amendment which Deputy Jones is seconding.

805 There are 14 amendments, I think, of which we have had notice. I have to say to the States this is the only amendment which, if it is approved, would materially undermine the Committee's proposals. There are several other amendments which the Committee will not oppose and is ambivalent about. There are three or four other amendments which the Committee will oppose, but certainly not as strongly as this one. This is the only one which materially undermines the
810 main objectives, or some of the main objectives, of the Committee's proposals.

Deputy Brouard has identified two separate issues here. The first is whether the oversight of the States' trading concerns should sit with a States' Trading Supervisory Board or with a principal committee. The second issue is what should be the membership of either the States' Trading Supervisory Board or the principal committee.

815 In this amendment he is trying to bring together those two separate issues and he has completely confused them. Deputy Laurie Queripel, quite correctly, decoupled them. And I do not understand why Deputy Brouard has laid an amendment which seeks to confuse two separate issues. I want to speak about both of these issues in turn.

Section 5 of the policy letter explains the Review Committee's thinking behind the six principal
820 committees and I will quote extracts from two paragraphs. It says:

'Restructuring Principal Committees' mandates would not only provide greater clarity but also emphasise the broad purpose and policy responsibilities which should be the main focus of attention for Principal Committees. The Committee proposes that the mandate of every Principal Committee should follow a consistent format...'

And it goes through the sections and then says, section 4:

'The policy, advisory and general responsibilities of the Principal Committee.'

And this concept is reflected in the Propositions at the end of the policy letter. If Members go through Propositions 2(b), 3(b), 4(b), 5(b), 6(b) and 7(b), they set out the policy responsibilities of
825 each of the principal committees. Now, compare that to part (b) of Deputy Brouard's amendment which simply says 'responsibilities'; he has had to leave out the word 'policy' because he is not proposing a principal committee with a focus on broad policy responsibilities like all of the other six; he is proposing a principal committee with no policy responsibilities. And this is more than just semantics.

830 A major element of this policy letter is about grouping together common policy responsibilities more coherently and creating a smaller number of principal committees with broader policy responsibilities. Yes, they would have operational responsibilities as well, but all the other six have significant and wide-ranging policy responsibilities and here is an amendment to create a seventh principal committee, with no policy responsibilities at all. The whole purpose of
835 principal committees is that they will have wide-ranging policy responsibilities.

Deputy Brouard said that it would be okay to have a slight re-design of the building which the States' Review Committee has put together. This is tantamount to taking a giant steel and glass construction and sticking it on the front of Castle Cornet. It is not a minor tinkering or a minor amendment; it fundamentally drives a coach and horses through the concept of principal
840 committees as set out in the Review Committee's Report.

Section 6 of the policy letter, which is related to how the principal committees will operate says... actually Deputy Brouard read this when he spoke; he read a section of the policy letter which explained what each level of Government should do and he appeared to be speaking in support of that section of the policy letter, which I now cannot find. (*Interjection*) Thank you –
845 6.2.1. It says that:

'The States should concern themselves with debating legislation, broad policies and priorities,'

– etc. –

'Principal Committees should develop policy, advise the States on policy',

– and then it does go on to say –

'...review performance and budgets and hold to account the delivery of services.'

850 Well, the principal committee which Deputy Brouard is proposing will not develop any policy and it will not advise the States on any policy. So he is trying to rip out of a principal committee the whole purpose of a principal committee. It does not say a principal committee should develop policy or do operational oversight it says they should do both – well, his is proposing a principal committee with no policy responsibilities.

Section 6 also sets out the expectations of how principal committees would be served by the Civil Service. It says the Civil Service would be expected to serve committees in respect of:

'...the development of legislation and policy, the production of policy letters to the States... implementing new or replacement policies',

855 – etc.

Needless to say that what is envisaged in this amendment does not fit at all with what is proposed for other principal committees. If Deputy Brouard and Deputy Jones had wanted to create a seventh principal committee they could have referred to annex 2 in this policy letter which sets out different ways of allocating functions in a different number of principal committees than that proposed by the States' Review Committee but ensuring that principal committees retain a strong policy focus.

860 If Deputy Brouard and Deputy Jones wanted the operational oversight of States' trading concerns to sit in a principal committee, all they needed to do was lay an amendment to include those responsibilities in the Committee for Environment & Infrastructure. That would have achieved what they wanted to achieve.

865 Now, the Review Committee clearly would not have supported that, otherwise it would have put it forward, but that kind of amendment would at least have been logical and coherent and fitted with the other proposals the Review Committee is putting forward. Instead, they are proposing a seventh principal committee which completely flies in the face of the whole purpose of the concept of principal committees which the Review Committee is proposing. So that is the structural problem with what is proposed in this amendment.

870 Turning to the issue of membership, I do not know what policy letter Deputy Brouard and Deputy Jones have been reading, but it is not the one produced by the States' Review Committee. As Deputy Luxon said, Deputy Brouard started referring to having three non-States' members and States' Members on the Trading Supervisory Board. Where does it say that in the policy letter? What the policy letter says is:

'It is proposed that the constitution of the Board should allow for the recruitment of appropriate skills and experience and proper democratic oversight of publicly-owned companies and trading bodies. That balance can be achieved best by requiring the President to be a member of the States and then opening up the remaining seats to States' members and persons who are not States' members, but with the qualification that the Board should always include at least two States' members and at least two persons who are not members of the States.'

It is emphasised that these would be minimum requirements:

' - for example, the States would prescribe no maximum on the number of States' members on the Board.'

880 So it is entirely a matter for the States to determine what the precise constitution is of the States' Trading Supervisory Board. All of the numbers which Deputy Brouard referred to about

two plus three and States' Members being in a minority – this is all scaremongering. It is not set out in the proposals of the Review Committee.

885 The effect of the amendment, if it is approved, is that there will be 10 States' Members elected to oversee the trading concerns: five of them who will do policy and five of them who will do operational oversight. Why does Deputy Brouard want to include a quarter of the States in the work of trading concerns? And this is why the amendment has confused two separate issues. If it is about getting the trading concerns into a principal committee, lock stock and barrel, then Deputy Brouard could have done that in an amendment. If it is about ensuring that the trading concerns are overseen by States' Members and States' Members alone, he could have done that.
890 But he has not. He has chosen to confuse these two separate issues in one amendment and it is a dog's breakfast.

I also think – and I am in the same camp as Deputy Laurie Queripel and Deputy Jones on the issue of commercialisation... in fact, I remember drafting a Requête with Deputy Jones during the last States which provoked a review of commercialisation. And I am staggered that a Member of
895 the States who is sceptical of commercialisation is seconding this amendment, (**A Member:** Hear, hear.) because this proposal of the States' Review Committee, in my view, is a way of neutralising the debate about commercialisation or non-commercialisation – it keeps the entities wholly owned by the States, it ensures they are in a States' Committee; it creates a direct reporting line between the trading concerns and the States but provides a greater commercial focus.

900 If this amendment is successful I guarantee the States that, within two years of the next States, there will be proposals before the States to commercialise the trading concerns because we will have five politicians sitting there with nothing else to do other than what is referred to as 'operational oversight' of Harbours, Airport... They will not be doing any policy; that will be done in the Committee for Environment & Infrastructure and other principal committees.

905 All they will do is operational stuff. Well, that clearly will not work. Deputy Gollop says that is what some States' Members want. I very much hope that it is only what a small minority of States' Members want. (**Two Members:** Hear, hear.) It may be what Deputy Gollop wants, it may be what Deputy Brouard wants, it may be what Deputy Jones wants but if it is voted for by the States it is the surest way of ending up with commercialisation because it will not work.

910 Deputy Brouard went through the list of assets and the staff of the trading concerns and he claimed that the Review Committee had them done in some minor committee. This is a fundamental misunderstanding. The authorities and the boards and the commissions which are proposed in the... I cannot remember the description Deputy Brouard gave them, the badly drawn hexagons or something like that. But that is not because they are inferior to the principal
915 committees, it is because they are of a fundamentally different character to the principal committees and the policy of the trading concerns will still be done at the level of principal committees.

He also said if the lights went out there would need to be a response. Well, quite how he thinks that a politician is going to help if the lights go out, I do not know. I do not know if Deputy
920 Brouard is going to go around with a torch and try and light the whole Island if this committee is filled with politicians. But I do not think that the fact that it would be important if the lights went out means that we have to logically adopt Deputy Brouard's amendment.

A good proportion of the entities which the Review Committee is proposing to allocate to the Trading Supervisory Board are currently under the auspices of T&R. Aurigny: JamesCo, Guernsey
925 Electricity, etc. When that was being carried out by the five political members of T&R there was a review – in fact, it is referred to in this policy letter – which demonstrated that it was failing.

T&R has created the supervisory sub-committee in response to the previous flaws of having a five-member political committee, stuffed with States' Members only overseeing those concerns. Why do we want to reverse that? Why do we want to take the oversight of Aurigny and the
930 oversight of JamesCo, for example, out of T&R supervisory sub-committee and give it to a conventional States' Committee? That model has been tried and it did not work.

935 Deputy Gollop referred to schools and said, 'Well, Education look after the policy and the operation of schools' – and that is true, but there is a fundamental difference between schools and hospitals and harbours and airports. We already run the ports – or we try to – with a commercial focus. Schools do not exist to generate revenue to plough back into their capital infrastructure – well, they shouldn't! – so one cannot draw an analogy between the responsibilities of Education or health care or home affairs in respect of policing and Deputy Brouard's amendment.

940 Deputy Gollop said he felt the Board of Administration worked and that the Deputy Brouard amendment was going back towards the Board of Administration model. It is not. The Board of Administration had policy responsibilities as well as the oversight of operational trading concerns. Deputy Brouard's amendment seeks to distinguish between them.

945 Deputy Ogier said there are currently two types of trading concern: there are the incorporated trading concerns which are currently overseen by T&R and there are the unincorporated concerns which are currently overseen by the Public Services Department. I think it is very telling, as I understand it, that the members of those two Committees unanimously support the Review Committee's proposals and unanimously oppose Deputy Brouard's amendment. They are the two Members who we have elected to oversee those concerns at the present time and they unanimously support the Review Committee in this matter.

950 Deputy Ogier is quite right when he challenges the fears which were expressed by Deputy Brouard of non-States' members setting policy in respect of trading concerns or having too much of an influence over the large-scale capital investments that may be required. Policy will be done inside principal committees and capital investment decisions, clearly, will be made by the States.

955 I do not think, sir, that there is anything else to say in respect of this amendment. I think Members can tell that the Review Committee is not too keen on it. I would say to Members that if you want to vote for amendments, if you want to tinker with the Review Committee's proposals well, fine, you can – there are plenty of other amendments on offer. There are 13 other amendments. Who knows how many amendments there will be before the end of the debate. There are plenty of other amendments to tinker with what the Review Committee is proposing but
960 this is the only amendment which fundamentally undermines main objectives of this exercise and the Review Committee's proposals and I urge Members, in the strongest possible terms, to reject the amendment.

965 **The Bailiff:** I call next Deputy Perrot, and then Deputy Kuttelwascher, Deputy Conder and Deputy Duquemin.

Deputy Perrot: Thank you, sir.

970 I am grateful to Deputy Brouard and to Deputy Jones for bringing this amendment. I think it is fair enough that these points are raised. But it does then give other Members the opportunity to respond to them and that has been done very well indeed by Deputy Fallaize and I do not really need to say anything at all. I do have some sympathy with the approach of Deputy Brouard but certainly I will not be supporting his amendment.

975 The real reason why I rise to my feet – it is very much more in sorrow than anger – is that we did hear that rant from the Housing Minister and it was not terribly edifying. Everybody knows – it is legendary – my love and devotion to Deputy Jones. I normally follow him around politically like a puppy! (*Laughter*) But on this occasion I really do not think that he can be allowed to get away with it, certainly not to dismiss in that imperious way of his the interjection by Deputy Kuttelwascher.

980 The reason why I am standing is that what Deputy Jones is doing is again to try to demonise T&R. He is trying to say that we are the evil body, the dark force controlling Housing and Education and pretty well anything else that you can think of. Well, in a way 'would that were true,' (*Laughter*) but it isn't and that is why I am standing.

I do not wish to speak more than a few words about what is happening at the power station. The problem there is incredibly complex. There are a number of nuances involving potential civil litigation, insurance – things which have been debated in confidence about what Guernsey Electricity Ltd might do, and it would be quite wrong for me to speak about that; and I think it is not exactly right for the Minister to put that one up as an example of T&R's involvement in everything and it is the supervisory board's involvement in things as somehow being wrong. We have been involved, but there are things which have to be done in consultation with other bodies, such as environmental health and much of this has to be done by Guernsey Electricity Ltd itself.

The point which Deputy Kuttelwascher was making was that the supervisory board was not around when the Post Office was perhaps not performing as well as it might be, so Treasury had absolutely no involvement at all in what happened at that time. So it is quite wrong for that to be put up as an example.

He also accuses T&R of somehow running Education. That it is not doing. What it is doing is trying to carry out its mandate to exercise financial probity over States of Guernsey money. And, if you think about it, the most recent decisions which have been made about the Education Department have not been decisions actually foisted on anybody by Treasury & Resources, they have been decisions of *this* Assembly. (**Two Members:** Hear, hear.) The decision last November was not a Treasury decision; it was actually a States of Guernsey decision.

If we go back a few months and look at the debates about La Mare, what was the outcome of that? Actually the outcome was a States' decision on an amendment brokered very well by Deputy Fallaize, but actually put before the States, as I recollect it, by the Education Minister himself. Therefore, that was a States' decision, not a Treasury decision.

He also says that we are somehow controlling the Housing Department. Well, I know what his bleat is about that. What he wants, rightly, is for land to be freed up so that houses can be built – that is what he wants. Dead right, (**A Member:** Hear, hear.) that he should wish for that to be done. But, rather like a child after a lollipop, he wants it *now*. It cannot actually, necessarily be done here now – no, I will not give way – at this moment. It does actually take time to work through the system, unfortunately for Deputy Jones. For example, I think that if other things happened it might be rather a good thing for a lot of land to be made available where the Ozouets Campus is. I know you are all going to say, 'Shock, horror!' but that is a possibility. But in order for that to happen there would have to be quite a degree of consultation, I suspect, with the Education Department. And that is just one site; there are a number of other sites where it seems to me that land could be made available for social housing. But, again, one has to go through the proper process.

I am sorry to be at loggerheads again... it has happened a little bit too often in recent months, to be at loggerheads with Deputy Jones, but occasionally I do wish that he would put his brain in gear before he comes up with some of his utterances.

Deputy Sillars: Sir, could I just make a correction? (*Interjections*)

I think Deputy Perrot probably meant to say the Coutanchez site, not Les Ozouets site.

Deputy Perrot: Sorry, I meant Les Coutanchez. I beg your pardon.

Deputy Sillars: Thank you.

The Bailiff: Deputy Kuttelwascher.

Deputy Kuttelwascher: Thank you, sir.

Deputy Domaille said that this amendment feels right. To me it feels wrong – very wrong! I am disappointed at the response from Deputy Jones to my remark. I just interrupted with a fact and to consider that facts are useless just goes to confirm, I think, Deputy Fallaize's assertion that it was a 'rant'.

1035 Sir, at the end of the day whatever we end up... and I would be quite happy if all the
amendments failed, except of course the first one, it will all depend – and how it will function will
depend – on the capacity and capability of the Members sitting here. But it will not be us, it will be
the next lot, and we have no idea who is going to be here, what capacity and capability may be
1040 of expertise and areas and all sorts of enthusiasm. But I do not know what is going to happen at
the next election and we have to have a system which, one way or another, copes with that. The
way to cope with it is to have a fair old input from people from outside who know what they are
doing in relation, particularly, to the trading entities.

1045 I think it is kind of obvious that I am not going to support this amendment and I would hope
that Members also reject this amendment.

Thank you, sir.

The Bailiff: Deputy Conder.

1050 **Deputy Conder:** Thank you, sir.

I would start by taking my friend, Deputy David Jones, to task. He does occasionally give the
sense that new Members are a bit of an irritation to him, coming as they do without the length of
experience that he has as a States' Member. And I have to say, just occasionally, it feels a little
patronising. I readily recognise that I am a new Member and still have a lot to learn, but I think, in
1055 terms of having to cope with us new States' Members, he had better get used to it because I
suspect there are going to be a fair number next time! (**Several Members:** Oh!)

New States' Members do bring a new set of eyes and a new set of ears to an organisation; do
bring new experience, so I would urge him perhaps to desist, if not in this Assembly, next time.
There is a possibility that those who have been here a long time perhaps have got a bit
1060 comfortable with what exists. I would not use the word 'ossify' (*Laughter*) but perhaps there are
occasions when comfort with what exists prevents change.

Sir, one of the things I learnt as a new Member, and which through my... and I will use the
word 'privileged' member of the States' Review Committee – and, my word, it has been a privilege
working with such distinguished and such knowledgeable colleagues. One of the things I have
1065 learnt is the importance of this Assembly, the sovereign nature of this Assembly.

What we decided last year in phase 1 was that this Assembly, this Government would keep its
committee system and keep this Assembly as its Government. This Assembly, this Government has
the ultimate responsibility for scrutinising policy of its committees. They are not departments; they
are committees of this Government. This Government has the ultimate responsibility for
1070 approving and overseeing policy. That is the rôle of this Assembly. That is what we chose last year
to keep and what we endeavour to keep this year.

One of the things that I have experienced, particularly in the Education Department, is it is the
only committee that I sit on that has an operating mandate and, I hope my colleagues will forgive
me, is some frustration at the level of operational responsibility and operational engagement we
1075 have. My very dear friend, Deputy Fallaize, has used that term the 'sclerotic pace of change' in
policy making.

It is true and one of the reasons this Government struggles, and any government struggles, is
because we focus we focus too much on operation; we are forced to on many occasions. It is the
mandate, the nature of our law, that governs us to the detriment of developing policy and
1080 overseeing policy and making it happen; and if there is a criticism of this Government that I would
share responsibility for, it is an inability to create policy and sustain it.

So when Deputy Gollop, amongst others, seems to seek more operational control through the
changing of the Trading Supervisory body to a committee, I would absolutely oppose it. We have
to take responsibility for policy; we have to let operational responsibility lie where it is most
1085 appropriate, and in this case that is with the States' Trading Supervisory body.

Deputy Brouard called such authorities, boards and commissions, 'minor committees' and they are not; they are different parts of that proposal for the future States. He quoted in a – to use Deputy Fallaize's term; it is a good term... the diagram which is on the back of the short report as well as within the main body of the Report.

1090 There is no sense in which these commissions, boards and authorities are minor. Simply look at the areas of responsibility. They report directly to this States' Assembly, directly to this Government. This Government will have the responsibility for overseeing them in every way.

1095 So, colleagues, if you were to approve this amendment you would create a hybrid department or committee with a mandate utterly different from all of those other committees, with almost certain conflict and placing in loggerheads with the Department of Environment & Infrastructure, which clearly, manifestly, has responsibility for developing policy in this area.

1100 Sir, I hope Deputy Fallaize will forgive me for repeating something he said today – and I am going to be brief today because I am occasionally criticised for the length of my speeches. In 8.9.26 – and Deputy Fallaize has already quoted 8.9.27 – it quite clearly shows that the States' Trading Supervisory body would be determined by the States – its constitutional responsibilities:

'All of the members of the Board would be elected by the States. The Board would report directly to the States.'

1105 As Deputy Fallaize has said, it is quite inaccurate to suggest that there will only be two members – two political members on that States' Supervisory body. This Assembly, this Government, can determine how many politicians it wants on that body. It will determine the constitution. It says so – and I will not read it out again because Deputy Fallaize did it perfectly well and much better than I can – in 8.9.27.

1110 So it is quite wrong to say there will be lack of political oversight. It will be for this Government or the next Government to determine how many politicians it wants on there and how many non-States' members. But the key for me is that this is not a minor committee; it is a different body which has the same reporting lines to this Government as one of the principal committees would retain.

I will now, in finishing, just quote Deputy Fallaize's words: this is the only amendment that fundamentally undermines the objectives, intention and integrity of the States' Review Committee's proposal.

1115 Colleagues, you, with us, have laboured long and hard to create a system of committee government focussed upon this Assembly which will be better than we have now, which will address some of the inadequacies that we have inherited in 2004. Do not allow this amendment to fundamentally undermine the objectives and intentions and integrity of the States' Review Committee's proposals which you endorsed last year.

Thank you, sir.

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The Bailiff: Deputy Duquemin, then Deputy Bebb and Deputy St Pier.

Deputy Duquemin: Thank you, Mr Bailiff.

1125 This book here is part two of SRC's bestselling trilogy – all available in all good bookshops for £5! I say that because it is part two of three and I think it is very important that we remember that we are not finalising everything today; this is an interim policy letter and there will still be work to decide in the third policy letter.

1130 Sir, I am sure Deputy Le Tocq and Deputy Fallaize will confirm that the chapter that concerned me the most in this bestselling book was chapter 8.9 on the States' Commercial and Trading Activities.

1135 Sir, I do have some sympathy with Deputy Brouard's comments and concerns, but what I would say is that whilst he has raised questions, the amendment is not the answer and I think it is very clear to me that whilst hopefully, by me bending the ear of Deputies Fallaize and Le Tocq... will hopefully shape what comes forward, I am sure this amendment, by being laid, will shape what has come forward. I cannot vote for the amendment because, as I say, it is not the answer.

I will be very brief but I will just read the last paragraph in section 8.9.23, because in a sense this for me has certainly allayed my concerns that existed, and it reads:

'It is recognised that the full mandate of the States' Trading Supervisory Board, to be presented in the third policy letter, will need very clearly to set out its duties, powers and confines, and also encapsulate its relationship with the States, the Policy & Resources Committee and the Principal Committees.'

1140 Sir, I look forward to the third policy letter because I am certain that this debate and the discussions that have happened around it will help shape a workable solution which will mean that we can have an infrastructure or system of government that includes the supervisory board in its most effective format.

Thank you, sir.

The Bailiff: Deputy Bebb.

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Deputy Bebb: Thank you, Monsieur le Bailli.

I am pleased that I am talking before Deputy St Pier because I do have some questions for the States' Review Committee and as a member I hope that a member who has not spoken would be able to answer some of it.

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I have to say that some of the most persuasive arguments that I have heard in favour of this amendment are, first of all, by Deputy Brouard who presented an exceptionally strong argument in favour of this amendment, and the second most persuasive argument I have heard in favour of it is some of what I have heard Deputy Fallaize say in his speech.

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There is this general sense, as Deputy Domaille said, that it feels right. I am undecided on this amendment because, as Deputy Duquemin just said, this amendment is not the answer, which in itself presents the question as to there is generally something that does not feel right with the proposals as laid out.

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It really goes back to the point of a conversation which I had with Deputy Fallaize at some point. We were discussing this difference between policy and operational matters, and I believe Deputy Fallaize said something along the lines of, 'It is nice for us to always think that as States' Members we should always be concerning ourselves with policy, but the truth is people phone me repeatedly about operational matters and not policy. They do not ask me in relation to the environmental policy but they do ask me specifically about The Front.'

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There is a great preponderance for asking Deputies about operational matters and that really goes to the heart of why what is presented does not feel right. I am persuaded fully at the moment that what is presented in the amendment is also right, but there is something not right in separating the operational matters from the policy because, by the admission of those members of the States' Review Committee, it would set two opposing parts of the States at loggerheads.

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Well, are we saying that the committees which are supposedly also important and therefore we should not dismiss them as minor... well, if we are not to dismiss them as minor and they are going to be in disagreement with the Department for the Environment, I question whether that is acceptable, because that is not sounding right either.

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The question as to how we deal with these commercial entities... and Deputy Brouard's argument in relation to the size of these entities – the numbers that are employed, the sheer volume of money that is involved puts a number of States' departments today in the shade – is not to be dismissed.

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I think we really need to return to this question: the proposals as laid out do not feel right; if we are to have a committee, which is supposedly an important committee responsible for such large parts of Government expenditure, with problems – as presented by Deputy Perrot in his speech – some very real problems that will require very real political oversight... that is happening now. The proposals as laid out do not give me that feel of comfort that it would in future. I am unsure... I strongly agree with what Deputy Queripel said in his speech, that there is a general feel

that the constitution of this committee, were it to remain a committee, really does not feel right to have only two members. That is too loose, too vague. I do not like that.

1185 Members know that I am not in favour of non-States' members' participation within committees. I never have been. There are the cases where there are exceptions where it is acceptable, but on the whole I do not agree with it. And to see such a large committee with such broad responsibilities not having defined as a minimum five members feels very uncomfortable.

1190 Overall, I have to say I am unpersuaded but I do not think that this drives the coach and horses, because if it drives the coach and horses then by measure of what the other members of the States' Review have said of this committee being just a very important committee then that also drives a coach and horses through it. As Deputy Gollop once said, you cannot have your penny and your bun, and it does feel a little bit like that in the arguments that have been presented so far.

1195 It does not feel right, as presented. This feels a little better but it also does not feel right and I would welcome some description from another member of the States' Review Committee as to why we feel such enormous part of expenditure, such a large portion of the States, does not qualify as a full principal committee and yet one of the... what is proposed as a board, as it were, is supposed to be better, and why do we feel that divorcing the operational from the policy is wise? Because I am unsure that it is and that is brought out by my experience of repeatedly being asked time and time again about operational matters that relate ultimately to a policy but it is the operational that we deal with on a regular basis when we talk to our constituents, and I would welcome some clarity on this.

1200 Thank you.

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The Bailiff: Deputy St Pier.

Deputy St Pier: Thank you, sir.

1210 I rise principally to take the opportunity to briefly describe the experience which we have had with the Treasury & Resources States' supervisory committee as perhaps a bit of a precursor for what is being proposed by the States' Review Committee with the States' Trading Supervisory Board. But before I do so, I just wish to comment on perhaps some of the debate so far.

1215 I think actually Deputy Laurie Queripel, at the beginning of this debate, absolutely nailed it in terms of the impact of this amendment muddling accountability and I think that is an issue which I will return to when seeking to respond to Deputy Bebb's speech. I think Deputy Ogier also identified the key issue around the proposals which the SRC have put forward, which is all about identifying the individuals with the appropriate skills.

1220 Deputy Fallaize also made the point that this amendment does threaten the integrity of the Report and I suspect that may well be why Deputy Dave Jones supports it, because it was quite clear from his speech that he does not support the direction of the rest of the Report. So in that sense this is very much, I would suggest, a Trojan Horse.

Deputy Luxon and others have noted that the Report does not say that the number of members will be limited to five, which was the point that Deputy Brouard made several times in his speech, and Deputy Fallaize has quoted the section of the Report.

1225 I emphasise again that the key objective of the proposals is all about identifying the most appropriately skilled members to serve on this board, and ensuring that we have the flexibility from one term to the next recognising the skills that are inside this Assembly and outside to ensure that we have the right people at the table, whilst ensuring that accountability does remain to the States, through the States' Members – just as it does now with the States' supervisory sub-committee, with the supervisory sub-committee of T&R, accountability is through Treasury & Resources and the members that are on the Treasury & Resources Department.

1230 I just wanted to take the example of a relatively current example of the pontoons, because there may very well be some Members who believe that the issue of pontoons should be managed at a political level – and I suspect Deputy Dave Jones is one of those. I am not one of

1235 those; I believe that the States' Trading Supervisory Board with this amendment will guarantee that outcome.

The States' Trading Supervisory Board without this amendment should ensure that if it is doing its job properly, and you have got the appropriate skills and experience on the board, it ensures and it clearly identifies that it is a management matter not a board matter, and it holds the
1240 management of that business to account for those decisions. And that really is the key point which Deputy Laurie Queripel, I think, was making in his speech. But as I said, sir –
I will give way.

The Bailiff: Deputy Bebb.

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Deputy Bebb: I thank Deputy St Pier for giving way.

Whilst I agree with his last point, in relation to what should be operational matters and dealt with by management, would he agree that whilst the theory is lovely and beautiful, the pragmatic reality and the expectation of the electorate vary greatly from that theory? And how would he see
1250 the appropriate way of squaring that circle?

The Bailiff: Deputy St Pier.

Deputy St Pier: Sir, I think I was actually going to turn to Deputy Bebb's speech now, so I
1255 thank him for his intervention because it is timely.

He said, as Deputy Domaille said, that these proposals do not feel right and I would suggest that perhaps what he means is they do not feel familiar, because they are not familiar with what we are currently used to in our system.

I think in relation to responsibility and accountability it is, in my view... what we should be
1260 seeking to move towards – a tiered system of accountability and that we set the policies at the appropriate level and hold those bodies to account for those decisions, and similarly at an operational level we hold management responsible.

Deputy Bebb, of course, does make the point that the political expectations of some members of the public may be very different from that, but of course we operate currently within a system
1265 where it is perfectly reasonable for members of the public to perhaps expect the Minister of PSD to be involved in every operational decision around the location and placement of the pontoons. That is precisely what this system which is proposed before you, is seeking to change. As I say, I think that perhaps the best illustration is to just work through some of the examples of the way the States' supervisory committee works in relation to some of the existing businesses.

Just to remind you that at the moment the States' supervisory committee has three non-States' members with appropriate commercial experience and two States' Members on that committee. Its principal rôle is to monitor performance against appropriate benchmarks and quality standards and to help set those standards based on their commercial experience – and I shall talk about exactly what that means in practice – and then hold those businesses to account in terms of their
1270 performance against those businesses' business plans and, indeed, the shareholders' objectives.

The shareholders' objectives are set by Treasury & Resources as a board and of course those businesses also operate under States' strategic guidance set by this Assembly. None of that has been changed by the existence of the States' supervisory committee and it will not be changed by the States' Trading Supervisory Board. So the shareholder objectives are set by Treasury &
1280 Resources including, for example, dividend policy and approval, and there are very clearly-identified matters which remain with the shareholder and not with the supervisory sub-committee.

So just working through some examples, if you look at the Memorandum of Understanding between the shareholder and Aurigny the shareholder has determined – Treasury & Resources has determined on behalf of the States – that it is a shareholder objective to maintain and operate
1285 six pairs of slots to Gatwick. The supervisory committee has then got to turn that into some kind

of performance measurement and it has done that with a series of indicators: the total numbers of passengers carried monthly versus the previous year, the load factors on that particular route, and also monitoring how many are operating at 100% because that would clearly indicate there is not enough capacity, the punctuality on that route and the number of cancellations, and so on.

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If you pick another example, if we move to Guernsey Electricity, again the objectives have been set by the shareholder but the supervisory committee then has to turn those into meaningful measures by which it can hold the management of GEL to account. So operational objectives might include, for example, reliable supply – we need to make sure the lights stay on. What does that mean in practice? That is measuring the amount of time that the network is down in terms of lost production. When we look at operational efficiency, the measure which the committee sets is looking at the efficiency of the plant operating in the building.

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So there is a very clear hierarchical segregation of who is doing what and who is monitoring what. So it is very different to, perhaps, the experience which has existed elsewhere with the other trading businesses within the committee system that we have at the moment and that, I would suggest, is why it feels different to Deputy Bebb and others. But in terms of a sensible hierarchy by which we can clearly separate out who is responsible for what, the proposals before you are the most appropriate. I would strongly endorse them and strongly oppose this amendment sir.

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Deputy David Jones: Sir, a point of correction, I did not want to interrupt the Minister.

I am not suggesting for a minute that politicians should be involved with the pontoons. What I am suggesting and have been suggesting lately is that the opinions of three former harbour masters and a marine pilot are taken into consideration – after all we used to pay them for that advice, now apparently it is worthless.

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The Bailiff: Deputy Brehaut.

Deputy Brehaut: Thank you, sir.

I would like to speak on the amendment but I suppose, as ever with these debates and amendments, there is a sort of generic theme to them.

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Although we have, quite wrongly, the reputation for being the worst States ever, I look around the Assembly and think how lucky we are, how lucky the community are – and I am making a sincere point here – on the synchronicity of the coincidence in elections that bring people together under one roof with the skills that Deputy Le Clerc has, the skills that Deputy Gavin St Pier has, the skills that Deputy Harwood has, the skills that Deputy Duquemin has, collectively.

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I think these individuals can take the Assembly to a stage further because you have to ask yourself a very simple question: does the system we have now work? Does it deliver? And we know it does not. So let's give the alternative proposals at least an opportunity.

The amendment I did not place today, which I thought about placing, was a very simple one. It would have been an amendment on learning how to let go, because clearly some people have a problem with that. If you are a politician – and the majority of us, sadly, happened to be male – then you may have an interest in boats, aeroplanes, holes in the ground, pumps, gadgets, gizmos and more recently pontoons, as mentioned by Deputy St Pier. We have the fortune and the misfortune to have a media that is obsessed with the operation of this Assembly, and obsessed with the nature and the agendas of departmental and committee work. A digger has fallen off a trench or a barge or something – no, let's not be mistaken, two weeks from now politicians will probably be being asked to resign over that. That is the nature of the community we happen to live in.

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There is much more to be gained for the community and we can take the community's negative focus of events like this by simply delivering consistently under a different system, and that is best achieved by supporting the set of proposals as presented to us today. So, Members, please, I do understand; I have experienced it like many people; it is the operational events that

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get you in the harsh uncomfortable spotlight. But if we get a system that works, that will happen less frequently anyway.

1340 So please, Members, support the proposals contained within this document.
Thank you.

The Bailiff: The Chief Minister, Deputy Le Tocq.

1345 **The Chief Minister:** Sir, I think everything that needs to be said has been said, but I just want to underline one thing and it picks up on some of the issues that Deputy Bebb raised.

It is true that, as Deputy Brehaut has just illustrated, there are huge sections of the public perhaps, but at different times, who feel that we need to almost become public servants or civil servants and start managing various sections of our commercial activities and others. That is not a
1350 good way to run a government and we need to have clearer lines of accountability, and that is exactly why this amendment undermines the overriding intentions of the Committee's proposals – to make that differentiation. And there will no doubt need to be a learning curve.

It is incumbent upon elected representatives not just to give their voters our time, but also our judgement and our proper political judgement on matters, because no one else will do that in the
1355 end. It is also important that we take courageous action where necessary where things do go wrong – and they will go wrong. Deputy Brouard's amendment will not stop that from happening – I think there is an unrealistic expectation that somehow it will. It will actually cause potentially more conflicts between us, which will not engender the sort of trust that I would like to see.

But there will need to be a greater understanding, as Deputy St Pier alluded to, which has not
1360 occurred because of our current structures and the proposals that the Committee are putting to this Assembly with regard to the STSB. The supervisory responsibility of that does make clear lines of accountability because there are several political policy issues that will come from various policy-making principal committees that will impinge upon that committee – and as has been stated over and over again there will be opportunity for political membership of that committee
1365 and leadership and accountability of that committee.

We need to be as flexible as possible in this area and that is why, whilst I heard Deputy Jones say under his breath he knows apparently what the results of the next election are going to be, we actually do not know that – or the one after that, indeed and that is why the proposals, as they stand unamended, are the best way forward for this Assembly, and therefore I encourage
1370 Members to reject this amendment.

Thank you.

The Bailiff: I see no-one else rising.

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

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Deputy Brouard: Thank you, sir, and thank you to Deputy Jones for enabling me to place this amendment.

Deputy Queripel started it off with regard to one of the issues – and it is one of the issues – but the main issue is the way that the States' trading board has been created, that it has been
1380 created with less political oversight than the principal committees, and I will go through that in a little bit more detail and you will actually see why.

Deputy Gollop made a very key point and that is where you have policy and operations – we do policy in different ways at different times; it is completely in flux all the time. Some departments will give policy to other departments – we have no choice. Environment will give
1385 policy directions on policy of how things will be done to what happens at PSD or some other department. That happens *now*, so making it out that this is somehow breaking new ground is completely untrue. So you can have this States' trading board taking policy from other places.

What Deputy Gollop did was to unearth something that I was going to mention, which is I asked the Review Committee some two or three weeks ago to say, 'Look, if my amendment is

1390 successful what advantages does that give and what opportunities are there to make good on that? Would there be other parts of other departments that need to come together possibly into the new States' trading board when it becomes a principal committee?'

I have not heard a reply back from them except for yesterday when I spoke to one of their members who said, 'Well, actually, if your amendment is successful then it will give us the opportunity.' And, just as Deputy Duquemin says, the third stage is where you come and you look at... well, actually now we have got a seventh principal committee and therefore its mandate needs to be slightly tweaked to perhaps take a little bit more policy from here.

So there is every opportunity.

1400 **Deputy Fallaize:** Sir, may I correct an inaccurate statement that Deputy Brouard has just made? I was the member of the Committee to whom he is referring and I did not say that his amendment would present the Committee with an opportunity, I said if the amendment was approved it would present the Committee with a problem. And it would have to resolve that problem by coming back in stage 3 and trying to reallocate functions between the seven principal
1405 committees that the States would have agreed to, because we would not allow the third policy letter to pass without advising the States that they should not create a principal committee – one single principal committee – with only operational responsibilities. It would require a considerable reallocation of responsibilities in order to make this principal committee fit with the others.

1410 **The Bailiff:** Thank you, Deputy Fallaize.
Deputy Brouard.

Deputy Brouard: Thank you, sir.

The point I am making is that this is a journey through. I think that the States' Review
1415 Committee – and who would blame them, they have got their beautiful shiny new idea and they do not want anybody else to tarnish it, and they are fighting tooth and nail and putting up. But I think the reality is she protests too much, I do not see that at all. The protestation that they have come up with is negligible, it does not drive a coach and horses through at all – all it does is give more political oversight, and a possibility to have maybe some greater policy-making things. Why
1420 not have, perhaps, if you have got a committee who is running the ports and stuff, maybe they may have some ideas on policy which will actually help, as opposed to just taking a download straight from the Environment & Infrastructure Committee?

So perhaps I think there is just as much need to have that review on the third stage, and I think the committee is just protesting too much because it feels it can and therefore it would make me
1425 out as being the bad guy. But I think if they actually looked at the words and the policy... they have already created this particular animal, it is just what tags you put on it. And I just want to touch a little bit later on the make-up.

I thank Deputy Domaille for his support. And Deputy Ogier makes some very good points, but of course the points he makes are not prevented by the amendment. 'A team of skilled individuals
1430 to help' – well, that is not prevented by my amendment, neither was it prevented by the States' Review Committee in their proposals. 'The trading entities coming together' – my amendment is not splitting them apart, it is not making them more together than they were, except from the point of view you are having a greater political oversight. This amendment does not change that particular fact, so you have people arguing or making points that are not ones that I am actually
1435 making.

Of course there will always be tensions between departments, there is going to be tensions between the Centre Policy Committee... The debate has been going on about how much policy will P&R be giving to the departments around it? Will Education still have as much control over
1440 education? Will Policy & Resources in the centre be giving policy from the States? Will that come from the States' Strategic Plan? Will Policy & Resources have a particular way that they would like to see that reflected, so all of this is all happening in a continuum, all the time in the States?

1445 Deputy Ogier also made the point about political term, but he was making the point that by having more non-States' members they are somehow going to give consistency through. That is fine if they were going to remain in post, but my particular understanding is that, as they do now, non-political members will fall at the election just as States' Members fall anyway. So the new board coming in place – whether that is Treasury or Health and Social Services or whatever – may not want to carry on the old non-States' members who are there. So somehow the argument that it is going to give some continuity through... unless of course that is the plan, that we have not seen in stage 3 that non-States' members on the trading boards will be irremovable and will be there for a long time.

1450 Deputy Luxon again made the point about there is the risk of this sinking the proposals from the Review Committee and I think again that is far too strong. They have already created this particular animal, all I am doing is giving it a greater prominence in reflecting its size and importance to us day to day.

1455 If the Review Committee was of the view that we wanted proper political oversight of the States' trading boards and assuming the Committee has got it right – because that is what they are saying to me – and therefore no amendments can happen, then they obviously would like to have political oversight over the Environment & Infrastructure Department, just as they would over Health. But when they make up the mandate for that committee they clearly lay that out in 6.1, and what it says there is they think the optimum for political oversight for those departments is five non-States' members and up to two non-States' members – that is what it says in the Membership of Political Committees.

1460 So if that was the optimum for political oversight for the main committees why do they suddenly come up with a hotchpotch with regard to the States' trading board? And I know why they have... You may say I am just scaremongering, but I do not think I am. The idea was that you would have minimal States' supervision over that board and maximum non-States' membership over the board. That is why it has been written in 8.9.27 that way round, because they could have easily... if you were writing the Report, it would not be easier just to cut and paste the same perfect oversight that you already have for the main principal committees. So why come up with this hybrid? The reason you have come up with this hybrid is because you are wanting to have some non-elected members having quite a strong position in this body – and *that* is where the danger will lie. Of course then the idea that this body will somehow continue, of course it does not, it will fall on election just as anybody else would.

1470 My amendment does not stop us using the expertise of non-States' members – absolutely not. The amendment is silent, you will have the ability to have two members straightaway on the main board and, just as T&R Minister explained, you can have boards underneath with non-States' members taking an active and a useful part. But the political oversight comes down to the five members in this Assembly.

1480 I think Deputy St Pier was making the point that the harbour matter to do with pontoons is nothing to do with anybody else further up the tree, it is their responsibility. But I am sorry, in my world someone is accountable and eventually that someone ends up in this particular body here. So although PSD may say it is the Harbour Master's remit. They are responsible for the harbour, no, actually it is the board of PSD that is responsible for the harbour. They choose how they mandate out underneath. They still need to take that ownership of that particular pontoon, or that particular step, that ownership still rests with the PSD board and to abrogate that to some committee that no-one can get hold of... because if the committee is formed with two States' Members and three non-States' members what accountability will there be in this Assembly for what goes on in the largest part of our infrastructure?

1485 Again, taking the point from Deputy Kuttelwascher, people from outside that help on the States' trading entity; well, that is not precluded by my amendment at all.

1490 Deputy Duquemin makes the point that I mentioned, that the third round is where the final tightening can be done with regard to this. And I thank Deputy Bebb for his support.

1495 Deputy Brehaut, my namesake almost sometimes, (*Laughter*) 'learning how to let go' – this is not learning how to let go! I do not want to *let go* of the States' trading board, I want this Assembly – and this is probably where the fundamental comes – to still have ownership and political responsibility for basically 20% of the Island's infrastructure. (**A Member:** Hear, hear.) And by passing it down the line to up to two or three non-States' members and only two political representatives, is not enough.

1500 **Deputy Fallaize:** Sir, I am sorry, but I must correct Deputy Brouard. Why does he keep talking about two States' Members and three non-States' members? Where does it say that in the proposals?

1505 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, sir.

1510 The ultimate or the optimum for a principal committee, as the Review Committee has already laid out, is five States' Members and two non-States' members. When it comes to this particular board the Review Committee changes that optimum to something different and it says – and I am assuming, and I must admit I do assume – it is going to be at least five members. Obviously that is the optimum, because otherwise why haven't we got seven on a department? It is too *unruly*. If you have three, it is not enough. And I think they go through this process in there, and five is about right because then you have an odd number so that the votes are not tied. So you cannot have three; five works well, seven is too much.

1515 So if that is the optimum, they then very clearly say in their Report that two members will be States' Members and two members will be voting non-States' members. So that is how I get the five and that is the writing on the wall.

1520 So, please, you protest as much as you like because if you wanted something else you would have written something else in there.

Deputy Fallaize: I am sorry, sir, but on a point of misunderstanding, I think, two plus two is four, not five! The proposal for the principal committees is they will have up to seven members – that is five States' Members and up to two non-States' members; not five but seven!

1525 I do not understand how Deputy Brouard has inferred from that that the trading board would have five members and that three of them would inevitably be non-States' members. This is just totally made up.

1530 **Deputy Brouard:** There is no guarantee in the proposals put forward by the Committee that States' Members will be in a majority on this committee. If they have already worked out that the best and optimum is five States' Members and two non-States' members, that is what they have said will be the position for the principal committees, so therefore why would you do something different? Because they want to introduce non-States' members having a greater say in that particular area.

1535 I do not mind having non-States' members on boards. I think they do help but the position that I have here is that there will be less accountability in this Assembly for a major part of our infrastructure – and you can protest as much as you like because you could have written it differently had you chosen, but you did not. (*Interjection*) Thank you. (*Laughter*)

I will give way to Deputy Conder, sir.

1540 **The Bailiff:** Deputy Conder.

Deputy Conder: Thank you.

Would Deputy Brouard agree that at 8.9.26 it clearly says, 'The constitution... of the States' Trading Supervisory [body will] be determined by the States'?

1545 **Deputy Brouard:** Absolutely and we are the States and we are doing that today, *(Laughter)* and that is why it is absolutely essential that I try and get my foot in the door now before the ink is already dried and the document has been posted out.

I think I have said as much as I can, sir. I would urge you strongly not to let our major deliverers of service not have the political oversight in this Chamber. It is so absolutely important.
1550 And the second point is if there are tweaks because of this monumental change that is going to disrupt the whole of the world, then we have got stage 3 and I think the Review Committee has protested far too much on this particular occasion.

I would urge Members strongly, your electorate wish to see you take ownership of our assets, please do so and support this amendment.

1555 Thank you, sir.

The Bailiff: Members, we vote then on the amendment proposed by Deputy Brouard, seconded by Deputy Dave Jones. Those in favour; those against.

Members voted Contre.

The Bailiff: I declare the amendment lost.

1560

Deputy David Jones: It was close. Come on! *(Laughter)*

The Bailiff: Are you calling for a recorded vote, Deputy Jones? *(Laughter)* No. Well, it was not close, otherwise you can... Sir, I make the point because it can come across very differently on the radio to how it comes across in the Chamber and there have been times when there has been criticism of the way I have called a vote because it does come across differently on the radio.
1565

If anyone wishes to have a recorded vote because they consider that was close, they can do so.

Deputy David Jones: I apologise to you, sir, because that was merely a joke! *(Laughter)*

1570

The Bailiff: Well, it may not come across as a joke on the radio; that is the point.
Deputy Laurie Queripel.

Deputy Laurie Queripel: Thank you, sir.

1575 Could I request an adjournment because Her Majesty's Procureur has very kindly drawn up another amendment in relation to the States' Trading Supervisory Board and I would like the opportunity to place that amendment but we just need to top and tail it first before that goes ahead?

1580 **The Procureur:** Do not blame me, sir! *(Laughter)*

Deputy Laurie Queripel: I did request Her Majesty's Procureur to draw it up, sir! Thank you.

The Bailiff: We are 25 minutes from lunchtime. We have got some other amendments we may be able to get through fairly quickly I would have thought and then you could deal with it over lunchtime.
1585

Deputy Laurie Queripel: Thank you, sir.

1590 **The Bailiff:** If you wish to request an adjournment I will put it to the Members but I would have thought –

Deputy Laurie Queripel: No that is fine, sir, I just wanted to –

1595 **The Bailiff:** But I think I would suggest that we crack on with the other amendments. (**Deputy Laurie Queripel:** Thank you.)

So the next one is an amendment proposed by Deputy Le Lièvre, seconded by Deputy Dave Jones, which is marked Le Lièvre A.

Deputy Le Lièvre.

1600 **Deputy Le Lièvre:** Thank you, sir.

Might I be permitted to speak to both amendments at the same time in the interest of speed and the fact that –

The Bailiff: So you would like us to take both amendments together?

1605

Deputy Le Lièvre: If I might.

The Bailiff: I can see no reason why you should not. So we take Le Lièvre A and Le Lièvre B.

1610 **Deputy Le Lièvre:** Thank you, sir. That will certainly save some time.

The Bailiff: It is appreciated.

Amendment A:

In Proposition 4, to delete the text up to and including "Security," and substitute therefor "To agree that there shall be a Principal Committee entitled the Committee for Employment & Social Security,".

Amendment B:

In Proposition 4, to delete the text up to and including "Security," and substitute therefor "To agree that there shall be a Principal Committee entitled the Committee for Employment & Social Welfare,".

1615 **Deputy Le Lièvre:** I would like to congratulate the Review Committee because the amalgamation of Social Security and elements of Housing and what is Commerce & Employment – previously known as the Board of Industry or Labour and Welfare – has been outstanding for some time – for decades in some areas.

To be perfectly honest, I have no burning desire to change the proposed name of the new Committee for Employment, Housing and Social Security. It is not a title that rolls off the tongue, so to speak and the collective *raison d'être* is somewhat buried by the time one reaches Social Security, but it is, nevertheless, a fair description of the collective elements of the new committee. However, there is no escaping the fact that the name of the new committee is somewhat clumsy and that makes it vulnerable to change and possibly even to radical change. This amendment is not radical.

1620 As I said, it is a name that does not roll off the tongue and it is more than likely that you will never hear a member of the public saying, 'I'm just off to Employment, Housing and Social Security to get my pension sorted out,' or, 'I'm just dropping past EHSS to see if I can sort out gran's pocket money while she is in such and such a residential home'. More likely, it will be, 'I'm popping to Wheadon House for such and such,' or maybe, 'I have to go to Social Security to sort out my UB, SB, OAPSVB rent rebate etc. (*Laughter*)

1630 But the interesting thing about Social Security is it has predominantly been known by its address, for years – even when it was at St Paul's it was, 'I'm just popping to St Paul's and/or Bordage House and now Wheadon House.' And it is in the right place, it is rightly named and the public are purely justified in my mind in calling it... But we could not call it the 'Wheadon House Committee', but nevertheless it is well known by that name.

1635 The thrust of this new committee will always be social security and the title of the committee should reflect that fact. I appreciate that the loss of the word 'Housing' might cause some misuse for the current membership of that department, but the work of that department will not stop; it will simply be absorbed into the greater entity, as has the work of previous committees and boards over the last 50 or 60 years.

1640 I should clarify at this stage that I have worked for the Public Assistance Authority which was absorbed by Social Security, I have worked for the States' Insurance Authority, I have worked for the Guernsey Social Security Authority, I have worked for the Housing Authority and I have worked for the Housing Department, and I have been a member of the Social Security Department board.

1645 And at some stages in my career I worked for Social Security and I also worked for Housing, for Public Assistance and for the then board of Health; and I did not sit at my desk with five hats on, I sat there as a member of staff of Social Security; and I did not sit there because Conseiller Chilcott told me to, I sat there because it was sensible to administer these similar schemes in one department. So I fully support the proposals of the Review Committee.

1650 As I have just said, the names of the States' Insurance lasted for 70 years, Guernsey Social Security Authority for 10, and SSD for a similar period, but the main thread of its being has never changed; and that is, as described in paragraph 5.6.2 of the Report, 'To foster a compassionate, cohesive and aspirational society in which responsibility and individuals and families are supported through schemes of social protection etc. It is what SSD does now and it is what it will do in the future over a slightly greater remit.

1655 It does not need the word 'Housing' any more than it needs the word 'pensions', 'Supplementary Benefit', 'disability', 'sickness' or 'maternity'; or, for that matter, 'Public Assistance' – a system that was absorbed piecemeal by a variety of departments over more than half a century.

1660 Having said that, the inclusion of 'Employment' in the title is sensible because it expands the understanding of the committee's work into both sides of the equation. Without doubt there has developed over the years a distinct feeling that SSD, in all its name forms, is about taking and not giving. Employment is about the other side of the coin and it makes sense that it should come first. Without employment there is no contribution and without the contribution there is no social security. The new title puts the cart at the right end of the horse.

1665 If I am to carry that analogy just slightly further, the work of the Housing Department is in the cart along with all that has gone before and all that will come along in the future. It does not need to be singled out because to do so makes the cart lopsided.

1670 My second amendment simply takes the collective term 'social security' slightly further and converts it into what the existing major committee, department or authority has always been about, no matter whether you are talking about contributory schemes or those funded from General Revenue – it is all social welfare.

1675 The term 'social welfare' does not differentiate between need or right; it does not differentiate between the haves and the have nots; it is a collective and inclusive term for the support of the community and as such, in my mind at least, just as relevant as 'social security'. Although I appreciate that for many Members in this Assembly it will be too far to the left to be acceptable.

1680 I could go on but I have no intention of wasting the Assembly's time with additional arguments. You are either going to like the names or you are not. Just remember this: history, both recent and not so recent, will dictate what this committee is actually called by the public and in that respect social security should be the sole emphasis, albeit conjoined with the flipside of the coin – employment.

My second amendment is a personal preference but I suspect it goes somewhat further, as I have already said, than the Assembly might be willing to travel for some years.

1685 Please vote for one or other of these amendments; to do so sets the title of the committee, if not in stone, in something firmer than its current foundation, which could well see it become the

target of a more aggressive transformation into something less relevant and less appropriate in a very short space of time.

Thank you, sir.

1690 **The Bailiff:** Deputy Dave Jones, do you formally second both amendments?

Deputy David Jones: I do, sir.

The Bailiff: Deputy Fallaize.

1695

Deputy Fallaize: Thank you, sir.

I will just advise the States that, as I said on the earlier amendment, there are many amendments which the Committee is not opposing or is ambivalent to. I mean clearly this amendment does not do anything to change the main thrust of the Committee's proposals and therefore the Committee is really happy one way or another.

1700

I will just say, because this is my only chance to speak, that personally I have no problem with either of Deputy Le Lièvre's amendments. He makes a fair point, I suppose, that the 'Committee for Employment, Housing and Social Security' is a bit unwieldy. We proposed that because we were bringing together three functions that were currently in separate departments or committees.

1705

It is probably significant that the Housing Minister is seconding these amendments and therefore he presumably does not have too much problem with losing the word 'Housing' and Housing is included broadly in the term Social Security or social welfare. And probably it is better to have a title of a committee which is a bit shorter than the one that we are proposing.

1710

Probably, on balance, I prefer 'Employment and Social Security'. I think it is a bit more positive than 'Employment and Social Welfare' and it is also familiar; the public understand what employment functions are and they understand what social security means.

So the Committee is not opposing the amendment; it has no real view on the amendment, but personally I would be happy to vote for either of these amendments and I hope that we can conclude this particular debate swiftly.

1715

The Bailiff: Deputy Dave Jones and then Deputy Gollop.

Deputy David Jones: Part of my thinking on that was – following on from Deputy Fallaize – of course Housing will probably cease to exist as a department if, or once, the population office is set up for the new permit system and possibly, as we are still going through a discussion stage over a stock transfer of the remaining sixteen hundred and whatever they are... number of States' houses over to a housing association. So it did not seem to me that having the word 'Housing' in the title in perpetuity was likely to serve us well.

1725

That was my argument. I still think that Housing clearly is an important department and will have an important part to play somewhere – whatever that make-up will be – in the future, but when I spoke to Deputy Le Lièvre about this I tended to agree that the social issues overrode that consideration.

Thank you.

1730

The Bailiff: Deputy Gollop.

Deputy Gollop: What is in a name? It is an interesting one. I know different members of the Social Security Department will probably have different views here.

1735

I am okay with the name that the States' Review Committee have come up with actually, because it says what it does on the tin really.

1740 I think Deputy Jones is right that the nature of Housing will change with the new population policies in Law and in a way Housing is a misnomer as a department now, because historically the Housing Authority had the responsibility for directly developing new property sites, which we have now largely devolved to the Housing Association. And to a degree, Housing have never totally provided housing on demand for the entire population, whether it be private sector or public sector, and perhaps there is an expectation there that it could and should, and it does not and it probably will not in the foreseeable future.

1745 I am tempted to go – and I said this, I think, at the last Social Security board meeting as a more sort of pithy alternative... I mean people say DEHSS, I do not know. People used to say DHSS a lot in the UK and HSSD is a very popular acronym here... the confusion is from SSD.

1750 But of the amendments, I think my favourite is Deputy Le Lièvre's first one, for the Committee for Employment and Social Security. The reason is I think Social Security is really a two-headed dragon. It is partly a social policy committee that is involved with the delivery of medical specialist grants, finance for pharmaceuticals to the care homes and pensions; it is also partly, specifically, a detached administrative regime for the actuarial investment and development of complicated Laws, regulations and investment management of pensions.

1755 And in a way our Chief Officer and Deputy Chief Officer have a dual rôle: they are policy chief officers but they are also administrators for Social Security, which is a statutory position; and there is a movement of social security officers around the world – they regularly meet at conferences – and I would say that Guernsey very much flies the flag for the Island at those events. So I think it is in the public interest and in our global interest to keep 'Social Security' within the name.

1760 Employment is intriguing because there are certainly a lot of back-to-work initiatives, work-to-benefit initiatives and training done currently in Social Security, but the words 'commerce' and 'employment' politically are associated with Commerce & Employment – that, although, of course, Commerce & Employment manages tribunals and other areas of work, some might say the commerce side has come before Employment.

1765 So that might confuse, but maybe, I actually think there is a new rôle to develop Social Security as more of a working pensions-type of department, and to that end, Employment should be part of that mix. I think perhaps Skills have fallen through a gap in the past and this is a way forward.

1770 I note in Jersey the minimum wage and the living wage idea is very much managed through Social Security, whereas here it has been part of the responsibilities of Commerce & Employment, which has not necessarily been ideal because Commerce & Employment are in a situation of having to both promote new business – sometimes from an employer point of view – whilst also looking at employee's rights.

1775 So I am not so happy with the 'Committee for Employment and Social Welfare' idea. Deputy Le Lièvre said maybe that is too left-wing for us. I would say I am against it for the opposite reason. I think it would convey to the public mind – which all too readily accepts this message anyway – that Social Security is all about a provision of welfare for people who are either unfortunate or who are perhaps unwilling, and we need to get away from that; that Social Security is working very hard with presentations to Deputies and the G4 business community and many others, that actually it is a universal service that everyone benefits from. As we all potentially benefit from death grants, maternity grants, pharmaceuticals, medical specialist grant care, pensions, it is wrong to put it in the 'welfare' box, which sadly has the meaning in some people's eyes that it is very much for a minority.

1780 So I would support amendment number 3 and not support number 4, but I would not be that disappointed if we ended up with a different title.

1785 **The Bailiff:** Deputy Langlois.

Deputy Langlois: Yes, thank you, sir.

Well, a very familiar style, as we have just heard, from Social Security Department meetings when the other members sit there and listen to this vast exposition of every angle of something. I

1790 am not quite sure what Deputy Gollop convinced himself of in that speech (*Laughter*) but, nevertheless, I think we got the general gist.

Where I agree with him is that I think we can do better than the original proposal from the Committee. I think really in their heart of hearts the Committee agree with that, from discussions we have had.

1795 I will be trying to persuade you of an alternative which I think will be right for the Committee after this particular debate, but if you were going to do anything then certainly support one of the Le Lièvre amendments because either one of them would do a job. I think we can do a better job with the other amendment, but that is further down the line.

The Bailiff: No-one else... Deputy Lester Queripel.

1800

Deputy Lester Queripel: Thank you, sir.

1805 Deputy Le Lièvre said in his speech the title of the committee does not actually need the word 'Housing' included, so I rise to merely ask a question which may or may not be considered to be of any consequence at all, (*Laughter*) but I am curious to hear Deputy Le Lièvre's views. So my question is this: how will anyone know that the 'Committee for Employment and Social Security' or the 'Committee for Employment and Social Welfare' also deals with housing issues?

I am aware that Deputy Jones just told us that many of the housing responsibilities will be handed over to GHA in the future, but when will that be? That is another question that comes to mind.

1810 So if this amendment is successful there will be no point of contact for anyone with a housing problem due to no particular committee having the word 'Housing' in their title. So I would like to hear Deputy Le Lièvre's views on that, because it makes much more sense to me, sir, to support the proposal to establish an 'Employment, Housing and Social Security Committee'.

Thank you, sir.

1815

The Bailiff: Deputy Le Lièvre, you may reply to the debate.

Deputy Le Lièvre: Thank you, sir.

1820 I would like to thank those Deputies who have voiced their support. I think that might have applied to Deputy Gollop but I am not quite sure! (*Laughter*)

1825 I think the main point has been made by Deputy Lester Queripel and it sounds valid but it is not. In 1988 Social Security adopted – at the direction, I think, of Advisory & Finance – all of the work with regard to rent rebate for social housing tenants and, do you know what, they actually turned up at Wheadon House even though there was nothing to do with the title 'Housing' in the term 'Social Security Department' or 'GSSA', as it might have been at that time.

1830 It is not a question of not having it in the title. It will be generally known by the public. The public already understand that the Social Security Authority cover a huge remit of assistance to the disabled, to the people in long-term care, to the unemployed and to people who are long-term sick, and people who are severely disabled etc; none of those things are in the title of 'Social Security', it is all wrapped up within that collective term and it is also wrapped up in the term 'social welfare'.

1835 I would like to address that single point made by Deputy Gollop; 'social welfare' is a million miles away from the word 'welfare'. 'Social welfare' is the collective term for everything that this community does for itself to all members of this community, irrespective of their need or wants. 'Welfare', on the other hand, is something generally dispersed to those people in need. In my way of thinking – I will capture this later possibly – it is an unacceptable term that I have never seen or never used by itself, certainly never read it in any recent policy letter or Billet.

So to Deputy Lester Queripel I would say do not worry, people will know where to go. If they want a rent rebate or if they want to talk about social housing they will find their way to Wheadon

1840 House because they will know that that is the committee that deals with that. There will be no problem.

Furthermore, the more different areas of expertise that you concentrate within one building builds this one-stop-shop model often referred to by previous presidents of Social Security and, indeed, Norman Le Cheminant, the States' Supervisor. They wanted people to come into an area where there was going to be a broad expertise over a whole host of issues, and Social Security absorbing the work of Housing will do exactly that.

1845 So I do not have any problem and I do not think there were any other questions. I would just ask Members to vote for the amendment, and particularly the amendment titled the 'Committee for Employment & Social Security'.

1850 Thank you.

The Bailiff: Do you wish the amendments to be taken in the order of Le Lièvre A and then Le Lièvre B?

1855 **Deputy Le Lièvre:** Yes, if Le Lièvre A is successful then I would seek not to bother to seek a vote on Le Lièvre B. I do not know if that is acceptable, but I would prefer Le Lièvre A to come first, put it that way.

1860 **The Procureur:** Yes, that is what I – *(Laughter)*

The Bailiff: Technically, he would have to apply to withdraw Le Lièvre B, but –

Deputy Le Lièvre: I thank the Procureur for his succinct advice. *(Laughter)*

1865 **The Bailiff:** Right, well, Members, what you are being asked to vote on then is the amendment proposed by Deputy Le Lièvre, seconded by Deputy Dave Jones, which is marked Le Lièvre A, and just to avoid confusion, it reads:

'In Proposition 4, to delete the text up to and including "Security," and substitute therefor "To agree that there shall be a Principal Committee entitled the Committee for Employment & Social Security".'

That is Le Lièvre A. Those in favour; those against.

Members voted Pour.

1870 **The Bailiff:** Le Lièvre A is carried and, unless anybody requests otherwise, we will not vote on Le Lièvre B.

It is now getting very close to lunchtime. I propose that we rise and return at 2.30 p.m.

Deputy Fallaize: Could we perhaps have Deputy Queripel's –

1875 **The Bailiff:** Sorry, Deputy Fallaize.

Deputy Fallaize: I wonder if Deputy Queripel could circulate his amendment because he was **(The Bailiff: Yes.)** talking about –

1880 **The Bailiff:** And there was another amendment that was going to be circulated earlier. I think it is the Deputy Stewart amendment, where we now have the text. So if both those amendments could be circulated. Have we got both of them?

1885 **The Procureur:** I only have Deputy Stewart's amendment so far.

The Bailiff: Do we have 47 copies of...?

The Procureur: I have 47 copies of the Stewart amendment but not that one, sir.

1890 **The Bailiff:** Alright. Well, it can be circulated electronically and paper copies will be available...
(*Interjection*) Would you like to see it, Deputy Fallaize?

Deputy Fallaize: I suppose it would help to see it before speaking on it. (*Laughter*) I could give it a go if you –

1895 **The Bailiff:** Would it help if I read it out so that people will at least know the gist of it before they go to lunch?

Deputy Fallaize: Yes, that probably would be helpful. Thank you, sir.

1900 **The Bailiff:** Greffier, if you just leave it –

This is an amendment to be proposed by Deputy Laurie Queripel, seconded by Deputy Dave Jones, which will read:

'To insert at the end of the words in proposition 23: ", but subject to the modification that the constitution of the Board shall be a President who shall be a Member of the States, two other members who shall be Members of the States, and two other persons who need not be Members of the States".'

1905 So a President who is a Member of the States, two other Members of the States and two other persons, not Members of the States. (*Interjection*) (*Laughter*)

So we will come back to that after lunch.

*The Assembly adjourned at 12.28 p.m.
and resumed its sitting at 2.30 p.m.*

**The Organisation of States' Affairs –
Second policy letter –
Debate continued**

Amendment:

In Proposition 4, to delete the text up to and including 'Security,' and substitute therefor 'To agree that there shall be a Principal Committee entitled the Committee for Work, Welfare and Pensions,'.

The Bailiff: Members, we will continue the amendments with amendment 5 on your agenda, which is the amendment proposed by Deputy Langlois and seconded by Deputy James, marked 'A'.

1910 Do you wish to take A and B together, Deputy Langlois?

Deputy Langlois: No, sir. It is just amendment 5 we will be looking at now.

The Bailiff: Just amendment 5.

1915 **Deputy Langlois:** It was dependent on the previous result, sir.

The Bailiff: Thank you.

1920 Deputy Langlois will open the debate.
Are we all connected, Greffier?

The Senior Deputy Greffier: Yes, sir.

1925 **Deputy Langlois:** Sorry, does the Greffier want to read it, sir?

The Bailiff: Oh, would you like to read it, Greffier – amendment 5.

Deputy Langlois: One of his duties, I believe, now.

1930 **The Bailiff:** It is not mandatory; you may request it, but it is not mandatory.

Deputy Langlois: Oh, okay. Well, may I request the Deputy Greffier to read it, please?

The Senior Deputy Greffier read the amendment.

The Bailiff: Deputy Langlois.

1935 **Deputy Langlois:** Thank you, sir.

The phrase 'What's in a name?' has already been used. It was part of Deputy Gollop's extensive commentary on the matter this morning. For a person or a place, or even for a pet, a name is little more than a label; it differentiates something or someone from everything else. But when you are naming an organisation then there are more far-reaching implications. People, as widely as possible, need to understand often from the name alone what an organisation offers and does. That leaves us with the difficult situation of just adding more and more bits to the name, which is what I think the States' Review Committee ended up with, putting the components together, but it also means that you sometimes have to make compromises as to how you shorten it to make it more accessible to everybody. In other words, you are trying to create here a brand, to use a commercial term, and I think the branding of these committees is going to be important. The Proposition suggests that the name of the new committee should contain the words 'work', 'welfare' and 'pensions', and let me take each of those in turn.

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1945
1950 'Work' is a nice, simple and direct word. It is used on a daily basis by more people than those who talk about 'employment'. It encompasses employment, but 'work' is a more personalised word. It is a more positive and active word. Work is at the centre of the current SSD's work. Work is the positive force that feeds our economy. It affects everybody, not just the employers, managers and lawyers for whom the concept of employment can mean so much. Work is a much more direct term. Hard work has made Guernsey great and I believe it will continue to do so, and therefore it is the right word for this title.

1955
1960
1965 If we move on to welfare, the word 'welfare' is a catch-all word that succinctly describes another aspect of the committee's mandate, including housing. Welfare, to me, is all about state financial care and it is, yes, very much for those in need, but it is for everybody. I know that there are going to be some objections raised to the fact that welfare only applies to a particular group. I do not see it that way and I do not believe most people do. That care can be through the provision of social housing, financial support or support for those changing their circumstances. If you add the word 'social' to it – and I know we have not voted to do that this morning, but if you actually add in the word 'social' – I do not particularly see the added value in that. There is an opportunity here to move away from the populist negative view of the phrase 'social security', because unfortunately the 'social security' terminology does create generally a very negative reaction among the population as a whole and it points them towards some of the more difficult and much more limited work that the current Department has to do.

1970 Most of all, this proposition is based on the important word 'pensions'. I believe that it is a vital
addition to the committee's name. This Assembly and its Departments have applied much more
resource and thought to changing demographics and slightly more long-term issues than before.
1975 Provision for one's years beyond working age is growing in importance. The static model of the
old-age pension which had been in place until recently is now bound to evolve and change in its
purpose and its nature. People must be encouraged to make more personal provision for their life
after work – their pension, in other words. Pensions will continue to be at the heart of the
committee's activities and those activities relating to them will grow. My board will be bringing
proposals, as you know already, for development of the Secondary State Pension Scheme, the
model for which is currently being worked on. SSD in its current form has some 15,000 customers
for pensions and *many* fewer for all of its other services; so to me, sir, for those reasons the word
'pensions' should not be omitted.

1980 So there we have it. It becomes the Committee for Work, Welfare and Pensions. It is graphic, it
is explicit, I believe it is reasonably snappy and it does what it says on the tin. Please support this
amendment.

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

1985 **Deputy James:** I do, sir.

The Bailiff: Deputy Fallaize, do you or any other Member of the Committee wish to speak at
this point?

1990 **Deputy Fallaize:** Not at this point, sir.

The Bailiff: Thank you.
Does anyone else wish to speak? Yes, Deputy James.

1995 **Deputy James:** Thank you, sir.

I would, in fact, like to agree with two issues that Deputy Le Lièvre raised in his proposition of
the amendment.

One was to congratulate the Committee on bringing these two Departments together, and I
thank the Committee very much for that.

2000 Secondly, we concur with him on the rather cumbersome title that they have actually proposed
for this new committee. The Social Security board actually discussed alternative propositions to
those that Deputy Le Lièvre has proposed, and for the very reasons that Deputy Langlois has
outlined we feel it is important to include 'pensions' in the title, so I would urge you to support
this alternative proposition.

2005 Thank you.

The Bailiff: Deputy Lester Queripel.

2010 **Deputy Lester Queripel:** Sir, even I wonder sometimes if I am being unduly concerned about
certain issues, but I am going to have to ask Deputy Langlois the same question I asked Deputy Le
Lièvre this morning, because I would like to hear his views.

2015 In response to the question I posed Deputy Le Lièvre this morning – which was, in effect, how
will anyone know the Department deals with housing issues if the word 'housing' is not in the title
– Deputy Le Lièvre said everybody knows Social Security deals with certain elements of housing
such as rent rebates, but my concern is that everybody also knows there is a Department at
Frossard House called 'the Housing Department' that deals with exchanges, transfers,
maintenance and renovations etc. Deputy Langlois made something of an issue of including the
words 'work' and 'welfare' in this new proposed title, but there is still no mention of housing. How

2020 will people know the Department deals with the housing issues? I am struggling with that one, so I would just like Deputy Langlois' views, please.

The Bailiff: Deputy Le Clerc.

2025 **Deputy Le Clerc:** Perhaps I can answer Deputy Queripel's question, because I have just gone on Wikipedia:

'Welfare can take a variety of forms, such as monetary payments, subsidies and vouchers, or housing assistance. Welfare systems differ from country to country, but welfare is commonly provided to individuals who are unemployed, those with illness or disability, the elderly, those with dependent children, and veterans. A person's eligibility for welfare may also be constrained by means testing or other conditions.'

This is Wikipedia – you either agree or disagree with Wikipedia, but I think it is clear in there that it covers housing.

Thank you.

2030 **The Bailiff:** Deputy Ogier.

Deputy Ogier: Sir, as the Minister for the Department of Roads, Solid Waste, Longue Hougue, Harbour, Airport, (*Laughter*) Guernsey Water and States' Works, I can tell you that we do not always have to have every department that is looked after within the Department in the title itself.

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The Bailiff: Deputy Le Lièvre.

2040 **Deputy Le Lièvre:** I will be brief, sir. If anybody in this Assembly thinks that the word 'welfare' is going to make claiming Supplementary Benefit or any other means-tested benefit easier for the elderly, who are the people who Social Security have constantly said do not claim benefit because of the problems associated with its name... If anybody necessarily thinks that 'welfare' is going to make things better, then they are sadly mistaken. I have been in this business since 1979. The use of the word 'welfare' is so restricted in Guernsey terms that it only has one meaning, and that means, to those people who claim benefit for a variety of reasons, usually associated with derogatory terms by other people outside of the States. I cannot see that 'welfare' will enhance the viewpoint of the general public in regard to the work done by Social Security, which it understands all too well. In conversation with Deputy Langlois a few days ago, when I quoted this at him he very kindly said he was not associated with such baggage, but I have got more baggage than Aurigny and Blue Island put together on this particular subject! (*Laughter*) I am virulently against the use of the word 'welfare' because of the connotations that go with it.

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Please, please, please do not accept this amendment, because it will not do anything for the image of Social Security or indeed the people who have to visit Wheadon House, not through choice but through necessity.

Thank you, sir.

2055

Two Members: Hear, hear.

The Bailiff: Deputy Fallaize.

2060 **Deputy Fallaize:** Thank you, sir. I am presuming that there are not many others.

The Bailiff: Does anyone wish to speak? If you want to have the penultimate speech, you are entitled to. The Chairman of your Committee may wish to speak after you! (*Laughter*)

2065 **Deputy Fallaize:** Yes! Well, in the list that was circulated it said that / am going to be speaking on this one. (**Several Members:** Oh!) (*Interjections*) Here it is. I will circulate it for Deputy Lowe. (*Laughter*) It is a single-sided e-mail, which just lists our names and who is speaking on which amendment. Here you are. (*Laughter*) But Deputy Le Tocq can have a go later, if he wants; I don't mind.

2070 I am bound to say the Committee's position is that clearly this amendment, like Deputy Le Lièvre's two amendments this morning, does not in any way alter the main purpose of the Committee's proposals, and to that extent the Committee is ambivalent about the titles.

My own view, since I am speaking, is that I think we decided a title this morning, 'Employment and Social Security', which actually is straightforward; I think everybody will understand what it does. The 'Committee for Work, Welfare and Pensions' is a bit more of a mouthful than the 'Committee for Employment and Social Security', so I am not really persuaded that we should change the title again.

2080 I am not really fussed about the business of 'work' or 'employment'; that is neither here nor there. But decoupling welfare and pensions I am not overly keen on because this really becomes a committee for work – or employment – non-contributory benefits and contributory benefits, and I think there is merit in us, in the title of this committee, retaining a universal title for non-contributory benefits and contributory benefits and not trying to decouple pensions. I think if we have 'Committee for Work, Welfare and Pensions' we will be decoupling two different sorts of benefit and I do not think that is terribly beneficial. And 'welfare' is not really a term that is used in English other than in America, where 'welfare' means non-contributory benefits, effectively. It means unemployment benefit – what we perhaps would previously have called public assistance. In fact, we used to have a Labour and Welfare Committee. (**A Member:** Yes, we did.)

2085 So I do rather think that this is an amendment which does not improve upon what the States voted on this morning. I think this morning we settled on the 'Committee for Employment and Social Security'. It is clear, it is straightforward, it does what it says on the tin and I am happy with that, but obviously the Committee acknowledges that this amendment, if it is approved, does not undermine the Committee's main proposals.

Thank you, sir.

2095 **The Bailiff:** Deputy Langlois... unless, Chief Minister, do you wish to –

The Chief Minister: I just wanted to say I have not got anything to add, except that I rather like the alliteration of the – [*Inaudible*]

2100 **The Bailiff:** Deputy Langlois.

Deputy Langlois: Thank you very much, sir.

I think we must all have been reading different tins, because we have all said that it does what it says on the tin now, sir! I will try again.

2105 How do you know where to go? Well, I do not want to anticipate operational decisions of a committee yet to be elected under a new States next year, but I possibly would, as the departing Minister in this case, leave a recommendation that there could even be a section which is labelled the 'Housing' section, pointing people towards a particular area of the building. That probably would solve the problem. I go back to – (*Interjection*) Well, it would give clues. I go back to what Deputy Ogier says – thank you very much – in that I genuinely do not see that as a problem.

2110 I do understand some of the historical aspects now of what Deputy Le Lièvre was saying. If you actually look way back, the word 'welfare' has certain connotations within the Guernsey context, which in my view are long gone. I disagree with those who say they are not long gone. What I am particularly anxious about is that since doing this job for this term the position of pensioners is that many of them find it very difficult to deal with the Department on the basis that they are receiving an entitlement – an entitlement that they have earned through contributions and so on.

That is an ever-growing problem and that is why I am encouraging you to say that the title that has the word 'pensions' in it and shortens the 'employment' word to 'work' is the preferable choice.

2120 I say no more than that. Let's vote on it.

The Bailiff: We are voting on amendment 5, proposed by Deputy Langlois and seconded by Deputy –

2125 **A Member:** A recorded vote?

The Bailiff: A recorded vote on amendment 5, proposed by Deputy Langlois and seconded by Deputy James – the one marked amendment 'A'.

There was a recorded vote.

The Bailiff: I think while those votes are counted we can move on.

2130 Amendment 6 we do not need to deal with, because – that was my mistake – that would only have been needed if amendment 4 had been carried.

What we have is a fresh amendment, which I think it would be useful to take now, proposed by Deputy Laurie Queripel and seconded by Deputy Dave Jones, which goes back to what we were dealing with this morning concerning the States' Trading Supervisory Board.

2135 Deputy Laurie Queripel.

Amendment:

To insert at the end of the words in proposition 23: ', but subject to the modification that the constitution of the Board shall be a President who shall be a Member of the States, two other members who shall be Members of the States, and two other persons who need not be Members of the States'.

Deputy Laurie Queripel: Thank you, sir. Could I ask –

2140 **The Bailiff:** Could I just ask that we do have this one read, because I see there has been a manuscript amendment to it, so I think it is very important that we make sure that we get the exact wording of the amendment recorded.

Deputy Laurie Queripel: I was going to request that, sir, thank you.

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The Senior Deputy Greffier: Yes, sir, the Queripel and Jones amendment: 'To insert at the end of the words in proposition 23: ", but subject to the modification that the constitution of the Board shall be a President who shall be a Member of the States, two other members who shall be Members of the States, and two other persons who may not be Members of the States".'

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The Bailiff: Is that the correct wording, Deputy Queripel –

Deputy Laurie Queripel: It is, sir, thank you.

2155 **The Bailiff:** – because it has been marked in manuscript on mine but not initialled and I did not know whether that was correct.

The Procureur: Can I ask if it should be 'need not'?

2160 **The Bailiff:** 'Need not', right, so...

The Senior Deputy Greffier: Shall I read that again, sir?

The Bailiff: The wording would be 'who *need* not' – is that your wish, Deputy Queripel?

2165 **Deputy Laurie Queripel:** That is correct, sir, thank you.

The Bailiff: Who *need* not be Members of the States.
Deputy Laurie Queripel.

2170 **Deputy Laurie Queripel:** Thank you, sir.

Everything that I have said this morning during debate on the Deputy Brouard and Deputy Dave Jones amendment stands, when we debated the amendment in regard to the States' Trading Supervisory Board.

2175 I understand the model that the States' Review Committee are putting forward and this amendment will not undermine that, sir. It will not elevate the States' Trading Supervisory Board to a principal committee status. It will not muddy the lines of accountability and responsibility and reporting that the report of the Committee draws or wants to put in place. It will simply result, if successful, in the makeup of the States' Trading Supervisory Board being made up of a majority of States' Members. I think that creates the right balance and it does not undermine the structure
2180 and the model the States' Review Committee are seeking to establish. It does not create duplication in the area of policy. That does not mean, of course, that the Board cannot convey their policy ideas to the relevant principal committee, because I am sure that line of dialogue and communication will be open for them to do so, but it means they will not be responsible for creating policy, only overseeing and holding to account the States' trading bodies.

2185 I do have a concern if States' Members... I appreciate it is not likely, because it will be the States who ultimately decide on the makeup of the Trading Board's membership and I appreciate that, but I want to put this beyond doubt; I want there to be a guarantee. I am concerned that if States' Members for some reason did end up in the minority – and once again it is not likely, but if something went wrong in regard to one of the trading bodies, how can that Board be properly
2190 held to account when actually the members of that Board, who are accountable to the States and accountable to the public directly, are not in the majority? I realise, as I have said, the Board would have to be decided in the States.

So I think the Members such as myself and Deputy Brouard, Deputy Dave Jones and Deputy Domaille need some comfort and assurance that the makeup of the Board... and of course it could
2195 be as many as two non-States' members on that Board, sir... its constitution... States' Members will be in the majority. As I said this morning, these companies, these trading bodies, regardless of whether they are being commercialised – I think Deputy Gollop used the term 'semi-commercialised' – they are owned by the public and they should be accountable to States' Members, who have been democratically elected by the public, and then those States' Members
2200 are directly accountable to the members of the public. To me, it is just about an assurance and a guarantee that we can really make sure that this Board is directly responsible and accountable to the States and to the members of the public. And if for some reason the balance of that Board is different and non-States' members are in the majority, that cannot come into play.

To me, this does not undermine the intentions of the States' Review Committee. I can really
2205 understand what they are trying to do in trying to create proper lines of accountability and responsibility. They are trying to bring about efficiency and effectiveness and I buy into that, sir; I understand what they are doing. But I have always believed, as I said this morning, that ultimately there should be proper political scrutiny and oversight and proper accountability in regard to anything involved with the States, and that is why I am putting this amendment forward.

2210 Thank you, sir.

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

Deputy David Jones: I do, sir.

Amendment 5

Not carried – Pour 9, Contre 34, Ne vote pas 1, Absent 3

POUR

Deputy Soulsby
Deputy Langlois
Deputy Le Clerc
Deputy Duquemin
Deputy Paint
Deputy Le Tocq
Deputy James
Deputy Adam
Deputy Perrot

CONTRE

Deputy Sillars
Deputy Luxon
Deputy O'Hara
Deputy Quin
Deputy Hadley
Alderney Rep. Jean
Alderney Rep. McKinley
Deputy Harwood
Deputy Kuttelwascher
Deputy Brehaut
Deputy Domaille
Deputy Robert Jones
Deputy Gollop
Deputy Sherbourne
Deputy Conder
Deputy Lester Queripel
Deputy St Pier
Deputy Stewart
Deputy Le Pelley
Deputy Ogier
Deputy Trott
Deputy Fallaize
Deputy David Jones
Deputy Laurie Queripel
Deputy Lowe
Deputy Le Lièvre
Deputy Spruce
Deputy Collins
Deputy Green
Deputy Dorey
Deputy Brouard
Deputy Wilkie
Deputy De Lisle
Deputy Burford

NE VOTE PAS

Deputy Bebb

ABSENT

Deputy Storey
Deputy Gillson
Deputy Inglis

2215 **The Bailiff:** Just before I call any speakers, I can formally announce the result of the vote on the Deputy Langlois/Deputy James amendment: 9 votes in favour, 34 against, with one abstention. I declare the amendment lost.

Does anyone wish to speak on behalf of the Committee at this juncture?

2220 **Deputy Fallaize:** Not at this juncture, sir.

The Bailiff: No?

Deputy Brouard.

Deputy Brouard: Thank you, sir.

2225 I do appreciate the spirit in which Deputy Laurie Queripel is bringing this amendment. I think it is a farcical situation we have got now, in that the new Planning and Development Committee will have five States' Members to decide the size and shape of a dormer window in the back streets of town or out on the Pleinmont headland, and here we have one of the major players of our public services and we are trying to drag up the number of States' Members to be guaranteed at three.
2230 My personal preference... I will not rest easy until it is the same as the other major players and has

five States' Members and the option to have two non-States' members, and if anybody else in the Assembly today would like to propose that amendment you will have my wholehearted support.

Thank you, sir.

2235 **The Bailiff:** Deputy Gollop.

Deputy Gollop: Yes, I agree with Deputy Brouard that that amendment, as he suggests, would actually be preferable to this.

2240 It has been pointed out that this is perhaps overly prescriptive. As I understand it, this Committee would have only five members and they may be three politicians or five politicians, or four and one non-States' Member. If we... as it is a 'need not' or 'may not' be Members of the States... In the past... We established it was a model that was still around in the 1990's, early millennium and we used to see some political high jinks now and then of Members who could not get on committees going for the non-States' Member's seat and getting it and then being ousted by an excellent candidate being put forward. I do not think that was particularly edifying, and this is going back to that.

2245 Really, this kind of structure... a larger Board might not be a disadvantage because you ideally need on it some people with specific non-political expertise, but by the same token you are only putting three politicians on this, compared to five in all the other instances we can think of, which makes this a curious variant.

2250 I would disagree with Deputy Brouard in one respect, in that in reality politicians who sit on the Environment Department do not get involved with dormer windows and microcosmic issues like that, and I would not envisage that the Planning Committee would go down that route, but there is certainly... I would, on balance, vote against this, waiting perhaps for an amendment along the lines Deputy Brouard has identified. *(Laughter)*

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The Bailiff: Deputy Bebb.

2260 **Deputy Bebb:** Members, I have great sympathy with the amendment and I have great sympathy with what Deputy Brouard stated. However, I feel that it comes to the fundamental question as to what do we feel is appropriate in relation to non-States' Member involvement in boards.

2265 My personal position – and I think that it is fair to say that it is the opinion of a number of people – is that if we want the professional opinion, if we want the additional experience at a board, it is right and proper that we gain them through consultants, and either that they be remunerated appropriately according to market value or that they waive some of their remuneration by means of public service. Those are acceptable options to me, and therefore this 'great experience' that I keep hearing about would be facilitated by the means of consultants at appropriate arm's length with appropriate measures put in place of what we expect of them.

2270 The current situation, as proved during this term over an appointment to the Education Department of one non-States' Member and then the need for this Assembly to vote for his removal, shows part of the problem we have got ourselves into with asking for constant States' membership to be somehow validated by this Assembly.

2275 It is right and appropriate for Departments, as and when they feel it appropriate, to call on specialised knowledge. But I have remembered that in the previous debate, on the Brouard amendment that was lost, Deputy Brehaut made reference to the great quality of the Members that we have in this Assembly and he made reference to Deputy Luxon, Deputy Le Clerc and Deputy Harwood, I believe. And that is my point: we have a great wealth of knowledge, information and experience within this Assembly that is democratically elected. It is the point that we are the ones who are expected to make the decisions. I do not like this involvement.

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I am currently tempted to vote for this amendment as an improvement as to what is currently in the policy letter, but I would agree that realistically we should move to having this committee

form the same membership as all the principal committees. But I would suggest that if there is sufficient support for this amendment, then it is possible that a further amendment... and I can
2285 hear the groans before I have finished saying that, but I think that a further amendment, changing it through to five political Members with the option of two non-States' members since we have gone down this route with all the other committees, would be one that could be laid after this one if it were supported. But if there is no support for this, then evidently there is no point in laying that further amendment.

2290 I do not think that this in any way changes the proposals that have been made by the States' Review Committee. Realistically it is just reorganising the membership of that particular committee. And if indeed the members of that committee, when it comes to the next term, choose that they need to have the involvement of more people, of course it is their ability to do that. This is what we do by hiring consultants – and if they wish to do it for a nominal sum, great,
2295 wonderful, clearly. Otherwise, I do not see what the objection would be to this amendment.

Thank you.

The Bailiff: Deputy Fallaize.

2300 **Deputy Fallaize:** Thank you, sir.

Deputy Bebb... First of all, he rather suggested the States had had to remove a non-States' Member from the Education Department, but I think that that person resigned. The States merely had to accept the resignation because Education were not proposing a successor, which is materially different from the States having to remove someone.

2305 He said this all comes down to the rôle that we are comfortable with non-States' members playing. Well, I do not think it does, because there is a difference between making policy and overseeing commercial operations. Personally, with regard to the rôle of non-States' members, a conventional non-States' Member on a policymaking committee, I have sympathy with both arguments – that it is somehow not properly democratic and also that you can obtain the experience and expertise of people outside the States. I do not have a strong view about that one way or the other, but you cannot compare that with a person who may not have been elected as a
2310 Member of the States but has been recruited onto a board to oversee commercial operations. It is fundamentally different overseeing the commercial operation of the Airport or the Harbour or JamesCo or Aurigny than it is making policy in respect of education or healthcare or social security –
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I will give way to Deputy Bebb.

Deputy Bebb: Thank you, Deputy Fallaize, for giving way.

2320 Could I ask, for instance, other areas where there is a large operational area, that could in future move to being on a commercial basis... We seem to be comfortable with that being included within Departments. I give the example, for instance, that within HSSD there is the PEH that *could* – whether the States would ever choose to do is another matter, but it could – become a commercial entity and we would be quite content for that operationally to remain within HSSD. Therefore, is it fair to say that rather than just looking at those entities that are being proposed to
2325 move, we should also have an eye as to whether there is any other part of Government that in future we might move towards a commercial... and whether we are comfortable with those being overseen by non-elected members.

2330 **Deputy Fallaize:** Well, if Deputy Bebb wants, he could move other functions into the States' Trading Supervisory Board, but the point is the analogy he draws is false because this amendment is not dealing with a pile of commercial functions inside a principal committee. This proposal is to set up a new States' committee, a Trading Board, to deal exclusively with the trading concerns of the States. So the question Deputy Bebb asked me about the Hospital and HSSD or their successors would apply if this was an amendment which said these trading concerns should be

2335 overseen, for example, by the Committee for the Environment & Infrastructure, but the analogy he draws is completely false. He looks at me in a puzzled way, but he knows what I am saying. There is a fundamental difference between policymaking and oversight of commercial activities. The clue is in the title 'politician': politicians do policy. Policymaking ought to be done by democratically elected politicians. The oversight of commercial enterprises is not in the same category.

2340 We have to remember that we are not debating in this mini-debate on the amendment whether the States' Review Committee's proposals are perfect. If Members are not quite happy with this amendment then they are free to lay other amendments. We are debating the Queripel/Jones amendment. This amendment is highly imperfect. Why would we want only five members on the States' Trading Supervisory Board? Other committees that are proposed – the principal committees – would have seven members. The Scrutiny Management Committee it is proposed would have three members. Why five members for the States' Trading Supervisory Board? This is not a number that has been arrived at after careful consideration of the arguments. This is a back-of-a-fag-packet amendment. (*Interjection*) This is something drawn up... Deputy Queripel did not have this in mind when he came into the States this morning. This was drawn up on the back of a fag packet at lunchtime.

2350 What the States' Review Committee wishes to achieve in respect of the States' Trading Supervisory Board and the oversight of commercial enterprises... What we want to achieve above all is flexibility, and that is what is proposed for the constitution of the Trading Board.

2355 I will read it again. It says that the 'proper democratic oversight of publicly-owned companies' and 'the recruitment of appropriate skills and experience' is best achieved 'by requiring the President to be a member of the States and then opening up the remaining seats to States' members and persons who are not States' members, but with the qualification that the Board should always include at least two States' members and at least two persons who are not members of the States.'

2360 What Deputy Queripel is proposing is not that there should be *at least* two States' Members, but there should *only* be two States' Members. (**Several Members:** Three.) Three, sorry. But we are proposing a President and at least two more States Members. Deputy Queripel wants a President and two other members who are Members of the States. Why does he want to impose that kind of restriction on the States' Trading Supervisory Board? I am not taking any interventions from Deputy Bebb at the moment. That is building in inflexibility. It is making it prescriptive.

2365 I suggest to Members that Deputy Queripel and Deputy Jones, simply looking at this this morning, have not been through the exercise necessary to determine how many members – forget for a minute whether they are States' Members or non-States' members – it is necessary to have on the States' Trading Supervisory Board. Even the States' Review Committee has not reached that conclusion, and we have been looking at it for two or three years! So I am very doubtful that they have been able, on the back of their fag packet, to come up with the correct number of members for this Trading Board and I would urge the States not to constrain the flexibility of future States in terms of determining the number of members of the States' Trading Supervisory Board.

2375 Deputy Brouard said actually what the Trading Board should have is five States Members and two non-States' members, and he bases his argument on that is what is proposed in respect of the principal committees. There is some logic in that, except why would you have a Trading Board? What is the purpose of creating a Trading Board and having this different basket of functions outside of principal committees and giving it to a Trading Board if you are going to make its constitution and its operation the same as with principal committees? You might just as well take the trading concerns and plonk them in the Committee for the Environment & Infrastructure, and then you can be completely satisfied that you will have five States' Members and up to two non-States' members and the whole thing will have political oversight.

2380 That clearly is the amendment that the Members of the States who are concerned about the constitution of the Trading Board... that is what they want. We have had two amendments which
2385 do not give them what they want. I wonder whether we are going to get third-time lucky when

the next one has to be drawn up on the back of a fag packet and they can actually lay before the States the amendment that really gives effect to what they have been telling the States they want, which is a board or a committee of the States looking after the operations of trading concerns, stuffed full of States' Members. That is what they are after.

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The accountability of the Trading Board will be directly to the States. There is a direct reporting line between the States' Trading Supervisory Board and the States. The President of the Board will be a Member of the States. At least two other members will be a Member of the States. It may be that the next States decides that the Trading Board... Deputy Queripel is saying three plus two – well, why not four plus three? That would keep States' Members in the majority. But why three plus two? If this kind of amendment is going to be laid, it at least has to be justified.

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Deputy Queripel says he wants to achieve an outcome where States' Members are in the majority, but this amendment goes far beyond achieving that States' Members are in the majority. It prescribes exactly the number of members that should be on the Board and the exact balance of the composition of the Board. It is far more prescriptive than anything that is proposed by the States' Review Committee.

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Also I have this question for Deputy Queripel when he sums up: has he considered how this Trading Board, if this amendment goes through, will be quorate? Because if it is five members, the normal course of events would mean that it was quorate if three members were present. What if the three members were one of the States' Members and two others who were not States' Members? Would we suddenly say, 'Well, actually, the Board cannot operate now because the other two States' Members have gone on holiday and we cannot possibly have this Board carrying out its work unless we have a majority of States' Members in place'? So I do not think that this amendment in any way achieves the effect that Deputy Queripel wants to achieve, where States' Members are always in the majority when the Trading Board is sitting.

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Deputy Bebb said that we have a great wealth of knowledge and expertise in the States amongst States' Members and we should use that. The States' Review Committee agrees with that. There is nothing in these proposals which requires the States' Trading Supervisory Board to have a preponderance of people from outside the States. If the next States look at it after the General Election and say, 'Well, actually, in this rôle of overseeing the trading concerns we think that we have suitably qualified people sitting in our Assembly who can do that job,' then there is every possibility that those people will be proposed to form the States' Trading Supervisory Board, and the States' Review Committee has discussed that. When we considered whether to make our proposals in respect of the constitution of this Board prescriptive, the conclusion we reached was no, we should not make it prescriptive, because we do not really know what the makeup of the next States is going to be so we ought to give the next States the maximum possible flexibility, once the membership of the States is known, to determine who is best placed to carry out the oversight of commercial operations.

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I really do not think that in the cold light of day Deputy Queripel really believes that the operational oversight of Aurigny, JamesCo and Guernsey Electricity should be carried out by a conventional States' committee loaded with States' Members. The rôle of a policymaking committee is for politicians, but the oversight of the States' commercial enterprises is something quite different, and actually what the Review Committee is proposing provides the maximum possible flexibility.

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Deputy Queripel wants to make the membership entirely prescriptive, and I think if we are going to make the membership entirely prescriptive we ought to have a little bit more evidence than we have before us in respect of this amendment, which has been drawn up on the hoof. It has not, in my opinion, been thought through. It is not a compromise. It is materially different from Deputy Brouard's amendment. It is not in any respect some kind of compromise between the Review Committee's proposals and Deputy Brouard's amendment; it is a fundamentally different amendment putting forward a fundamentally different concept.

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I think overwhelmingly what the States' Review Committee has to say to the States is we cannot really give the States any advice about whether Deputy Queripel's proposed constitution is

2440 the right constitution for the Trading Board, because we have not had any sort of time to consider
it. My inclination is that if it is going to have a majority of States' Members it should be four plus
three. Three plus two is just a figure completely plucked out of the air and I ask the States to
reject this amendment by a margin as big as the amendment was rejected this morning.

Thank you, sir.

2445 **The Bailiff:** Deputy Conder.

Deputy Conder: I will be very brief. I just wanted to perhaps re-emphasise what Deputy
Fallaize has said.

2450 I understand the good intention of Deputy Laurie Queripel and Deputy Dave Jones, but I think
it is based on a flawed concern – and forgive me for saying that. The whole culture and
philosophy of this States' Review Committee report is to be permissive. We had the same issue
with the Scrutiny Management Committee. What we are trying to achieve is to allow the next
Government, the States' Assembly, to determine how it wants to constitute the board or
committee of the States' Trading Supervisory Board, and it is encapsulated in paragraph 8.9.27.
2455 Deputy Fallaize quoted this earlier and in his earlier speech. It simply says on the two States'
Members:

'It is emphasised that these would be minimum requirements – for example, the States would prescribe no maximum
on the number of States' members on the Board.'

It then goes on, in the last sentence of that paragraph, to say:

'It is proposed that the constitution of the Board and its members should be determined by the States on a
proposition from the Policy & Resources Committee.'

2460 That means that this sovereign Assembly, each and every time that a proposal for the
populating of that committee is made, can determine whether or not it agrees or if it wants to
amend it. It is permissive. So the concerns expressed by Deputy Laurie Queripel are not really
valid, because the concerns that he has can be entirely addressed by this Assembly each and every
time it creates a board of the States' Trading Supervisory Board.

Members of the States, do not tie the next Assembly by fixing a number that may –
Of course I will give way.

2465 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you for giving way, sir.

2470 Would Deputy Conder agree with me that it would be just as permissive to allow the States'
Trading Boards to have five States' Members and two non-States' members just as the principal
committees?

2475 **Deputy Conder:** No, I wouldn't. That sounds the exact opposite of permissiveness, because it
seems it exactly prescribes who would be on there and what their backgrounds would be. I would
come back to the point that I made, that the propositions and proposals of the States' Review
Committee allow this Assembly to determine the constitution to reflect the necessary skills and
the necessary composition that *that* Government at *that* time ought to have in place.

2480 So I would urge the Assembly, in the same way as Deputy Fallaize did, to reject this
amendment by the same substantial majority as last time because it will simply straightjacket the
next Government in terms of how it wants this States' Supervisory Board to be... what form of
governance it wishes and how it will be governed.

The Bailiff: Deputy Lowe.

2485 **Deputy Lowe:** Thank you, sir.

I am going to support this amendment. It is not ideal, but I see it as a halfway house because the current States and the States before that as well have always gone down the route... and PAC is a prime example, where you have the majority of politicians on that and the elected Members to that Board who have a vote, unlike other States' Departments – the non-States' members do not have a vote, but in PAC they do have a vote but the politicians are in the majority.

2490 What we have actually got before us... I am comforted with the halfway house. It is not ideal. I think the larger number of politicians would be better for the reasons that Deputy Fallaize said. If you were not... What is the minimum that you would actually have... could be the majority of non-States' members who on this occasion will have a vote, and that is the concern I have got – that they are not really accountable. They are not facing the electorate.

2495 I have been on several States' Committees and now Departments where non-States' members have been there, who have not got a vote and have never been able to take the committee into a different route than those who are elected. It has been no secret: I have never voted for a non-States' Member and I have no intentions of ever again voting for a non-States' Member while I am in this Assembly, because they are not accountable to the electorate whom we serve. We are elected to take these decisions. We are elected to take those rôles, whether it be making policy or drilling down further, because there is no fine line – if you have got some operational matter that actually you see is wasting taxpayers' money, it is your responsibility to dig down and find out what is going on. That is what you are there for: to ask questions. You do not just sit there, cloned out, that... 'Actually, I can only do policy – I cannot answer questions on any of the operational...'

2500 That is not our job. Our job is actually to look right across – not to drill down to the minutiae, I am not even suggesting that. There is not a definite... where you cannot go over the line to actually find out about operational issues at all.

2510 With the way that the States' Review Committee have set this out, as I said, actually you could end up where there could be five non-States' members on there with a vote and the States might go down for just two elected Members. That is the daft situation that we have got under the States' Review Committee. I say 'daft' because I think that is quite soft, really. I find it quite offensive to Deputy Queripel to say it was done on the back of a fag packet. I know our Procureur smokes, but I am sure he did not do it on the back of a fag packet, the Member of the States, here at lunchtime. So I think that is a little bit derogatory to a Member to throw that at him. I am sure it was not meant quite as harsh as it possibly came across.

2515 I did a quick analysis this morning of our current States' Members and I was trying to think back to the last term and the term before, because this has been raised before about creditable people. Sometimes it is implied that actually people in here are just all politicians, they have no background, they have no experience of anything else – that we need to rely on non-States' members to bring this expertise into the States to help States' Departments. The current way that we have got it for non-States' members... those people who are supposed to have this expertise in a particular area, we have got them for four years. That is the way it works. How can they be an expert on everything that we are discussing for four years? They are not needed for the four years.

2520 They should be brought in, invited in, as and when necessary. We used to do it on Social Security and indeed the companies concerned that we used to invite in never looked for remuneration. They saw it as an honour to be able to assist the States. We never actually paid any of those companies that came in and helped us. It has not always got to be a pound sign at the back of it all. They were actually invited in as and when necessary, which under this situation that we have got here would not happen. They would be tied up as part of this committee for four years, and I do have difficulty with that.

2530 So I had a look this morning and I broke it down into the different professions and whether they were small business people in the States or... We have got three advocates, we have got 10 of you who run small businesses, we have got two of you who run large businesses, we have got seven in finance and we have got – there is a whole list here – two with a medical background. So

there is a broad depth of experience in the States of people who are running businesses and have that ability to actually do the job here.

2540 Thinking back to the last term, I did not have time to actually write it out and break it down but I know I have carried that out before because of that criticism that has been there. There has always been a cross-section there and it has always been that probably half the States are from the business community and half look at the social issues, and that is how you find it all sorts itself out when you are actually in this Assembly.

2545 I think it is almost a little bit unfortunate to say as well that you are not sure... None of us know who is going to be elected next term and what sort of capability the people who will be elected have, but I do not think I could be that harsh on the electorate as to say that they will be electing people who have not got a clue – they are coming into the States and from then on, from 2016, we are going to have to rely on those who are outside in the private sector to help the States because the ones who have been elected have no idea how to run a business or indeed be able to make commercial decisions.

2550 So I will go with this amendment. I hope there might be another amendment that will actually make it clearer because it is too open and, in my view, too dangerous the way the States' Review Committee have allowed that it will be a minimum of two... either States' Members, or a minimum of two non-States' members, and we are leaving ourselves wide open, I think, to finding ourselves in a situation that is not acceptable and will not be acceptable to the electorate. If you have 2555 actually got a majority of non-States' members, with a vote, being able to make decisions, I do not think that is going to go down too well either, myself.

2560 So I will go with this one and I ask Members to give consideration as well to going down the route of this as a halfway house. And yes, if we get another amendment, that would be great – and I am looking at a couple of you who have said that you may well do that, and if you do I would support it... that it would be certainly for making it more definitive again further on.

Thank you, sir.

The Bailiff: Deputy St Pier, and then Deputy Domaille.

2565 **Deputy St Pier:** Sir, I was horrified to hear Deputy Bebb's suggestion that we should replace non-States' members with paid consultants. I am sure my horror was only surpassed by that of the seconder of this amendment, Deputy Dave Jones. (**A Member:** Hear, hear.)

2570 There is a wealth of experience out there that wants to make a contribution to our community; they simply do not have the time, commitment or the inclination to seek election to this place, but are very happy to do so in another way. If you have a consultant, who by definition is an expert in their area, who waives their fee, which was another suggestion by Deputy Bebb, that becomes effectively what a non-States' member is.

2575 The whole point about the States' Review Committee's proposals is to provide maximum flexibility to accommodate not the situation and the number of Members who are in here today and their backgrounds today, but that which will exist at the next election and the election after that. There may or may not be the experience within the Assembly. These proposals provide maximum flexibility and there may very well be more than three suitably qualified Members after the next election or the election after this, so why on earth would we want to limit our access to those suitably qualified Members by this amendment, which would limit it to only three? I find 2580 Deputy Lowe's argument that... This amendment is not ideal, she said when she opened her speech, and yet she wants to remove precisely the flexibility that enables us to access the most appropriate expertise to discharge the job in hand.

So I strongly encourage all Members to reject this amendment, sir.

2585 **The Bailiff:** Deputy Lowe.

Deputy Lowe: Just a point of correction or information for Deputy St Pier: there would be nothing to actually stop that committee, further down the line, inviting people in as and when necessary.

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A Member: Hear, hear.

The Bailiff: Deputy Domaille, and then Deputy Soulsby.

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Deputy Domaille: Thank you, sir.

Actually, Deputy St Pier has said what I was going to say, so I will be even briefer than I was going to be.

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I am not actually supporting Deputy Brouard's amendment this morning. I think there should be five States' Members. I hear the argument that has been made. I think if we have five States' Members on the Land Authority then I think eminently sensible to do so. That said, this morning's amendment, frankly, got hammered (*Laughter*) and I just hope actually – and this is where the flexibility argument comes in – that the next States will perhaps have more sense than this States and actually go along the line of having five States' Members. So, as well-meaning as this amendment is, I will not be supporting it.

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The Bailiff: Deputy Soulsby.

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Deputy Soulsby: Yes, sir. Deputy Gollop earlier said how this was probably an overly prescriptive amendment. I just think it is overly unnecessary. This is a Board that has been recommended by the Policy & Resources Committee, who will recommend, and it will be for this Assembly – well, not this Assembly, the next Assembly – to approve that Board. So that it is the time to be laying this amendment, when you are not happy with what is proposed by the Policy & Resources Committee. It is totally unnecessary now, so I cannot support this amendment.

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The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you.

In paragraph 8.9 of the Report it talks about the Regulatory Policy Institute, which was invited to review regulation of Guernsey utilities in 2010. It says they reported:

“We also appreciate that, whilst the context is one in which political Deputies may be reluctant to be too involved in the oversight of the commercialised boards...”

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That is what they concluded at the time – that Deputies were reluctant to get involved. Surely this is just making... What we want to do in the States' Review Committee is to make use of the skills that are available. We do use non-States' members now on all the incorporated boards. All the incorporated boards are made up of non-States' members and they have operational oversight and they do a very good job on our behalf. (*Interjection*) They do. They all have a vote from the board, because otherwise those boards would make no decisions if they did not have a vote.

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So now, in relation to fulfilling the shareholder responsibility, we have this committee which T&R have set up, which is made up of States' Members and non-States' members – and this is just the further development of this and making best use of those skills. We have identified those skills and they are, as I understand, performing very well, and this is taking it on to the next stage in giving them all a vote and having flexibility in future. And if there is, as Deputy Lowe said, the broad experience in the States, the makeup of that board, as will be proposed by the Policy & Resources Committee, can be a majority of States' Members, but we must have that flexibility (**A Member:** Hear, hear.) to be able to get the best governance for the people of Guernsey. That is what this is all about: it is having –

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I give way.

The Bailiff: Deputy Lowe.

2640 **Deputy Lowe:** I thank Deputy Dorey for giving way.

2645 Would Deputy Dorey acknowledge and accept that previously when there have been positions for non-States' members and it is up to... non-States' members but can be filled by States' Members, there has been huge criticism outside that actually you are looking after your own rather than allowing somebody to stand as a non-States' member? That was a cry and a complaint frequently when we had that option where a States' Member could take a non-States' member's seat.

2650 **Deputy Dorey:** I think Deputy Lowe is going back to pre-2004 when non-States' members had a vote on policy decisions, but we have moved on from that. Policy decisions are made by politicians. This is not making policy; this is the governance, the oversight of... It is in a shareholder rôle and it is as a board of director's rôle in the non-incorporated businesses.

2655 Please reject this amendment and give the future Policy & Resources Committee the flexibility to propose the best people for the job, give the States the ability to accept or reject that proposal so the power will be on the floor of this Assembly at that time. If they do not like the makeup they can reject it, but please give that flexibility in the future and reject this amendment.

Thank you.

The Bailiff: Deputy Ogier.

2660 **Deputy Ogier:** Thank you, sir.

I understand the authors of this amendment wish to have a majority of States' Members on the States' Trading Supervisory Board and I understand the spirit behind their thinking. Unfortunately, for me, this amendment does so in too prescriptive a manner and I cannot support this amendment.

2665 This amendment will set in stone here and now that we have three States' Members and two non-States' members. We may wish to have more States' Members. Perhaps we may decide, when the time comes to populate the States' Trading Supervisory Board, to have five sitting politicians with two non-States' members. This prescriptive amendment removes all such possibilities by hardwiring numbers in today, and this amendment actually prevents five States' Members from being on the States' Trading Supervisory Board.

Deputy Bebb: A point of correction.

The Bailiff: Deputy Bebb.

2675 **Deputy Bebb:** The amendment states that it *need* not be Members of the States. It does not prescribe that they *must* not be Members of the States and therefore it is possible for it to be five Members of the States.

2680 **Deputy Ogier:** I take that point. It restricts, however, the numbers on that committee to five. If you wanted to populate it by five States' Members you would have no opportunity to invite any other extremely experienced people on this Island who wish to help out with the business of overseeing the operations of the States' trade entities, which they may be ideally placed to do.

2685 Even the supporters describe this amendment as far from ideal. I have heard the members of the Supervisory Board are not elected and are not accountable. When we look at what is occurring currently we have the boards of Guernsey Electricity, Guernsey Post, Aurigny and others overseeing operational proceedings, who are not elected by the public. What is being proposed

by the States' Review Committee for the unincorporated entities is a mixture of non-elected and elected individuals overseeing the operations of the trading boards whilst policy formulation takes place in a principal committee.

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Currently we have no States' Members overseeing the operational details of Aurigny, Electricity or Guernsey Post. The SRC propose that we have a mixture of States' Members and non-States' members doing that operational oversight, which will be a big step up, or a big step forward, for the incorporated entities in terms of accountability.

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I think hardcoding numbers today would be a retrograde step and retaining flexibility is the way to go. Thank you.

The Bailiff: Deputy Rob Jones.

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Deputy Robert Jones: Thank you, sir.

I will not be supporting this amendment, but what has not been lost on me since this has descended into the pros and cons or the value that non-States' members have added to this is that we have had numerous e-mails over the last week that covered the operational matters down at the Harbour and we are being told in no uncertain terms that we are wrong to be ignoring the advice of individuals who are no longer even civil servants or are actually on the boards as non-States' members. The irony just has not been lost on me there. *(Laughter)* It is amazing.

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The Bailiff: Deputy Dave Jones.

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Deputy David Jones: We are not against non-States' members. No-one has ever said that. I have got one on Housing; we used to have two. But Deputy Lowe makes a valid point: even if you populated it with five States' Members that does not stop you bringing in outside advice any time you want to do that. We also do that in Housing – you should try it, it is a novel way of doing things – but we do not have them all the time.

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The problem is, I think, it was cobbled together very quickly, because we did not have it this morning, but the fact of the matter is it was our thinking that we did not want to end up with a situation where you could have non-States' members who have now got voting rights outnumbering those of the elected Assembly. The public do not like it – that is a fact, and that is really what... It was a belt-and-braces amendment to try and avoid that.

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The Bailiff: Deputy Brehaut.

Deputy Brehaut: Just a very quick observation, sir, on what we believe to be accountability, because what is alleged – if that is the right word – is that those non-States' members influence decision making and they never go to the public to be elected. But actually, those elected representatives – how and when do they demonstrate accountability and how does this Assembly receive accountability?

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In a conversation with Deputy Andrew Le Lièvre earlier on I was suggesting that perhaps Deputy Le Lièvre and I deserve some type of trophy between us because we seem to have resigned on a number of occasions. I think Deputy Spruce has too. But I jest to make the point that it seems a weakness and that you are ridiculed and you were told to stand firm, and how weak of you to demonstrate accountability. There have been others in this Assembly who have been participants in some fairly expensive *faux pas* and have melted into the background, and let's not forget that.

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So, if you *mean* accountability, stand up to be counted. If you believe that you are a hindrance to progress with policy on a board, stand aside because sometimes policy and policy development and positive outcomes are encumbered by people who perhaps at times have lost their direction and the essence of the... I cannot think of the word – but thank you, sir.

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2740 **The Bailiff:** Deputy Trott.

Deputy Trott: Sir, I do not rise to comment on the merits or otherwise of this amendment, but I do rise to confirm the views of others who say that there was once a time when the way we dealt with non-States' members' participation on boards was a very live issue. I recall after the 2004
2745 election an unsuccessful candidate in the General Election was subsequently appointed – and I used the word 'appointed' because it did not come before this House – onto the Environment Board. There was at the time a very strong public feeling that that was inappropriate. This is not the same, this is very different, but that is, I think, the genesis of the concerns that many long-term Members of the States are expressing today, and there is some validity.

2750 Thank you, sir.

The Bailiff: I see no-one else rising.
Chief Minister, do you wish to reply formally on behalf of the Committee?

2755 **Deputy Le Tocq:** Sir, I have not got anything much to add. I think every question and issue has been dealt with.

We have been going round rather in circles. I think there is a fundamental philosophical disagreement between those who perhaps are in favour of such an amendment... But I do agree with Deputy Fallaize that this is actually quite different than the one we considered this morning
2760 and I certainly also underline, as others have within the Committee and outside it, that we should reject this amendment.

The Bailiff: Deputy Laurie Queripel.

2765 **Deputy Laurie Queripel:** Thank you, sir. The proverbial hornets' nest I think has been stirred up here.

I thank the Members who have taken part in this debate, and of course there have been many good points made from both sides, I feel.

2770 Deputy Brouard started by saying that he appreciated the spirit of the amendment. I am not sure if he is going to vote for it or not, sir. I know it does not meet all of his requirements, but I would say to Deputy Brouard it is better from his point of view than the original recommendations which stand at the moment, so I would encourage... Whether there is another amendment coming later on... I would encourage him to support this one, sir.

2775 I did not quite catch everything that Deputy Gollop said, but he spoke about the division of seats. Well, of course, yes, the amendment is rather prescriptive in that it said there should be no more than five States' Members, and perhaps that is too prescriptive – and, hopefully, if another amendment comes forward it will not be so prescriptive – but actually that could be five States' Members, three States' Members, two non-States' members, four States' Members, one non-States' member, depending on what is required. So I think it does allow for a degree of flexibility.
2780 There were Members who said we need more flexibility and I think it does allow for a degree of flexibility.

The other thing is that, regardless of what you think about non-States' members, it seems to me that for many years two has been the magic number. It seems to me that two have sufficed for all these years. In Departments there have always been two. There does not seem to have been a clamouring from Departments over the years: 'We need another non-States' member. We're
2785 amazingly deficient at the moment. We're dysfunctional and we need another non-States' member with some amazing skills that we don't have already or have access to already.' I have never heard that argument before – never.

2790 I give way to Deputy Trott, sir – I am sure he has.

Deputy Trott: Well, not as far as Departments are concerned – I am grateful for my friend giving way – but of course the Public Accounts Committee is a perfect example of where there were a greater number than two; four, in fact, for many years.

2795 **Deputy Laurie Queripel:** But I am sure Deputy Trott would agree that two has been the established number for the majority of time across the majority of States' Committees or Departments and there does not seem to have been a shortfall there.

I did take Deputy Lowe's points on board and some other Members who have said... The skills, by and large, it seems to me the great majority of the time seem to exist within this Assembly to oversee and to run Departments, committees and the various States' bodies in quite a competent way. So I do take on board the point being made by Members generally – and Deputy Fallaize made it very well, of course – that we want some flexibility in regard to the skills we can access from outside the States, but it just seems that two, generally speaking, has been sufficient.

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2805 Deputy Bebb spoke about bringing in consultants and gaining their expert opinions, and I understand what he is saying but I do rather agree with Deputy St Pier – and of course Deputy Dave Jones shares this opinion too – that it is so very easy to bring in consultants and perhaps it has been unnecessary at times but they have been brought in anyway.

And yes, actually there are a number of members of the public with particular skills and specialisms and qualifications who have offered their help on an *ad hoc* basis and I see no reason why, aside from the two non-States' members if it will be two non-States' members on this Trading Board, other skills from within the community could not be accessed on an *ad hoc* basis, and that need not be expensive. As far as I recall, the current committee, that is a part of T&R, that oversees the trading bodies... I am not quite sure if I have got this right, but I think some of those offer their skills and their services without taking any remuneration. I do not know if that is correct or not, but... Yes, it is correct.

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2815 Deputy Fallaize said a lot of things, sir, and I have tried to catch some of them, or most of them. As I said when I opened up on this, this amendment in no way undermines what the States' Review Committee is trying to achieve, and I hope he agrees with me on that, in the sense –

Sorry, I will give way to Deputy Fallaize. I'll help to get him to his feet.

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Deputy Fallaize: I thank Deputy Queripel for giving way.

Clearly this amendment is of a different order from the one which Deputy Brouard laid this morning. It does not seek to undermine the main concept behind the Committee's proposals, but clearly, for the reasons that the members of the Committee have laid out, we think our proposals are vastly preferable to what is in the amendment.

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Deputy Laurie Queripel: Thank you, but still I come back to my core message, sir, that yes, okay, I accept the prescriptiveness of this amendment in regard to the number of members, but I come back to my core message... and there have been various things about... Deputy Brehaut said, 'What really constitutes accountability and what doesn't?' but I still believe... I am still far more comfortable if I know the makeup of any States' body, whether it be a committee or subcommittee or a Department, or whatever it is, is constituted by a majority of States' Members. I think that is the best way to guarantee, or almost guarantee, that there is proper accountability not only to the States but to the members of the public – because we stand for election.

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2835 As Deputy Fallaize and other members of the States' Review Committee have said... They have openly said that actually what they are doing, the project they are embarking on, the organisation of States' affairs, is a work in progress – or else they would not be bringing more than one policy letter; they are going to bring another policy letter out after this one. So maybe this amendment is not the ideal solution in regard to what I am looking for and what other Members are looking for, but in the future perhaps it can be looked at again and perhaps adjusted again, because when the States' Review Committee come back with their third policy letter they will be putting more flesh on the bone. So even if this amendment is successful I see no reason why it could not be perhaps

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amended in the future regarding what is required; and if there are any shortfalls or any problems with what has been put forward, if this amendment is successful, surely they can be dealt with at a later stage.

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A number of Members – Deputy St Pier, and Deputy Le Tocq I think was one, and Deputy Dorey too – mentioned how the commercial boards in regard to the incorporated or the commercial bodies have no political representation, and of course I accept that. I am not personally entirely comfortable with that, but I accept that. But I do not think I am being overly critical when I say that some of those bodies have not exactly covered themselves in glory in regard to some of the actions and decisions that they have made over the years in the way that some of those companies have been run, and Deputy Dave Jones actually gave us some examples this morning in regard to some of the mistakes that have been made by these commercialised and incorporated bodies.

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Deputy Conder said that my concerns were flawed – he accepted they were sincere but he felt they were flawed – and he spoke about the permissiveness that the States' Review Committee have built into their proposals. I do understand and I accept that, but I still believe – I come back to my core, fundamental mantra – that if we are going to have proper direct accountability, the democratic balance of any States' organisation, committee or Department, whatever it is, or board like this, the Trading Board, the States' Members need to be in the majority in regard to the makeup of these boards.

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We have to remember that this document that has been put together by the States' Review Committee is a very good document. I agree with a great deal of it. I have one or two concerns but I think it really takes us in the right direction. But it is not a sacred tome; it has not been divinely handed down! (*Laughter*) I think we are allowed to – (*Interjection*) (**A Member:** Hear, hear.) The members of the Committee, sir, have not been elevated to sainthood yet, (*Laughter*) so it is not a sacred tome; it has not been divinely handed down. (*Interjection*) I think that we are allowed to raise our concerns and seek to amend those parts of the document, the recommendations, that we are concerned about.

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I thank Deputy Lowe for her support. She made some very good points and actually she pre-empted Deputy St Pier, in a way, in that she said – and she actually read the list out – there is a wealth of experience within this Assembly. There are people from all walks of life with all sorts of qualifications, with all sorts of backgrounds, with all sorts of professional skills, and generally speaking it seems to me that often suffices, especially when you supplement it or complement it with skills from outside the States; and generally speaking it seems that two non-States' members have sufficed in that regard.

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Deputy Dorey also said that in the past States' Members have been reluctant to get involved in the hands-on approach and in operational matters, but as Deputy Fallaize himself pointed out this morning, it is not as neat as that. The majority of phone calls we get from members of the public are bringing operational issues to our attention and they want to know that their politicians are aware of those problems and, if at all possible, can either help to address them or at least explain or justify what is going on, and that does not always seem to be the case at the moment.

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I thank Deputy Dave Jones for his seconding the amendment and for his support and the point that he made that you can bring in skills on an *ad hoc* basis.

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What I am looking for here, sir, and this is what some other Members are looking for, is a safeguard in regard to the makeup of the board.

I could go on, but I am sure you will be relieved that I am not going to go on. (*Interjections*) I will go on if you want me to!

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Deputy Lowe: Take as long as you want. That's democracy.

Deputy Laurie Queripel: That is the point, sir – Deputy Lowe says 'that's democracy', and actually it really does not matter how many amendments get brought in regard to whatever recommendation. The point is we need to get it right and I do not think the recommendations are

2895 quite right at the moment. There are some Members who do not think this amendment is quite right, so if it takes another amendment what is the problem? Anybody got any pressing appointments anywhere? I don't think so; this is where we are meant to be. (**Two Members:** Hear, hear.) (**A Member:** More amendments!) More amendments, bring them on! Never mind the quality, feel the width – yes! (*Laughter*) I am old enough to remember that show.

2900 So thank you, sir. I urge Members to support this amendment because I think it is better than the report's recommendation, and so I ask Members to support it. Thank you.

The Bailiff: Members, we vote then on the amendment proposed by Deputy Laurie Queripel and seconded by Deputy Dave Jones. Those in favour; those against.

Members voted Contre.

2905 **The Bailiff:** That was defeated. I declare it lost.

Deputy Lowe: They did not have their mics on, sir, so their vote is not counted.

The Bailiff: Sorry?

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Deputy Lowe: They did not have their mics on, so their votes are not valid.

The Bailiff: I think that applies to a recorded vote rather than –

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Deputy Lowe: It may do.

The Bailiff: We move on then to the amendment proposed by Deputy Stewart and seconded by Deputy Brouard – the one marked 'Stewart A'.

Do you wish that to be read, Deputy Stewart?

Amendment:

To insert a new Proposition 2A as follows:

'2A. Notwithstanding paragraph 5.4.13 of that Policy Letter, to agree in respect of the financial services sector and the States' relationship with the Guernsey Financial Services Commission that the Policy & Resources Committee shall be responsible for the matters currently within the mandate of the Policy Council, and the Committee for Economic Development shall be responsible for the matters currently within the mandate of the Commerce and Employment Department.'

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Deputy Stewart: I am happy to read it, sir, because it probably will not be published on the website by now.

Deputy Stewart read the amendment.

Deputy Stewart: Mr Bailiff, this is really to keep matters where they are as much as possible, because I think over the last few years we have arrived at a very efficient way and a very good working relationship with the Guernsey Financial Services Commission.

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If I could just explain the rôle that, for example, currently the Policy Council has, the Policy Council will look after things such as the risk appetite; regulatory policy matters; the fees, for example, are now looked after by the Policy Council; and then rather large projects, such as Moneyval, our rating in terms of anti-money laundering and know your client. Good governance of the Guernsey Financial Services Commission would also be with the Policy Council at the

2930 moment and stay with the Policy & Resources Committee and ensuring that that delivery of service is what industry should expect.

On the other hand, what Commerce & Employment does now and what we would suggest is kept by the Committee for Economic Development would be projects that we are currently embarking on with the Guernsey Financial Services Commission such as the revision of laws project; company law, which will be coming to this Assembly very shortly, the revision of that; the technical aspects around anti-money laundering and know your client; and, for example, something we approved just last month, which would be SEPA.

2935 So what we are saying is Policy & Resources would deal with what the Policy Council currently deal with, which is the overarching regulatory oversight of the Commission, and the new Economic Development Department will deal with what C&E do now, which is working with the Commission on various aspects of financial legislation.

2940 I do not think there is an awful lot more to say, other than that we want to maintain the *status quo*. I know the Chief Minister supports this – we have discussed it – and Deputy Fallaize too, so I would ask Members to support this amendment, please.

2945 **The Bailiff:** Deputy Brouard, do you formally second the amendment?

Deputy Brouard: I formally second, sir, thank you.

2950 **The Bailiff:** Deputy Le Tocq.

Deputy Le Tocq: Yes, sir, just to underline that this makes sense and the Committee will not be opposing it.

2955 In terms of my responsibilities as Chief Minister it will be necessary in the next Assembly for some sort of working group similar to the Fiscal and Economic Policy Group to be established. It is actually appropriate within that nature that discussions around regulation take place.

2960 We appreciate the place that we have got to with regard to relationship to the Commission at the moment, as the Minister has said, which is very much better. It is only right, in terms of the innovation that is going to be required over the next few years, that the future Committee for Economic Development has that rôle in terms of working with the Commission and that, in terms of particularly reputation issues which impinge upon our external relationships and those sorts of rôles, the bigger issues that have been outlined by the Minister, the future Policy & Resources Committee takes on. So I encourage Members to support this amendment.

2965 **The Bailiff:** I see no-one rising.
Deputy Stewart, do you wish to reply?

Deputy Stewart: No, sir.

2970 **The Bailiff:** We go straight to the vote then on the amendment proposed by Deputy Stewart and seconded by Deputy Brouard – the Deputy Stewart 'A' amendment. Those in favour; those against.

Members voted Pour.

2975 **The Bailiff:** I declare it carried.

Next we come to another amendment proposed by Deputy Stewart and seconded by Deputy Brouard, the Deputy Stewart 'B' amendment.

2980 Deputy Stewart.

Amendment:

In Proposition 5(b), to delete the reference in the policy and advisory responsibilities of the Principal Committee entitled the Committee for the Environment & Infrastructure to 'safeguarding living marine resources and the sustainable exploitation of those resources'.

In proposition 2(b), to add in the policy and advisory responsibilities of the Principal Committee entitled the Committee for the Economic Development reference to 'safeguarding living marine resources and the sustainable exploitation of those resources'.

2985 **Deputy Stewart:** Yes, Mr Bailiff. In your excellent speech this morning you paid tribute to Sir Graham Dorey's work in securing our fishing grounds over the years and this has indeed been hard fought. In this term we have managed to finally get to the point of having a Fisheries Management Agreement. The whole point of that agreement was to safeguard our fishing industry – and that is what it is: it is a fishing industry – and having had that Fisheries Management Agreement, which is now signed by seven jurisdictions, we want to develop our fishing industry. It makes sense from an environmental point of view but also from supply and terms of employment. We have started an apprentice scheme in this term to encourage young fishermen into the industry.

2990 There are, of course, some aspects of environmental concern, but I think those are very much market driven. We have done an extremely good job in preserving our fish stocks. In having this Fisheries Management Agreement we have managed to stop pair trawling, the scalloping which has absolutely devastated the seabed.

2995 So it is the view of the entire Commerce & Employment that this is a fishing industry, we can develop it further and that it should remain within the remit of the Committee for Economic Development and not elsewhere.

3000 I know that perhaps Deputy Trott, who has always been interested in everything fishy for a long time, can probably give you some more numbers around that industry and I think it is quite right that someone who has been involved in that industry should actually speak in this Assembly concerning that.

3005 From my whole Board's view we want to develop fishing further. We have to develop various aspects of our economy, and although fishing will never ever compete with finance it is still an important industry for this Island.

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

Deputy Brouard: I formally second, sir, thank you.

3010 **The Bailiff:** Does anyone wish to speak on it on behalf of the Committee at this stage? No.

Deputy Fallaize: Not at this stage, sir.

3015 **The Bailiff:** Is there any debate? No. Oh, Deputy Harwood has risen.

Deputy Harwood: Thank you, sir.

The comments I am going to make in relation to this amendment I think apply equally to the two following amendments.

3020 Those of you who may be of a cynical disposition may take the view that this amendment is an attempt to emasculate the proposed Environment & Infrastructure Committee before it even takes flight. Others may say this is a territorial land grab – and I use that word advisedly in the context of green matters – on the part of the Department of Economic Development.

3025 I am not of a cynical nature. I recognise the sincerity with which both Deputy Stewart and Deputy Brouard are proposing this amendment. I recognise also the importance attaching to the fishing industry as part of the economics of this Island. But the amendment goes, in my opinion,

considerably wider and it raises the fundamental issue that I think this Assembly, this States, needs to begin to address: the extent to which we are, as an Assembly and as an Island, serious about environmental issues.

3030 It is very tempting and very comforting to suggest that this could be purely viewed as an economic issue. It is not, sir. It is a wider issue – the whole environmental issue – and the States' Strategic Plan itself recognises that there are tensions the environment attaches importance to environment matters. So if we give in to this particular amendment I believe we are sending out the wide message that the environmental matters which pertain to this Island will be overridden by commercial interests.

3035 Sir, should genuine environmental issues be subjugated to commercial interests? Should they be subordinated to commercial interests? If this amendment is successful, then in relation certainly to the marine area – but as I have mentioned, in the two following amendments that Deputies Stewart and Brouard will be bringing forward it extends to the farming area and also to energy – I ask the Assembly to consider how will environmental issues be addressed when all matters are in the hands of the Department of Economic Development. Ultimate control for environmental issues will be in the hands of that Committee. It is the Committee that is also responsible for economic development. I suggest, sir, that there will be a fundamental conflict between economic interests and environmental issues, and in this context I would urgently urge all Members of this Assembly who have the remotest interest in environmental matters and the importance of the environment to this Island to think seriously, and I would ask you to reject this amendment and similarly the two following amendments.

3045 Thank you, sir.

The Bailiff: Deputy Dorey.

3050 **Deputy Dorey:** Thank you, Mr Bailiff.

I did a bit of inquiring into some statistics, because we get the Employment Report but fisheries is not separated so I asked for a breakdown of the number of people who are employed in fishing. They gave me the statistics: there are 41 self-employed and seven employed, making a total of 48, or 0.15% of the workforce. I also asked about the economic output, because again in the facts and figures it is not broken down into what the output is for fishing, and they said that it works out at 0.1% of output of the Island – and output is defined as profits, wages, etc. So the fishing industry is very, very small compared to the rest of industry.

3060 The thing that the States' Review Committee wanted was that the new Commerce Committee would be concentrating... it has a pure focus on economic development and job creation. I think that would be best achieved by this very small industry... but environmentally it is very important in terms of the use of resources... the political responsibility for that is given to the Environment & Infrastructure Committee as it is safeguarding the living marine resources as well as the sustainable exploitation of the resources.

3065 So I would encourage Members to reject this amendment to ensure that the Commerce Committee has a focus on economic development and that we... Sorry, I should not say 'Commerce'. I should have said the Committee for Economic Development – I apologise – should have a focus on economic development and not on this very small industry, which is important in terms of use of resources, but give that to the Environment & Infrastructure Committee, who I believe could administer that political responsibility. And it is also, as is said in the report, trying to have a balance between the various committees. We think that we have the balance right by giving that to the Commerce... sorry, the Environment & Infrastructure Committee.

3070 Thank you.

3075 **The Bailiff:** Deputy Trott.

3080 **Deputy Trott:** Sir, fishing is part of our culture and I do not think there is anyone in the Assembly who would deny that it is inextricably linked to the economics of both our tourism and our hospitality industries. It is worth, as a consequence, millions a year in both direct and indirect benefits.

3085 But let me give you a perfect example of why this must sit with the Economic Development Committee and not the Environment Committee. We have a very real and live issue at the moment to do with quotas. Guernsey's wet fish industry over the course of the last few years has traditionally harvested about 125 to 150 tonnes of ray annually. It has been the bedrock of the industry and clearly sustainable because that number has remained constant for as long as anyone can remember. When it has fallen it has fallen as a direct result of a reduction in effort, not a reduction in fish stocks. DEFRA, as part of their UK quota allocation, find themselves in an invidious position where they want to multilaterally cut across the industry in a way that will see Guernsey's ray quota drop from 125 tonnes potentially down to 25 tonnes. The consequence of that is that Guernsey's wet fish industry would no longer be sustainable. So, weighing up the two issues, economically it makes total sense for the quota to remain as is, environmentally it makes complete sense for the quota to remain as is, but outside pressures create a tension which means that the decision making and the defence of the situation clearly rests much more fundamentally with an Economic Development Department.

3095 Colleagues on the Commerce & Employment Department will recognise the numbers I have given as being a very real and live issue. This is an economic matter, sir, not an environmental one, and I strongly hope that the States will show genuine support for an industry that is at its lowest critical mass – it cannot drop any further without us risking losing it as a sustainable unit. It belongs with Economic Development and let's keep it there.

3100 Thank you, sir.

The Bailiff: Deputy Paint.

3105 **Deputy Paint:** We have a massive area of sea around us that has to be policed and looked after. This has been done pretty well in recent years. If you put it quite simply, there are many boats of nearby islands and countries that are desperate to get into our waters to reduce the stocks. We have to make sure this does not happen.

3110 The fishing industry certainly has gone down a little bit in the last few years, but as Deputy Trott says, about 120 tonnes of skate – ray, blonde ray, whatever you want to call it – has been landed and sold in nearby countries. It has not gone down. The amount has not gone down. That is purely the trawling. But with crabbing there are also many small boats and many larger boats, or several larger boats, fishing in the area of the English Channel. They bring in a considerable amount of money to this Island. They are owned here but might be crewed by English crews. So we must make sure that this, the fishing industry, is looked after.

3115 Two or three years ago English scallopers came in and they took a huge amount of scallops from around our coast, outside the three-mile limit. Fortunately, the Sea Fisheries at the time managed to stop them on the inside of the three-mile limit so we still got some of the stocks inside the three-mile limit, but I am told by fishermen that it has taken now four or five years for the grounds to get re-established with scallops. We have got to make sure that is looked after. It is very difficult because fishermen are naturally hunter-gatherers and they will try to do anything to make a living, for which you cannot blame them, but if we do not preserve these waters we will be in deep trouble and will not have a fishing fleet.

3120 Thank you, sir.

3125 **The Bailiff:** Deputy Brouard.

Deputy Brouard: Thank you, sir.

3130 The Bailiwick waters are about 1,200 square nautical miles. They are a valuable economic marine resource with a varied amount of high-value commercial fish species. That is partly due to the high-quality water and also to the cultivating businesses that have looked after the seas.

3135 The key to development of commercial fishing businesses is ensuring the regulatory and the licensing functions are in place to restrict overexploitation of the commercial fish stock. While some of these functions have environmental benefits, they are intended also to protect the fishing businesses so they continue to contribute to the Bailiwick economy. I will disagree slightly with Deputy Dorey. I am not sure who has got the best figures here, but my sources tell me there are approximately 150 individual businesses employing approximately 200 people – a small but valuable contributor to the Bailiwick economy.

3140 All commercial fishing vessels which make a profit from catching wild shellfish and wet fish for commercial sale are required to be licensed to help protect the industry. The estimated value for landing of wet fish and shellfish for 2014 is about £5.2 million. (**A Member:** Hear, hear.) Approximately 80% is exported to France with profits returned to the Bailiwick. The aquaculture industry exports approximately £0.5 million-worth of shellfish, both as seeds and as part-grown shellfish. Taken together it is clear that all the types of fisheries activities are primary commercial.

3145 I ask that States' Members support this amendment. Thank you, sir.

A Member: Hear, hear.

The Bailiff: Deputy Fallaize.

3150 **Deputy Fallaize:** Thank you, sir.

I am going to go entirely off script here because the Committee is expecting me to propose the amendment on behalf of the Committee but I actually think, having listened to the arguments put by the three members of Commerce & Employment, that it is fair to say that this issue of whether Sea Fisheries should sit with Environment & Infrastructure or with Economic Development can be argued pretty well either way.

3155 We have approved the first Deputy Stewart amendment and I sense the States may well approve this second Deputy Stewart amendment. The next two I have to say are of a very different order and the Committee will strongly oppose the next two amendments, but I think sea fisheries is rather different to agriculture and energy and renewable energy and I can understand the arguments – which have been put very well, particularly by Deputy Trott – in favour of this amendment.

3160 So the Committee believes that it had good reason to propose that sea fisheries policy should sit with Environment & Infrastructure and it is explained why it is making that recommendation to the States, but I have to say that I think that this particular one in respect of sea fisheries can be argued pretty well either way.

The Bailiff: Does anyone else wish to speak?

Deputy De Lisle.

3170 **Deputy De Lisle:** Yes, I would like to support fisheries within the new Economic Development Department.

3175 I think that the Commerce Department currently has been *very* concerned in respect of the conservation of the fish resource in Guernsey and has gone really to very great lengths in the past few years to ensure the conservation of that resource. We have now got the 12-mile limit, which is fundamental to preserving the stock in our waters, and we have also got the Sea Fisheries vessel which is continually monitoring the situation with respect to stocks and complying with various Defra regulatory positions.

So, in all, I think that we can feel comfortable in feeling that the Commerce Department and the new Economic Development Department will be looking really very much at the conservation

3180 of the resource, and I am comfortable in feeling that that will be the case with the future
Economic Development Department.

The Bailiff: Deputy Langlois.

3185 **Deputy Langlois:** Yes, sir, just a very brief intervention as a result of the speeches that have
been made.

I accept totally what Deputy Fallaize has just said, that you can argue this both ways. The same
could be applied, of course, to a large part of this report – and let's not go through it page by
page on that basis, but it is an easy one to say, 'Well, there are so many ways to cut this cake,' and
3190 so on.

I think we should listen very careful to the most recent facts that Deputy Trott has outlined as a
recurrent situation that is going on and needs resolution.

What sways it for me to support this amendment is that in order to deal with that
internationally you need a fleetness of foot in a Department and good international contacts and
3195 ongoing international contacts, which I believe are more likely to reside at a higher level in the
Economic Development Department because that will be their stock in trade. For that reason I
would suggest that we should go with this amendment, because there is a danger that if it stays
with the Environment & Infrastructure area the sheer speed of reaction and so on could be
somewhat slower.

3200

The Bailiff: No-one else is rising.

Chief Minister, do you wish to reply on behalf of the Committee?

Deputy Le Tocq: Well, actually, I think Deputy Fallaize has done that to some degree, but I will
3205 just add one further thing to demonstrate that there are some things that I think are easier to see
from both sides and more difficult than others that follow a certain logic.

To put the balance on what Deputy Fallaize said, it is my experience from talking on issues of
fisheries that we are increasingly going to have to argue the case from an environmental point of
view as well as, and far more strongly perhaps than we have in the past, in terms of sustainability.
3210 So it is going to be a matter of working together with our External Relations team in order to
defend what is, as Deputy Trott rightly said, part of our culture, our heritage, our history and
obviously part of our economy, despite the fact that we are talking about a very small number of
people employed here. So we have got to be cleverer than perhaps we have in the past. I am
absolutely committed to that and I am sure others are, irrespective of where it resides.

3215 That does not give you much of a steer, I am afraid, but it does say the importance of fishing. I
use this opportunity to underline what others have said and we need to make sure that it is
supported.

Thank you, sir.

3220 **The Bailiff:** Deputy Stewart.

Deputy Stewart: Thank you, sir. I will just reply very briefly.

What I would say to Deputy Harwood's point is that there is a massive amount of
environmental oversight given to fishing, and the fishermen realise that. That is the importance of
3225 our Fisheries Management Agreement – so that we can preserve the seabed, so we can preserve
our stocks.

Within the team that we currently have we have a marine biologist, we have been seeding
ormers, we have been taking samples all the time of the various marine environments. So there is
that, which is all part of it, but it comes down fundamentally that this is a fishing industry: it is a
3230 fishing industry. I absolutely take the Chief Minister's point that we already are working on marine
special environments and that sort of thing, but this is an industry. To take Deputy Dorey's point, I

do not know where that figure sits of how many fishermen there are, but I know there could be more and that is why you have an Economic Development Department.

I give way.

3235

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Deputy Stewart.

3240

I got those figures from the Statistical Unit. I asked them to break down the Employment Report that is published and they have given me a breakdown of those specifically employed and self-employed in fishing and the economic output of the fishing industry.

Deputy Stewart: Thank you.

3245

However many people there are in full-time fishing at the moment I believe there could be more, and that surely is the rôle of an Economic Development Department. That is why we brought in measures. Of course finance and tourism are hugely important, but one thing about my board – and you have heard the majority of my board speak this afternoon – is that we give oversight to all those industries, and it is important that we still work for our fishermen. Sustainable fishing is massively important for this Island. Our restaurants benefit from it and we export, as Deputy Brouard said, 80% of our fish, but we could do more. We could provide more opportunities. Not everyone wants to work in a digital environment, not everyone wants to work in finance. It is about developing it, and it is at a low at the moment, which means actually it is easy to improve, it is easy to develop. So this is very much an Economic Development job, I see it as, but working in partnership in looking after that environment.

3250

I think what we are ignoring are the numerous part-time fishermen who top up their income by going out, getting a chance, a bit of lobster, some seabass, whatever, but there are hundreds of those. (**A Member:** Bass.) And bass, and ray.

3255

I would say please listen to Deputy Trott – he has given this his support; he has been out there, he has been fishing – and Deputy Paint, who is a hugely respected member of the maritime community. (**A Member:** He is.)

3260

I do believe this is an industry. This is not some sort of land grab, as Deputy Harwood said. We have been massively involved, and Deputy Laurie Queripel will know that when we were doing our whole economic development framework, yes, it is not the biggest of our industries, no, it is not the biggest economic contributor, but it is still Guernsey, it is still important and we can develop it, and that is why it should be with Economic Development.

3265

Thank you, sir.

The Bailiff: We vote then on the amendment, proposed by Deputy Stewart and seconded by Deputy Brouard, that is marked 'Stewart B'. Those in favour; those against.

Members voted Pour.

3270

The Bailiff: I declare that carried.

Next we have another amendment proposed by Deputy Stewart and seconded by Deputy Brouard that is marked 'Deputy Stewart C'.

Deputy Stewart.

Amendment:

In Proposition 5(b), to delete the reference in the policy and advisory responsibilities of the Principal Committee entitled the Committee for the Environment & Infrastructure to 'agriculture, animal health and welfare and the sustainability of food and farming;'

In proposition 2(b), to add in the policy and advisory responsibilities of the Principal Committee entitled the Committee for the Economic Development reference to 'agriculture, animal health and welfare and the sustainability of food and farming;'

Deputy Stewart: Thank you, Mr Bailiff.

3275 Members will remember that it was just last year, and to much relief of several members of staff at Commerce & Employment, after I think something like 18 years we managed to achieve the Dairy Review. Coming back in the next couple of months will be the final part of that around the distribution, and we can move then, when that is decided, with that Ordinance, which is being written in tandem.

3280 If we cast our minds back to the Dairy Review, this was to put the whole dairy industry on a more commercial footing – and it is a dairy industry. What we have done is reduce the environmental subsidy to farmers. That first incremental subsidy has gone through. The gate price at the Dairy has been upped slightly to compensate the farmers.

3285 It was the right decision of the States because the sky has not fallen in, we have got good calving patterns, we have got a very steady milk supply and the price has not gone astronomically through the roof. It worked. And the Dairy – and Treasury will sit there with a happy smile – will have made something like £½ million in the last year in profit. It is working.

3290 And so again the environmental subsidies have been reduced and we have put them back into Treasury. It is not something that Commerce & Employment has reduced the subsidy of the farmers – if I can remind you of that debate. It is not something that we have now grabbed at Commerce & Employment and are now spending on something else. That money has gone back to Treasury and that money, in my view, could be used for environmental measures wider than just the fields that we have cattle in, and that will wind down over a period of five years, if we remember from that debate.

3295 Long term, I have a real vision for the Dairy and farming and hopefully, through the Island Development Plan, in certain areas where fields are not joined we can join them to make larger farms. Clearly, the economies of scale – that is the way the industry has been moving.

3300 I hope we can have a Dairy that is rebuilt but is also part of the tourist industry, where tourists can actually come and see our Dairy working and meet cattle; we can have a learning centre and they can all exit through the gift shop, nip back on the cruise ship and have a lovely day out, as well as locals. I think we have a huge potential to develop our dairy industry.

3305 And so I will use the same argument that I did with fishing just now. It is an industry – it is a dairy industry. We have already voted to reduce the environmental payments. That money has gone back to General Revenue. That money can be given to Environment not just to improve the farms but improve the environment for the whole Island. So that is the logic behind it. That is the rationale behind it.

3310 I will say that I think again this has been... It is not the biggest contributor to our economy, but it is one that Commerce & Employment has given a massive amount of oversight to. It is an industry where we have done such a huge amount of work over the last three years and an industry that the States has really set on a more commercial course, which we know is already working. That is why I hope you will support this amendment and support what is the dairy industry.

3315 **The Bailiff:** Deputy Brouard, do you formally second the amendment?

Deputy Brouard: I do formally second, sir. May I speak now?

The Bailiff: Well, no, (*Laughter*) not if a member of the Committee wishes to speak now.

3320 **Deputy Fallaize:** I am afraid I do, sir –

The Bailiff: Yes, Deputy Fallaize.

3325 **Deputy Fallaize:** – although I am happy to allow Deputy Brouard to speak first and then I can speak straight after him if he would rather speak.

The Bailiff: Fine. Deputy Brouard. (*Interjection*)

3330 **Deputy Brouard:** I don't know who to thank now, sir!
Agriculture in Guernsey is primarily a commercial activity. The agricultural industry is dominated by dairy farming, which comprises a professional group of 15 farms producing eight million litres of milk to high-quality standards which is delivered to the Dairy for processing and packaging; 6.5 million litres of fresh milk is sold every year and the surplus is used to manufacture products for the local market and, in the case of butter, as a very successful export to the UK, the returns of which play a key part in the Dairy's annual operating surplus and the surplus is used to fund vital capital development that is essential for the future of the dairy industry.

3335 All of this is fundamentally commercial and in the vision and policy framework for the dairy industry agreed by the States in September 2014 we put great emphasis on enabling the dairy industry to be less reliant on the Island's Government and to pursue business investments based on the success of commercial enterprise and being able to operate in a much more self-sustained manner.

3340 The 2014 vision was also intended to create an environment in which farming remained viable as a business, not only in terms of remaining attractive as an employment option for some Islanders so that young people would continue to enter the industry, but also in terms of providing farmers with a reasonable standard of living .

3345 The agricultural sector supports a number of service sectors, including feed, fertiliser suppliers, suppliers of agricultural equipment and machinery, agricultural contractors and veterinary practices. All of these businesses are reliant on the commercial success of the primary producers, and that is the farmers. Services and facilities such as breed development, animal health, animal welfare services and the incinerator and slaughterhouse together form part of the infrastructure that provides essential support for the successful commercial farming activities. For example, Animal Health Services, overseen by the States' Veterinary Officer, ensures the health and therefore the productivity of animals and ensures that the Dairy can export its products; artificial insemination and milk recording services provide farmers with data that informs decision on replacement animals, and all this information is vital for the long-term viability of their businesses; the slaughterhouse supports local meat production, which is currently growing. As such, they need to be treated as part of the overall agricultural industry on the Island.

3350 Whilst farming does deliver environmental benefits, dairy farmers are first and foremost businessmen. In short, the long-term future of the agricultural industry needs to be defined by economic policies and shaped by environmental ones.

3360 I ask Members to support the amendment. Thank you, sir.

The Bailiff: Deputy Fallaize.

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

To the credit of the States and members of committees, we are not drowning in amendments from committees basically trying to hold on to their existing mandates. It would have been very easy for Members and committees to bring those sorts of amendments today. Deputy O'Hara, for example, could have done something. Deputy Jones has been good enough to second an amendment which took out the title of the Department which he heads up at the moment from its successor committee.

3370 Commerce & Employment is alone today in standing before the States and trying to hold on to parts of their mandate which the States' Review Committee is proposing for allocation

3375 elsewhere. In respect of the first two amendments which Deputy Stewart laid I think there was a good case for the States supporting them, but in respect of this one and the next one the justification is very weak indeed.

We have to remember that we are today allocating policy responsibilities. We are not talking about where the detailed operational functions and services will sit. Paragraph 5.1.7 of the policy letter says:

'the third policy letter will set out a comprehensive schedule stating which committee has political accountability for each of the operational functions and services across the States.'

3380 All of the work which Deputy Stewart referred to and which Deputy Brouard referred to, which the Commerce & Employment Department has been undertaking at staff level in conjunction with those people involved in agriculture, will still continue. There is no proposed change in that respect. We are talking here about which States' Committee is best placed to assume policy responsibility for agriculture and animal health and the sustainability of food and farming.

3385 The proposed Committee for Economic Development will not have the broadest responsibilities among all of the principal committees but it will have among the most important responsibilities. Its proposed purpose at paragraph 5.4.2 is:

'to secure prosperity through the generation of wealth and the creation of the greatest number and widest range of employment opportunities possible by promoting and developing business, commerce and industry in all sectors of the economy.'

In paragraph 5.4.6 it says:

'The Committee is convinced that the proposed Committee for Economic Development must have a purer focus on its primary purpose without having a multitude of other responsibilities which, while very important in their own right, are related to that primary purpose only peripherally, if indeed at all. The... Committee for Economic Development should be linked very clearly to the cause of economic development and job creation.'

3390 Agriculture and animal health and the sustainability of food relate only very peripherally to the purpose of the Committee for Economic Development, but they are quite central to the proposed purpose of the Committee for the Environment & Infrastructure, at the core of which is the protection and enhancement of the natural and physical environment and the promotion of a clean, vibrant and prosperous community.

3395 The explanatory note on this amendment says that agriculture is an economic activity. Well, so too is education, which contributes almost an equal amount in terms of economic input as does agriculture. So too does recreation: it contributes around about 1% to economic output, which is very similar to agriculture. So too is healthcare: the healthcare industry contributes three times as much to economic output as does agriculture. So the fact that agriculture is an economic activity is no justification at all for allocating this policy responsibility to the Committee for Economic
3400 Development, any more than it would be for allocating education policy or healthcare policy or recreation policy to the Committee for Economic Development.

3405 Deputy Stewart said that he had a vision for the future of the industry, but we are here debating the allocation of responsibilities after the next election. We do not know whether Deputy Stewart will be a Member of the next States; if he is, we do not know whether he will occupy his successor office. So I do not think that we should be persuaded to vote for this amendment on the basis that Deputy Stewart has a personal vision for the industry.

3410 It is no reflection on the present Members of the Commerce & Employment Department, but it is undoubtedly the case that since the dairy industry and agricultural responsibilities have been sitting in the Commerce & Employment Department it has been one trial after another – plenty of trials, plenty of tribulations and quite a few tantrums. One of the reasons for that is that it is in the wrong Committee.

Deputy Brouard is pointing and saying that is because of me. (*Laughter*) Well, it was not because of me in 2005, because I was not in the States when Commerce & Employment tried to

3415 reform the dairy industry and lost their proposals by four votes to 43. It was not because of me in
2007 when the Commerce & Employment Department lost their dairy industry reform proposals,
because I was not in the States.

There has been one problem after another. The Commerce & Employment Department has
brought proposals to the States which conventionally... And some of their proposals got through
in the last round, although I still think that an amendment which in the end they acquiesced to
3420 effectively saved their bacon, because I think that report would have been kicked out as well, but
typically there has been problem after problem. I think that the allocation of agricultural policy to
the Commerce & Employment Department in 2004 was a bad decision.

We need the Committee for Economic Development to be focusing on driving forward the
economy in financial services, air links, construction, digital economy and tourism. These are
3425 things which are of a vastly different character to agricultural policy and animal health.

Deputy Stewart talks about the agriculture industry, but let's face it, the agricultural industry is
sustained because of the iconic Guernsey breed and the contribution it makes to heritage and
environmental protection. That is why the agricultural industry exists. It is pumped with a subsidy
from the taxpayer without which we would be back to where we were 15 years ago or more with
3430 the industry unable to survive and the Dairy having to buy nine or 10 million litres of milk a year
when they only needed about 75% of that volume of milk. It is in receipt of a seven-figure
environmental subsidy annually. It is an environmental subsidy. That subsidy is based on the
husbandry of the countryside by farmers.

We have to remember that the proposal of the Review Committee is that the operational
oversight of the Dairy will move to the States' Trading Supervisory Board; it will not remain, under
3435 these proposals, with Economic Development, irrespective of whether this amendment is
successful or not. So we are not here debating the Dairy; we are here debating agricultural policy
and the policy relating to the sustainability of food and farming.

The States' Strategic Plan talks about biodiversity and land management in connection with
agriculture and the agriculture industry, and all of it is in the Environmental Policy Plan section of
3440 the States' Strategic Plan. The Dairy Industry Review Group – this was the document produced by
the Commerce & Employment Department, headed by Deputy Stewart – makes it very clear that
the Island benefits from 'dairy farming activities that nurture about 80% of the Island's farmed
land, preserving our traditional countryside and fields and caring for hundreds of miles of hedge
banks...' It goes on:

'The dairy industry is an asset of great value to the Island. It and the Guernsey cattle breed are completely authentic
and irreplaceable parts of the Island's heritage, environment, and Island life.'

– and –

'Future [dairy farm management] contracts must maintain the current animal welfare and breed improvement
requirements, the limits on stocking density, and the need to have a biodiversity action plan in place for the land
farmed.'

And, finally, the key outcomes which were sought from the Review Group's proposals: the
continuation of the Guernsey cow as the sole dairy cattle breed on the Island; the continuation of
the cattle breed development programme; two or three things about the Guernsey Dairy – the
proposal is that that goes to the Trading Board; effective control on milk imports; the Island's
3450 countryside retaining its traditional appearance with a strategic reserve of open land for the
future. All of these things relate to environmental policy primarily. When Deputy Stewart spoke on
the future of the dairy industry in that debate he said the dairy industry is quintessentially
Guernsey and the Guernsey breed is iconic, and that was the justification for the proposals that
they were laying before the States and for the continuation of the subsidy. If it were not an
3455 environmental subsidy, let's not have any doubt about it, there would not be a subsidy. It is an
environmental subsidy.

3460 So I think the links between the core purpose of the Committee for the Environment & Infrastructure are considerably stronger than they are with the Committee for Economic Development. It is all about land-use policy and the conservation and protection of the environment and land. Of course the two Committees will have to work together. Clearly that is the case right across the States. These Committees cannot operate in silos, so it is inevitable that the activities of one Committee will touch upon the activities of other Committees, but the core purpose of the Committee for Environment & Infrastructure... Sorry, the policy responsibility for agriculture and the sustainability of food and farming falls squarely in the core purpose of the
3465 Committee for the Environment and Infrastructure, and therefore I would urge Members to reject this amendment. It is materially different from the previous amendment on sea fisheries.

Thank you, sir.

The Bailiff: Deputy De Lisle.

3470

Deputy De Lisle: Sir, I think the Deputy can sound a little naïve with respect to the agricultural industry and farming, because whilst, sure, we have an industry that we have to look after and protect, we have an industry first – an economic pursuit, if you like – in terms of food production and farming, particularly in terms of the dairying side.

3475

It is a very important primary sector for the economy, actually, as we look towards food production indigenously as being more and more important on this Island, where we are importing just about all commodities and everything that we require, particularly in the food area. So a viable agriculture, while it is part and parcel of our Island heritage, is a very important industry and something that we could quickly lose, if we are not careful, as an economic activity.

3480

Production has to be first. We say this in a lot of things. We say this in the finance industry: if the finance industry is not bringing in the money, then we are going to have no money to put into social security. This is the same in agriculture: if we do not have the production ability with the farming industry to utilise the land and produce something worthwhile to the community, then really environmental concerns do not matter anymore.

3485

I have a conflict here because I am part and parcel of the industry, but the fact is that... Who is going to cut all those hedges? Who is going to look after all that agricultural land that I and others own? Who is going to look after it when the industry... if the industry is not producing, if we do not have a productive agricultural industry? That is something we have got to realise.

3490

I would be loath to let the industry fall into the environmental sector and into environmental concerns rather than being concerned mainly with the productive base, where we are looking at the industry and moving that industry forward in the future.

There is another point too. I notice that we include horticulture within the Economic Development sector, but not agriculture. That does not make a lot of sense to me and not a lot of logical sense.

3495

I think that we have to be very concerned on this Island, particularly with the rationalisation that is going on in the agricultural industry down from 400 farms when I was a boy to just 15 or 16 now in dairy. So let's be aware that that industry is quite vulnerable in the future and we have to look after it. I feel that it is the productive base that is going to preserve the industry and guard the landscape in the future. I just make those points in support of this... *[Inaudible]*

3500

The Bailiff: Deputy Luxon.

Deputy Luxon: Thank you, sir.

3505

When I looked at this fishing, farming and energy... these three amendments, I was not sure which way I would vote, but I too, like Deputy Fallaize, was persuaded by Deputy Stewart and Deputy Trott's previous speeches in the debate; and if we are going to be consistent, sir, I am not really sure how we cannot support this amendment, having supported the fishing amendment, on the basis that this is clearly exactly the same argument but for agriculture.

3510 I do accept Deputy Fallaize's very powerful, well-researched comments just now, but if we look
at 5.b), within the policy and advisory responsibilities it does actually talk about the Environment
& Infrastructure Committee having responsibility for spatial planning, which would include marine
as well as land, the Strategic Land Use Plan; protection and conservation of the natural
environment; and biodiversity. So, for me, I was reassured, in terms of the fishing argument and
now on this farming argument, that there would still be oversight that would give the ability for
3515 the Environment & Infrastructure Committee to ensure that it could absolutely work with the new
Economic Development Committee to keep them honest, if you like, in the sense of not
developing policy that just puts economic activity before other considerations.

3520 So I just wonder if, for consistency, our decision on the previous amendment should not apply
to this amendment. But I, like Deputy Fallaize, certainly would not be able to support the next
amendment, because I do not see any countermeasures within 5.b) that would counter or balance
the energy amendment which Deputy Stewart will lay next. So I think I have no choice but to
support this amendment if I wish to be consistent.

Thank you, sir.

3525 **The Bailiff:** Deputy Quin.

Deputy Quin: Thank you, sir.

3530 I am hoping you will give me a bit of leeway on this. May I say I would like to be Deputy Gollop
on this and wander a bit, (*Laughter*) because I do not care which one gets it but what I do care
about is going to the farming industry.

3535 I heard Deputy Luxon just now say fishing is the same as farming. It is totally different. What do
you ever put back? What do fishermen ever put back in the sea? They don't. They take fish out
and put nothing back. Farmers are all to do with the looking after of the land and the working of
the land. It is a totally wild thing to say that they are the same. They are not even near it. The
explanatory note - agriculture is an economy... economic activity as a consequence of its activities
delivers environmental benefits to the Island. However, it is primarily a commercial activity. It is
not; it is both. It is one and the same. It is not different at all.

3540 We have seen grants for environmental work, which has worked really well. In my opinion, one
of the biggest mistakes made, as far as farming is concerned, is that... In the old days, with the Ag
and Countryside Board, which I was on - I do know if anyone else is still here who was on there -
under Peter Roffey we worked extremely hard to persuade the farmers to move with the times,
that they had to do other things. There was a grant and/or loan, whichever you want, for slurry
pits to safeguard the water supply. Some of the older farmers had to be dragged along with this
but in the end it was acceptable.

3545 The problems referred to by Deputy Fallaize have more to do with the distribution than... that
was what the problem was with that. The problem was not about the producers and the people
who did the actual work; it was about the people who did the actual deliveries and whether it
could be at different shops and all the rest of it.

3550 The other problem was overproduction. We had a reduction in the summer, and yet during the
course of the winter... well, Deputy Fallaize was on the board later... and so that was a problem
which we worked very hard to put right, and the farmers at all time... As I say, they needed a bit of
arm-twisting on occasions, especially the older ones, but we started off with, when I first came 16
years ago, nearly double the amount of farms that are on now - though not through my fault, I
can tell you! This is the simple thing.

3555 So, again, I do not care which one gets it as long as we have a proper oversight and help for
the farmers and the growers of Guernsey.

The Bailiff: Deputy Trott and then Deputy Gollop.

3560 **Deputy Trott:** Sir, I hope to be as equally impartial as my good friend Deputy Fallaize was when we were discussing the last amendment and say that for me this is one of those amendments that one can argue both ways.

The question I pose myself in considering this is: the agricultural industry, are they farmers or gardeners? If one considers it objectively, the subsidies exist, as we said at the start – it was
3565 Deputy Fallaize in his opening remarks – primarily for the purpose of countryside management. That is why we give the subsidies. However, if you were to ask the farmers the question, ‘Are you countryside managers or farmers; are you farmers or gardeners?’ you would get an unequivocal response that they are farmers first and foremost.

3570 So whilst it sits neatly for us to go with the SLC’s proposals from our perspective, from their perspective it sits more neatly with Economic Development. For me, sir, there lies the rub.

The Bailiff: Deputy Gollop.

3575 **Deputy Gollop:** I rather agree with a lot of what Deputy Quin says, although I am not sure I would want to ramble too much round the farms, especially with the dogs around.

Actually Deputy Stewart portrayed an idyllic vision of me or anyone else going around a farm zoo, almost, and seeing the animals and petting the donkeys and the goats, but we are not quite there yet.

3580 Deputy Trott has made the point about the farming or gardening and I would be the first to say that not only are farmers farmers but they work extremely hard compared to most of us with their long hours, arduous activities, worries for animals, and of course the changing seasons and what can be quite a harsh economic climate.

I do not want to argue that they are gardeners, but if I could be provocative – which will mean they *will* set the dogs on me next time I go round – I would say that the 15 or 16 remaining dairy
3585 farmers on the Island are, to a degree, States’ employees because their existence to a certain extent has been facilitated by the States’ intervention over the last 20 years. If I could draw a rather bad parallel I would say the same is true of the bus industry – totally different but nevertheless so managed, regulated, subsidised and politicised that you have entered into a slightly different sphere from the pure free market which we see in many other excellent
3590 businesses.

Let us imagine we had not got this particular milk distribution, management and dairy system legislation and strong States’ support from the sector over the last two decades, beginning with the visions of the late Deputy Best and Deputy Roffey and others, we probably would have only one or two farms left and they would exist either as commercial meat farms or arable farms, or as
3595 some kind of high-end luxury. If we had a completely free market in milk I am not sure what kind of industry we would see or even what distribution network we would have.

3600 So their existence and their survival and their replenishment is linked not just to their own initiatives, which are considerable – one only has to look at the diversity: the farmers’ markets, the ice-cream, the many things they have done – but also the support and continuing support of the States’ Assembly.

3605 People talk about being in two minds – and me in two minds, sitting on the fence and so on – but just to give a rather amusing anecdote, when we had the last time of the reshaping of Government, Commerce & Employment burst into life with of course its first dynamic Minister, Mr Stuart Falla. I recall there was a planning inquiry for the then Rural Area Plan and Commerce & Employment sent along four or five delegates, representatives, representing their vast portfolio, from fisheries to light industry to agriculture. The officers were arguing different arguments for the planning inspector because they came from a different background and different committees.

3610 The other side of that coin is people are always surprised, when they get into the subject of the Environment Department, that there we are messing around with taxi licences and town-centre management systems but we are not actually involved in the day-to-day protection of

conservation of the countryside. We have a planning rôle there, along with many other potential land uses, but of course that will go perhaps to a new planning body.

3615 So when you look at the arguments and put them all together, I say – despite the good argument Deputy De Lisle made about food production and we do not want museum farms, we do not want an overregulated, expensive, state-managed garden and we do need to encourage enterprise in farming and a new generation of farmers to take over, and maybe financial support for that – I still think that they would fit better into an Environment & Infrastructure team.

3620 And I would agree with Deputy Quin that the nature of farming to Guernsey in its limited land mass is rather different to what is still a more dare I say 'rugged' and entrepreneurial industry, which is the sea fisheries sector.

The Bailiff: Deputy Dorey.

Deputy Dorey: Thank you, Mr Bailiff.

3625 I also asked the Statistics Unit to break down the information in relation to agriculture because it is grouped again with other industries in the facts and figures book and in the employment by economic sector. It includes horse livery and agriculture and they said there are 24 self-employed and 28 employed, making a total of 52, which is 0.17% of the workforce. In terms of economic output, again it is 0.1% but if you include half of agriculture and horticultural services it makes
3630 0.15%.

If you then look at the States' Strategic Monitoring Report it gives a breakdown of the percentage of land used by the dairy farmers, and that works out at 20%. So, as an industry, although it is extremely important, economically it is a small contribution but in terms of land use it is obviously a very big land user.

3635 Of course they are commercial businesses but, as I said, they employ very few people – and I have to declare that my son, who is working on a farm now during his holidays from agricultural college, is one of those employed people.

As I said, the financial output is very small compared to the rest of the economy. And when I quoted the 20% land use, that was just for dairy and there is obviously non-dairy farming, which increases the land use by farming. This was highlighted in the review, I think, which Deputy Fallaize quoted from, 'Dairy Farming in Guernsey in the Future' – the Dairy Industry Review Group report which was attached to the report from the Commerce & Employment Committee last year. It says:

'Dairy farming is the single most extensive use of open land in the Island and has been important in creating and carefully maintaining the green and traditional landscape that is the backdrop to Islanders' lives and which creates a lasting and positive impression that is retained by those who visit us in Guernsey.'

3645 There is another quote in relation to the dairy farm contract payment which has been referred to, which is the subsidy that the taxpayer gives to the industry, and it says:

'Dairy Farm Contract Payment arrangements need to be altered...'

– and it goes on to say –

'They should be based on factors such as the land managed for recognised environmental and wildlife purposes,'

3650 So we are talking about an industry that is very big in terms of land use that we subsidise in relation to environment. That just seems to me to be a far better fit. It is nothing to do with losing the industry – that is the last thing I would want – but it is in terms of policy development: which committee has the best fit for it going forward? I believe that is the Environment & Infrastructure Department.

When you look at the Review Committee report it talks about, under 'Committee for the Environment & Infrastructure':

'Wise and sustainable management of the environment...'

The proposed purpose of that Committee is:

'to protect and enhance the natural and physical environment...'

3655 It goes on to say it is responsible for developing policy and advising the States in relation to 'protection and conservation of the natural environment'.

3660 So we have a Committee that is basically responsible for the Environment and we have an industry that is very small but a very big user of the environment. It just seems to me it is the right fit. People have spoken about countryside management and I think the farmers are managing the countryside with Government involvement and the policy development for that management of the countryside sits, in my view, clearly with the Environment & Infrastructure Committee as we have outlined.

3665 I think it is further enhanced by the comments which I think I made previously – it is the fact that what we want the Economic Development Committee to be is that purer focus on economic development and job creation. We do not know what is around the corner. We want a committee that can focus on those.

3670 I think Deputy Stewart said it has taken a massive amount of oversight in recent years in his opening speech and I think that highlights the whole point that we are trying to make – that this industry has demanded a lot of resources in terms of, no doubt, board time and in terms of this Chamber's time. Deputy Fallaize went through the number of debates that we have had and in terms of Civil Service time. What we need is this Economic Development Committee to concentrate on Economic Development and the Environment & Infrastructure Committee, which is a very good fit, to look after this industry, which will need to be managed, helped and looked after.

3675 So please reject this amendment. Thank you.

The Bailiff: Yes, Deputy Collins.

Deputy Collins: Yes, thank you, sir. I know the hour is late so I will be very brief, but I just stand to support this amendment.

3680 Just going on from Deputy Gollop's comments, I had some visits earlier this year and I would just like to repeat that there are some very hardworking people in this industry.

I do ask Members to support this amendment. That is all I wanted to say, sir. Thank you.

The Bailiff: Deputy Sillars.

3685 **Deputy Sillars:** Sir, I will be brief.

3690 I absolutely agree with Deputy Quin. I sat on the Dairy Board for three, three and a half years, and if the Dairy Board was not being moved to the States' Trading Supervisory Board then I would absolutely support this amendment, but as the Dairy Board is being moved out of commerce and employment, in effect, as it is now, I will not support the amendment because it is not logical to me for the two to be separated out.

The Bailiff: Deputy Conder.

3695 **Deputy Conder:** Thank you, sir.

This has been well debated and particularly in terms of just where the dairy industry should lie. I come at it from a slightly different direction.

3700 The danger, I think, with these amendments – I supported the first and not the second; I will not support this one – is that there is a sense of putting Commerce & Employment back together again through these amendments.

3705 As it says in the SRC report, Commerce & Employment has a smorgasbord of somewhat disparate responsibilities, and in all of my dealings with C&E over many years now, both before I was in this Assembly and afterwards, that does seem to be the case. It ranges from supporting and dealing with our largest industry through to the GTA – which I previously had a very important association with, clearly – to the Dairy and fisheries. My concern is that if we adopt all of these amendments we are, in effect, putting the smorgasbord back together, or at least going some way towards that.

3710 It brings us back to the earlier discussion we had this morning over the Deputy Brouard and Deputy Dave Jones amendment. We surely now have to focus like a laser beam on policy. We have to separate the operational from the policy. I bow the knee to no-one in terms of my admiration for both the Minister – I will come back to that in a moment – and his team, but like I suggested in terms of Education, the Department I know best, there is a danger that we are very busy doing the wrong thing, focusing far too much on the operational. That is the sense, over the many years I have served and worked with C&E, of what they have been forced to do, to take a much more operational rôle than would be appropriate and is sensible for the Department charged with nurturing, developing and sustaining our economy.

3715 If we look back over the three years of our life here together, our time here together, Deputy Stewart – who is an inspirational figure in terms of his energy and his drive to sustain and nurture new business opportunities, which he and the new Department of Economic Development *must* do – has on a number of occasions believed, or suggested to us in this Assembly or to us individually, that there were new economic opportunities coming in our direction: banks from faraway countries were going to settle here; the film 'The Guernsey Literary and Potato Peel Pie Society' was on the point of being delivered. I criticise him for not one moment in terms of the fact that we are still waiting for those. There is no criticism there. They would not have happened without his energy, his team's energy and the Department's energy – the digital initiatives which he is so passionate and his Department are so passionate about. But how can they deliver on those, which they must do, and other economic developments when they are forced to spend their time on things such as the Dairy, and indeed... the Members past... fisheries?

3720 I have said in this Assembly before that this western economy, this world economy, is in a dire situation. No matter what we think, this Island is still in the maelstrom of a world economy that is going to challenge it for the next 20 years or more. The world is never going to be the same as it was 10 years ago when... I was not here, but when people used to say they were not too sure what to do with the surpluses, there was so much of them. It is never going to be the same.

3725 The new Department of Economic Development which we are suggesting to you has one focus, really: it should focus like a laser beam on developing those new businesses which Deputy Stewart, to his enormous credit, in the time he has available when he is not focusing on all the other operational bits on that smorgasbord... They have to focus like a laser beam on economic development. They have to get new business, the new Economic Development. They have to bring new business into this Island, as Deputy Stewart has on occasions aspired to and suggested to us was going to happen. They do not need to be tied down with these sorts of operational activities, which anyway better lie with a Department such as environment and infrastructure, whose day job is about overseeing such initiatives.

3730 So, colleagues, whilst I understand their desire to hold what they have got and I understand their desire to be operationally active in terms of the environment and in terms of the Dairy, they will put a millstone round their necks and we will have the same hoped-for initiatives, the same promises which, simply because of the operational oversight which they are forced to do... simply because they cannot... The new Department, if you impose this upon them, simply will not be able to spend the time on what we envisage they should do, which is getting new business, new economic development opportunities onto this Island.

3740 So whilst I know it is for all of the best reasons, almost to save them from themselves reject this amendment. Thank you, colleagues.

The Bailiff: No-one else is rising. Chief Minister, do you wish to speak on behalf of the Committee? No.

3755 Deputy Stewart will reply to the debate then.

Deputy Stewart: Yes, Mr Bailiff, I will be reasonably brief.

3760 I do thank Deputy Brouard for bringing into this debate other areas, which are the slaughterhouse and Animal Health (AI). I think he really summed it up, because I think this industry is defined by economic policies but shaped by environment policies.

3765 Actually, I take an awful lot on board of what Deputy Fallaize said, and Deputy Quin. I agree it could go either way, but where we see opportunities and efficiencies I think that is where the policies need to focus on and that would be better driven by Economic Development. It is about getting a more efficient dairy industry. That is what we voted for last year: a more efficient dairy industry. We have reduced the subsidies already by £100,000; they will reduce again by £100,000 next year. We know we can make the Dairy more efficient.

3770 Of course, if it is sitting in with another committee we will have input because Economic Development would have oversight of the dairy industry and would then talk to that board and work with them on plans for a new dairy or whatever. But I do think this is about innovation, entrepreneurialism, getting that Dairy to be efficient. If we only drive it from the environmental point of view then we will end up with a very inefficient Dairy and we will all be paying an awful lot more for our milk.

3775 The farmers have signed up to this, the Dairy has signed up to it – the industry has signed up to it. I do not think this is about holding on, as you rightly say. I do not know whether I will be here in a year's time or whatever; all I know is that, from working so closely with everyone doing that Dairy Review, that is where I feel it should sit, with Economic Development.

3780 I think it is probably right to point out the history of the Dairy to other C&E Departments, but I would like to feel that the board... and we had a change of a couple of members but I know how much attention we gave to that Dairy Review. I think it is in a much better place now because of a much more business-focused approach. And, as Deputy Luxon said, if you voted for fisheries, why wouldn't you vote for agriculture? It makes sense. It is still an industry.

3785 Deputy Dorey talked about the subsidies, but as I made the point in my opening comments, those are reducing now. They have gone back to General Revenue. Environment can use them not just in farms but across the whole Island, so everyone can benefit.

3790 I heard a lot of talk about smorgasbords – which made me hungry, because I only had a slimmer's sandwich from Boots at lunchtime – but yes, it is diverse. Commerce & Employment, Deputy Conder, is hugely diverse and I think that is what attracted me to the Department in the first place, because it is interesting. Is it too much? I do not think so. Certainly, as board members we have a full agenda. Our board meetings normally last typically about four hours. Very competent staff – we manage to get through it. In terms of policy work, the two biggest pieces of work I think done for many years by Commerce & Employment board, the Economic Development Framework and the Financial Sector Strategy, have really shaped all of our work now for the next few years. So we have had time.

3795 And what about the banks coming from far and wide? Well, it was great. I was up at Castle Cornet. The largest bank in South Africa, FirstRand Bank, has now opened in Guernsey. Their plans, from meeting the chairman from South Africa, are going to be hugely game changing in Guernsey. They are across all the Fintech technologies. And, of course, just a few weeks before, Sky Bet. I remember going over to the gambling exhibition in London and meeting with their managing director in secret. We are managing to deliver new businesses to this Island. And I am
3800 just off to Startup Guernsey this evening to encourage new businesses –

Deputy Fallaize: Sir, with respect, I know that Commerce & Employment is a wonderful Department led by a wonderful Minister –

3805 **Deputy Stewart:** Well, I am defending the smorgasbord.

Deputy Fallaize: – but what does this have to do with where agricultural policy should sit with effect from May 2016?

3810 **Deputy Stewart:** The point I am trying to make is the smorgasbord of all of these things is seen as something that could be a millstone round our neck – the words that Deputy Conder used, and I do thank him for a lot of his kind words but I do not see it as that and I do not think our board have seen it as a millstone. I think we have seen it as we could actually join different parts up, and we have been able to deliver policy and actual results. So I think that is a little bit of
3815 a red-herring. *(Interjection and laughter)* My main concern is that... I have missed something there, clearly, sir. *(Interjections)*

So, to conclude, it is – *(Interjection)* yes, I know, probably best I sit down, really. *(Laughter and interjections)*

3820 To conclude, if you voted this way for fisheries, please back the farmers. It is an industry and we want to make it a much more efficient industry. Of course we will work with Environment, but I do think it sits best with Economic Development.

Thank you.

3825 **The Bailiff:** We will vote now on the Deputy Stewart/Deputy Brouard 'Deputy Stewart C' amendment. Those in favour; those against.

I am going to... I think that was lost, yes, but if anybody is unsure then we can have a recorded vote.

3830 **Deputy Stewart:** I accept that was lost, sir, as well.

The Bailiff: Sorry? Deputy De Lisle would like a recorded vote.

There was a recorded vote.

Not carried – Pour 13, Contre 31, Ne vote pas 0, Absent 3

POUR	CONTRE	NE VOTE PAS	ABSENT
Deputy Luxon	Deputy Soulsby	None	Deputy Storey
Deputy Kuttelwascher	Deputy Sillars		Deputy Gillson
Deputy Bebb	Deputy O'Hara		Deputy Inglis
Deputy Stewart	Deputy Quin		
Deputy Le Pelley	Deputy Hadley		
Deputy Trott	Alderney Rep. Jean		
Deputy David Jones	Alderney Rep. McKinley		
Deputy Collins	Deputy Harwood		
Deputy Duquemin	Deputy Brehaut		
Deputy Paint	Deputy Domaille		
Deputy Brouard	Deputy Langlois		
Deputy Wilkie	Deputy Robert Jones		
Deputy De Lisle	Deputy Le Clerc		
	Deputy Gollop		
	Deputy Sherbourne		
	Deputy Conder		
	Deputy Lester Queripel		
	Deputy St Pier		
	Deputy Ogier		
	Deputy Fallaize		
	Deputy Laurie Queripel		
	Deputy Lowe		
	Deputy Le Lièvre		
	Deputy Spruce		

Deputy Green
Deputy Dorey
Deputy Le Tocq
Deputy James
Deputy Adam
Deputy Perrot
Deputy Burford

3835 **The Bailiff:** Members of the States, the result of the vote on the Deputy Stewart/Deputy Brouard 'C' amendment was 13 votes in favour, 31 against. I declare the amendment lost.

It is now getting close to 5.30. I think it is probably better that we rise rather than attempt to deal with anything else. (**Members:** Pour!) So we will resume tomorrow at 9.30.

The Assembly adjourned at 5.25 p.m.