



OFFICIAL REPORT

OF THE

EXTRAORDINARY MEETING

OF CHIEF PLEAS

OF THE

ISLAND OF SARK

HANSARD

Assembly Room, Sark, Wednesday, 25th June 2025

*All published Official Reports can be found on the
official Island of Sark Chief Pleas website www.sarkgov.co.uk*

Volume 11, No. 5

Present:

Seigneur

Maj. C M Beaumont Esq.

Speaker of Chief Pleas

P M Armorgie Esq.

Prévôt

K N Adams BEM

Greffier

T J Hamon

Treasurer

S Hudson

Constable

P Burgess

Assistant Constable

J Burton

Conseillers:

John Guille
Christopher Kennedy-Barnard
Andrew Miller
Helen Plummer
Benjamin Harris
Carol Cragoe
Michael Locke

Natalie Tighe
David Curtis
Edric Baker MBE
Mary Nicolle
James Martin
Frank Makepeace

Business transacted

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Extraordinary Meeting of Chief Pleas

Chief Pleas met at 5 p.m.

[THE SPEAKER *in the Chair*]

PRAYER

The Greffier

ROLL CALL

The Greffier

The Greffier: There are 13 Conseillers, the Seigneur and the Speaker of Chief Pleas present.

The Speaker: Thank you, Greffier.

Procedural – Removal of jackets and hats

- 5 **The Speaker:** Before we proceed, it is very warm tonight – if in doubt state the obvious. Gentlemen, if you would like to remove your jackets and, ladies, if you would like to remove your hats, then please feel free to do so. It is not compulsory, but if you would like to do so, please do so. It is already very warm in here, even though the windows have been open since mid-afternoon.

Apologies for absence

- 10 **The Speaker:** I have received apologies for absence from Conseiller Bateson, Conseiller Lord and Conseiller Rose, who cannot be with us this evening.

Lieutenant Governor absent

- 15 **The Speaker:** I have also received apologies from His Excellency, the Lieutenant Governor of the Bailiwick, who has also sent his apologies and cannot be with us this evening, but he hopes to join us next Wednesday.

Resignations of Marcus Barker and Scott Sullivan – Statement by the Speaker

The Speaker: I would like to make a brief statement at the beginning of the meeting and acknowledge the service and dedication of two former Conseillers, Marcus Barker and

Scott Sullivan, who have resigned from Chief Pleas this month. I would like to offer the following
20 valedictory thanks for the service that they have contributed to Chief Pleas.

Marcus Barker resigned on 9th June 2025 after serving Chief Pleas for 27 months. He became
a Conseiller on 24th March 2023 following an uncontested by-election. Marcus served as the Chair
of the Development Control Committee, the Deputy Chair of the Douzaine, a member of the
25 Harbours, Shipping and Pilotage Committee and a member of the Taxation Review Special
Committee. Marcus will be remembered for his loyal and dedicated service to Chief Pleas.

Scott Sullivan resigned on 20th June 2025 after serving Chief Pleas also for 27 months. He
became a Conseiller on 24th March 2023 following an uncontested by-election. Scott served as
Deputy Chair of the Education Committee, Deputy Chair of the Medical and Emergency Services
Committee and Chair of the PDG. He made numerous contributions to Chief Pleas and worked
30 diligently, often unseen, on many different aspects of Committee work.

We are very grateful to both Marcus and Scott for their contribution to Chief Pleas.

The vacancies that they leave on the six Committees between them, on which they served, will
be repopulated at the Midsummer Meeting next Wednesday, 2nd July. A by-election will be called
to fill the two vacancies on a date yet to be decided, but not later than six months after
35 9th June 2025, as required under section 23 of the Reform (Sark) Law 2008. That is where we
stand currently.

Procedural – Electronic devices

The Speaker: Before we move on, I would just say that in accordance with the Rules of
Procedure, I would remind all present that mobile phones, cameras, recording devices and other
40 electronic equipment must be switched off now, less for those allowed to Chief Pleas Members,
in accordance with Rule of Procedure 19.2.

Thank you for that.

Business of the Day

1. Compulsory Purchase with Loan Facility and Condition – Policy & Finance Committee Report considered – Debate commenced

To consider a Report with Propositions and Appendices from the Policy & Finance Committee entitled “Compulsory Purchase with Loan Facility and Conditions”.

Proposition 1.

That Chief Pleas directs the Policy & Finance Committee to bring the Compulsory Purchase (Electricity) (Sark) Law, 2021 into force on 26th June 2025 by making the Compulsory Purchase (Electricity) (Sark) Law, 2021 (Commencement) Regulations, 2025 in the form attached at Appendix A.

Proposition 2.

That Chief Pleas agrees to the conditions of the loan facility, these being for Chief Pleas to participate in the Bailiwick Commission, to agree for Impôt payments to be used as a security guarantee to repay that loan to Guernsey in the event of non-payment by Sark of any loan utilised, and for Chief Pleas to share the comprehensive review of Sark’s taxation regime, that it already is undertaking, to ensure that it can acquire sufficient reserves to support essential capital investment requirements in the future.

Proposition 3.

That Chief Pleas directs the Policy & Finance Committee to enter negotiations with Guernsey’s Policy & Resources Committee to finalise and agree, subject to consultation with all Conseillers, the loan facility of up to £1.5 million over a 20 year period to enable Chief Pleas to purchase the assets of Sark Electricity Limited and/or Sark Electricity Holdings Limited, and undertake immediate remedial works to ensure the safety of the existing network to mitigate any existing health and safety risks.

The Speaker: We move along with Agenda Item 1, which is to consider a Report with Propositions and appendices from the Policy & Finance Committee entitled ‘Compulsory Purchase with Loan Facility and Conditions’. I would like to ask Conseiller Guille to introduce the Report, but
45 before I do so, I would like to propose that we debate each of the elements before we vote on the individual Propositions one by one. We will deal with the initial part, then have Proposition 1 vote, same with Proposition 2, and the same with Proposition 3. We will do it in bite-sized pieces, which I think will make it more understandable for everyone concerned. Once again I call on
50 Conseiller Guille to introduce the Report.

Thank you.

Conseiller Guille: Thank you, sir.

I am going to start by reading out the first section of the printed Report. I think it is an important
55 subject. It is important for *Hansard* and also for the many residents that listen back to the recordings of the meetings.

This Report summarises the compulsory purchase legislation passed by Chief Pleas in 2021, with the recommendation that the legislation is commenced, together with the recent loan facility offering conditions from Guernsey States, in order to purchase the assets of Sark Electricity Ltd (SEL) and Sark Electricity Holdings Ltd (SEHL), hereafter collectively referred to as ‘SEL’, and
60 provides Propositions on these for Chief Pleas to consider.

At its extraordinary meeting on 21st December 2021, Chief Pleas approved the enactment of the Compulsory Purchase (Electricity) (Sark) Law 2021. While not required in the law, the Policy & Finance Committee, recognising the importance of a safe and reliable energy supply to the Island, seeks the agreement of Chief Pleas to make the draft regulations attached in appendix A immediately after this meeting. The regulations bring the law into force on 26th June, the day after this meeting.

As was noted in a previous report to Chief Pleas on this matter, the legislation has been prepared to enable a fair balance to be reached between the interests of the wider community with those of the individual property owner in a way that represents the international obligations to which Chief Pleas has committed, including the European Convention of Human Rights.

Once the law is commenced, SEL and the Committee may, within 30 days, jointly appoint a valuer to determine the valuation of the relevant assets and interests to be transferred to Chief Pleas under the law. These being the physical assets of SEL and its interests under contracts, including leases to which it is a party. If no appointment is made within that 30-day period, either party may apply to the court of the Seneschal for an order appointing a person as the valuer. Thereafter, the valuer assesses the value of the assets and interests, and provision is made for those assets and interests to be transferred to Chief Pleas in exchange for payment to SEL of the independently formulated valuation sum. There are mechanisms allowing for legal challenges, both to the appointment of the valuer and the amount of the valuation.

Here is a brief summary timeline of the Compulsory Purchase Law procedure. First, P&F to make commencement regulations. Compulsory Purchase (Electricity) (Sark) Law 2021, is brought into force by the Policy & Finance Committee making the commencement regulations.

Second, valuer appointment. Within 30 days of the law coming into force, SEL and P&F may jointly appoint an independent valuer to value the assets and interests under contracts to which it is a party of SEL.

If that fails, court appointment if no joint appointment of valuer. If a valuer is not jointly appointed within 30 days, either party may apply to the court for an order appointing a valuer. Court appointment of valuer may be challenged. Either party may apply to the Royal Court for a different person to be appointed as valuer, but only on limited grounds.

The valuer may apply to court for directions. The valuer may apply to the court for directions in respect of how to undertake the valuation.

Valuer serves notice of the valuation. Once the valuer has determined the valuation, he or she must serve a notice on both SEL and P&F, setting out the valuation, together with an explanation as to how the valuation was undertaken.

Valuation may be challenged. Either party may apply to the Royal Court and thereafter the Court of Appeal to have the valuation set aside and an alternative valuation in a specified sum made in its place, but only on limited grounds.

Payment of valuation in exchange for transfer of assets and interests. Following the determination of any application under the law on the relevant day specified in the law, an amount in the sum of the valuation becomes payable by Chief Pleas to SEL and the assets and interests of SEL are transferred to Chief Pleas.

We have not arrived at this point lightly. The reason for seeking compulsory purchase is ultimately to ensure that the greatly required investment is finally undertaken in the electricity infrastructure in Sark. There has certainly been a chronic lack of investment under the current owner for the last five-and-something years. The only significant investment apparent to us is a purchase of a second-hand generator for the power station despite very clear indications being given in several independent reports of the ageing infrastructure of the grid and the power generation station and the multiple safety aspects that are apparent to the independent experts that have been advising us. It is not just within the ownership of the current owner of SEL, but underinvestment has been a well-known problem in Sark for many years prior to that as well.

We have tried over the last several years on several occasions to engage SEL in negotiations to reach a negotiated purchase before having to resort to compulsory purchase. And recently, we

115 have had the assistance of industry experts and a professional mediator. We went through a nine-month-plus negotiation period several years ago. At that time, insufficient evidence of the actual ownership of the company was the main reason for the breakdown of those purchase negotiations, but also the unreasonable terms around valuation that was set out before negotiation commenced.

120 Likewise, in our recent attempts to embark upon another round of negotiation, the conditions proposed to us included basically agreeing a valuation of £2.4 million before negotiations began. Again, the independent advice that we sought advised us that it was not worth engaging in this until some much more normal and reasonable terms were agreed before negotiations started in earnest.

125 The second issue, which has been raised only very recently, is this proposed purchase of SEL by a company known as Island Power or Island Energy. Again, the Committees have taken expert industry advice and business advice upon this. For several reasons, we strongly feel this is not in the best interests of the Island. The primary reason for which we have asked several times for an explanation, but have still yet to receive one, there is a £2.4 million price been put on the company by both parties but we have yet to understand how this valuation was reached, and we have yet to receive any explanation for it.

130 On the one hand the owner of SEL tells us that this is a cash purchase. On the other hand, representatives of Island Power tell us that this is a merger.

135 The Island power model at its core suggests that the raising of funds for the much-needed investment in the infrastructure in Sark will primarily be done in the first instance through persuading energy users, particularly large-scale energy users on the Island, to pay up front and in advance over several years for their electricity and thus receive it at a discount.

140 I have reached out to several of the large electricity users on Sark, and this is absolutely not something that they would be interested in. One comment to me from a particularly large energy user was maybe, just maybe, if it was a huge multinational company, such as Siemens or Essel or the like, that were proposing this project, there might be the confidence to pay up front for electricity and therefore invest in the infrastructure on the Island. But this particular user had no faith whatsoever in the track record, or lack of, of Island Power, was not at all interested in that proposition.

145 Likewise, we do not think it is a viable proposition for smaller energy users either on the Island. Prices are already relatively expensive on Sark and to ask people to pay for several years in advance, it seems as if the financial model falls at the first hurdle.

150 Likewise, on a technical aspect of the propositions from Island Power of having a distributed multiple microgrid makeup of any future overhaul of the grid on Sark, independent expert advice has suggested to us this is inappropriate for Sark. When industry talks about microgrid, Sark itself barely qualifies as a microgrid in its entirety to distribute multiple generation sites and with its control systems, which are essential to renewable energy generation all across the Island, is both an expensive and technically inappropriate solution.

155 Lastly, the track record and the approach of Island Power neither fills the Committees with confidence. There is no track record of delivering projects of this nature. We note with interest that no approach has been made to the Electricity Price Commissioner. As the regulator for a regulated utility provider on the Island, it is basically bizarre that somebody considering such a considerable purchase would not have previously engaged for many months ahead of this supposed sale completion of 3rd July.

160 It is for those reasons that we feel that compulsory purchase is the only viable option left to Chief Pleas and, in turn, the Island. It has always been the stated aim of Chief Pleas, once the purchase is arranged, first of all to employ the services on service level agreements of neighbouring electricity companies in Guernsey or Alderney to provide a management service, so the system will be professionally managed, and to transfer ownership of the utility into a community ownership scheme. The exact mechanism of that to be determined after considerable public consultation.

An important point to note and to make clear, after some feedback from the public in the last few weeks, is that both the purchase through compulsory purchase of the assets and the subsequent remedial and safety work that needs to be done is to be funded by the loan kindly offered to us from the States of Guernsey. We have about £400,000 to £500,000 in there to cover the purchase aspect, £300,000 to £500,000 in there to cover the remedial work done based on independent advice from a private company that has had a long working relationship with Sark Electricity spanning back two decades. And also using a scaled down version of the work that has been done over the past few years in Alderney in a very similar project to renovate their grid. In that £1.5 million loan facility, there is also £500,000 of headroom, so double the estimate for what work might be done. Once Sark is able to properly inspect the assets, there is 100% headroom in there for the necessary work that needs doing.

That £1.5 million loan, even if fully deployed, modelling has indicated that it can be covered from the revenues of the sale of electricity on Sark without altering the unit price from its current range.

Important points to note, like I said based on public feedback, money from the taxpayers and money from the tax take from Chief Pleas' budget will not be used to fund this project. It is intended to be funded entirely from the unit price and likewise money from the electricity company. The profits made will be reinvested in the infrastructure and used to pay off the loan and will not be paid back into the Chief Pleas budget to pay for any other projects on the Island. I think that is an important point to note.

I strongly urge Conseillers to support this Proposition for the safety and security of current Islanders, but also Islanders for many generations to come. It is a pivotal moment in the future of Sark.

I would like now, if I may, to hand over to Conseiller Locke, the Chairman of the Future Energy Committee; it is the other main Committee involved in this area.

Thank you.

The Speaker: Thank, Conseiller Guille.
Conseiller Locke, thank you.

Conseiller Locke: Thank you, sir.

I would like to support this Report with Propositions wearing many hats. As a Conseiller, because I think it is the right thing to do for Sark, as Chair of Future Energy, because I think this is a necessary next step to securing Sark's energy future. As Chair of Douzaine, because we have had a torrent of correspondence on the subject, not all of it accurate or relevant, but most of all as an electricity-consuming resident.

Even before I returned here as a resident, I was aware of the issues and threats from previous and current owners of SEL. I was also aware of the many attempts made by Chief Pleas to address the issue since, I believe, July 2010, when GP&A identified the need for more formal regulation of prices. We will all be aware of the recent history of the need to bring in price control, ongoing threats to cease supply to the Island in whole or in part, the attempts to negotiate purchase and so on.

Despite Chief Pleas best efforts, SEL has remained determined to set terms for negotiations, which would be unacceptable in any other business area, including setting the price before negotiations could start.

I have worked in one of the UK's regulated utility sectors for over 30 years, including a long stint as part of a trade association liaising with regulators and Government on behalf of members of all sizes, with customer bases ranging from the tens of millions down to a few hundred. I have never in all that time come across any utility company which has failed to engage properly with regulators and Government in the same way that SEL has.

Sark is not their private fief to dictate terms. This is a community which they serve. They have had every opportunity to work with Chief Pleas and the community to provide a safe, reliable and

economic electricity supply. Had they done so and behaved like a responsible utility company, we would not now be having this meeting. To date, they have simply failed to do so.

220 Our last attempt to negotiate a few weeks ago once again had the response that the price was non-negotiable, that Chief Pleas would have to pay for SELs and the other bidders' legal costs, and deposit £40,000 with their advocates. These are not normal business terms from a normal business. They are another attempt to block any negotiations and stay in control.

225 The current story with Island Power appears to be the same. Island Power had submitted a bid to the Sark Community Power tender process, and it failed on every count. The reasons for that have been circulated to Conseillers, but it is worth repeating in brief for the benefit of *Hansard*. Island Power did not pass the basic pre-qualification criteria. They were a start-up with no trading history, no health and safety policies, and no insurance.

230 Experience of delivering similar projects was a key element of the selection process in the tender process. Island Power provided no evidence of that. Their proposal was an innovative business model, not the technical solution and costing, which was what was requested.

In recent days, both Island Power and SEL have issued multiple statements, including misleading, inaccurate, and incomplete information about this claimed sale. In one press release, SEL claims this is a cash sale for £2.4 million, and in another, Island Power says, and I quote:

235 The proposal involves merging SEL through membership of the Sark Energy Unlimited public-private partnership framework.

They cannot even agree between themselves. It is just more smoke and mirrors to extend the drama. That is why I think the time is now right to bring into force the Compulsory Purchase Law, which has been on the books since being passed at Chief Pleas in 2021. Not just because of the behaviour and unwillingness to negotiate on the part of SEL, but also because that is what Islanders are telling me. Frankly, they have had enough and would like this fixed, as would I.

240 I am Chair of Future Energy, and we are united in the task of securing Sark's energy future, not just for us today, but for generations to come. Using compulsory purchase to gain control of and make safe and reliable the electricity supply is just the first step. This will be achieved, as 245 Conseiller Guille said, with the help of the loan offered by our supportive colleagues from Guernsey, and will be repaid from the controlled unit price. Not from any other sources and taxes as wrongly claimed by others.

250 We recently had a comprehensive briefing about the operation of the law from Law Officers or the process in its various stages. The Conseillers who attended will, I am sure, have taken comfort from this well-thought-through law with defined actions and outcomes.

It will allow us to acquire the assets of SEL so we can continue to provide electricity and make the necessary upgrades for safety and reliability. Only then can we start to plan the future of Sark's energy. It may include a new site, it may include renewables to a greater or lesser extent, as presented at the public meetings, or it may be adapted.

255 The important thing is that these decisions will be taken by the community who will be in control of an asset they own and can take it in the direction they wish without being beholden to some shadowy off-Island commercial entity. This is why the Report and its Propositions have Future Energy's full support, and that is why I will be voting for it.

Thank you, sir.

260 **The Speaker:** Thank you, Conseiller Locke; thank you, Conseiller Guille.

So there we are, you have heard the opening statements in respect of effectively Proposition 1. Does anyone have any questions that they would like to ask of Policy & Finance or the Future Energy Commission?

265 Conseiller Makepeace; thank you.

Conseiller Makepeace: Thank you.

270 The whole problem I have with all of this is one of the conditions for the loan is that we are being asked to agree in principle to join the Bailiwick Commission. The terms, powers, obligations and risks of not being disclosed, I believe this is premature and would be an irresponsible stewardship of our future. I am sure there is no one in the House tonight that would sign a lease or a mortgage without seeing the full terms and conditions. I believe it is even more critical to apply that same principle when making decisions that may financially and politically bind the Island for years to come.

275 Some say Chief Pleas will get the final say on those terms but, in practice, that is not how this Assembly functions. Too often decisions are driven by personality politics, not genuine debate. We all know what happens when a Member speaks out or asks too many questions: they are sidelined or removed.

280 That is not how open Government works. I will not sign up to vague proposals that risk turning Sark into a dependency of Guernsey by default. The Bailiwick Commission as proposed looks set to become our very own Brussels, a bureaucratic nightmare, top-heavy with so-called experts and hangers-on, all feeding from the taxpayers' bowl while eroding local accountability. I do not want to be remembered as one of the Members who signed a blank sheet of terms and conditions and burden future generations with debt, loss of sovereignty and outside interference.

285 Thank you.

The Speaker: Thank you, Conseiller Makepeace.

290 Thank you for those points. I would just make the point that what you have mentioned there is moving on to Propositions 2 and 3 rather than dealing with Proposition 1. Anyway, those points have been well made by Conseiller Makepeace.

Does anyone else have any questions for Policy and Finance and/or Future Energy? Conseiller Cragoe, is your hand up?

Conseiller Cragoe; thank you.

295 **Conseiller Cragoe:** Thank you very much.

Yes, as a member of Future Energy I would like to support what Conseillers Guille and Locke have said. Sark needs, as the law says, a safe and reliable energy supply for the Island. I think the recent events made very clear in just an avalanche of emails: threats to cut off part of the Island, threats to vulnerable residents, and contradictory emails. In one email this morning, 'I am not talking to these people but I am selling it to these people.' It does not make any sense.

300 I think we really need to move on compulsory purchase as soon as we can. The law seems to me – particularly after the briefing from the Law Officers, which was very interesting and thank you for bringing them over – to provide a fair and balanced process, and structured process, to achieve a valuation in a transparent manner to allow the assets to be transferred to the Island, which will give all Islanders confidence in supply, and allow us to do the necessary safety upgrades. I also feel, having read papers, various sets of papers, confident in the valuations that we have received and that it will be achievable within the finances we are talking about.

Thank you.

310 **The Speaker:** Thank you, Conseiller Cragoe.

Did I see a hand up over here?

Conseiller Harris; thank you.

Conseiller Harris: Thank you, sir.

315 I have got some brief comments but I will hold off on those because I actually have just a couple of questions. Do we know what is going to happen to the power station when the lease runs out? Is there any kind of agreement with the freeholder on that property? Do we have an idea of what the costs would be if we were to need to go to a different site? Do we have any idea where that might be?

320 I am also interested in contamination. Would we take on liability for dealing with
contamination? We would be liable for contamination, I think, clearing up; do we have any idea
what the costs for that would be? Also, one of my concerns is that I can imagine there being
litigation surrounding this from the current owner. He might be described as intransigent,
perhaps, but that is his position. Does the Committee have a view on that, how long that might
325 last and what the costs of that might be if they think that is indeed a risk?

The Speaker: Thank you, Conseiller Harris.

So relevant to that question, Conseiller Guille, would you like to respond on that?

330 **Conseiller Guille:** Yes, sir.

Thank you, Conseiller Harris, for your questions. In terms of the power station, I have spoken
with the landlord there. It is their wish to no longer have a power station on that site in 2030,
which you could probably understand with it being next to a hotel and a very popular pub on the
Island; that is their intention.

335 In the Sark Community Power work it has always been very clear that the intention is to move
a power generation site, a power station, up to Island-owned land at Les Laches. Forgive me,
I cannot remember the figures out of the design work that were used for the new power
generation site. It is a small – especially in terms of setting up a new power station – in an
agricultural-style building, setting up diesel generators which are in the region of £70,000, £80,000
340 new each. You can have three in there, and that would be the first stage before, hopefully, in the
future we can get on to renewables.

That is the intention with that and you would hope to have that done far in advance of 2030.
The landlord of the current site has offered that if for any reason that might overrun, he would be
open to extending the lease to allow us to have an orderly transfer of the generation site up to
345 Les Laches.

Contamination at the current power station site has been a concern. It has been mentioned by
Members of Chief Pleas and the public over the last few years. Policy & Finance last year had
Geomarine do a desktop study into contamination on the site. They have mapped out the relief
of the sites and the surrounding bore holes. The next stage would be to do an invasive study which
350 they proposed for I think about £12,000 – but do not quote me on that one – where you would
be testing the bore holes around the sites, digging in a couple of inspection trenches to see what
the contamination is beneath the ground and to see if any effect has been had on the water
sources surrounding the sites.

That would be something that we would action if compulsory purchase passes. Any
355 contamination costs would have to be factored into the valuation for the purchase price of SEL,
as would be the case if SEL were not being purchased and they were happy to vacate the site by
2030. It is a liability that exists for them and such liabilities would have to be taken into account
of a valuation reached by an independent valuer if the Island is buying the assets.

Litigation: I think much has been made around litigation in recent correspondence from the
360 owner of SEL. I think the description of the law is quite clear, that there are opportunities to
challenge but those are opportunities surrounding the appointment of a valuer or surrounding
the valuer's determination. They are quite limited and quite restricted. Also, the other natural
challenge that may occur within the process of compulsory purchase would be a challenge to
process itself, but it is a very straightforward law.

365 The Law Officers – this is an important point – have committed to us that they will represent
Sark in the enactment of this law and following court proceedings. This will be covered under our
usual annual service level agreement with the Law Officers. Their time in court will be of no extra
expense to the Island.

In terms of any other litigation or challenge that could be made, it would have to be a challenge
370 to the law itself. It is important to note in 2021 when the law was drawn up that SEL, in the guise

of the current owner, was consulted directly before the law was brought forward to Chief Pleas, and no comments or challenge were received at the time.

Then, as with all laws in Sark, which then have to go up for Royal Assent and pass through the Privy Council, that would have been a second opportunity to challenge the law by petitioning the Privy Council. No challenge was made at the time in that respect. The laws have been passed through the Law Officers and the Privy Council before attaining Royal Assent. They have obviously been checked for such things as human rights compliance.

A very useful briefing we had the other week from an advocate from St James' Chambers and from HM Procureur. They were very confident that this was a right and proper step for Sark. While you can never give a guarantee of no risk, they were very confident that the risks are absolutely minimised in this. It would be a very expensive process to now seek to challenge the law as it stands, there having previously been at least two opportunities for the law to be challenged.

In terms of timescale, the estimate that we have been given from the Law Officers is, with a fair wind, we might be talking about a four to five-month process. If all those opportunities for challenge of appointment of valuers and challenge of a valuer's valuation are taken by either party, then you might be talking about somewhere around a year's period for the process to be completed. I hope that answers the questions.

The Speaker: Thank you, Conseiller Guille.

Can I come to you in one second, Conseiller Makepeace? Do you have a supplementary question based on what you have just heard?

Conseiller Harris: Yes, sir.

The Speaker: Just one second, Conseiller Makepeace.

Conseiller Harris: I will defer to Conseiller Makepeace; I will try later.

The Speaker: Thank you, Conseiller Harris.

Conseiller Makepeace, would you like to make your point?

Conseiller Makepeace: Yes, I would like to agree with Conseiller Guille that it was a very worthwhile meeting, very informative, the meeting that we had with the Law Officers. However, I would just like to ask, since we had the meeting, correspondence from Mr Witney-Price at SEL suggested that he does not own the assets, that the assets have been put into escrow, is it, that he had taken loans, or intended to, and that he does not own those assets? How will that affect us going forward?

The Speaker: Thank you, Conseiller Makepeace.

Conseiller Locke, would you like to take that question?

Conseiller Locke: Thank you, sir.

Thank you, Conseiller Makepeace, it is a very good question. I consulted with the Law Officers on this very point and there are a number of issues that we have seen. Firstly, if a company asset is put in escrow then they will have let go of its title. No charges have been seen, either on the lease or on any other things for that company, so take that as *obiter*. Also, whether or not a company has a contract perhaps governing terms of loans and whatever, if those assets are transferred under compulsory purchase, that contract and that loan stays with the company, it does not get transferred with the assets.

We have also since seen with Alan Witney-Price and SEL some bald statements that he is the owner of Sark Electricity Ltd, so we think that those are more bits of smoke and mirrors and fear, uncertainty, doubt that are being brought up. We are confident that we can get the assets we

need without saddling ourselves with a debt of the company, or indeed any loans that SEL may have taken out on assets that are used to generate and distribute electricity.

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The Speaker: Thank you, Conseiller Locke.

Conseiller Makepeace, does that answer that question for you?

Conseiller Makepeace: Yes, sir.

430

The Speaker: It does; thank you.

Conseiller Guille, thank you.

Conseiller Guille: Thank you, sir.

435

Supplementary to that, there is a clause in the Compulsory Purchase Law such that the law mentions the assets of SEL and SEHL. We know that the lease on the power station itself as registered at the Greffe has not changed names; likewise, there are no charges registered against it. There is a clause in the law that specifically calls out that if assets are transferred into another company in order to frustrate the enactment of the law, then we can apply to the court for an order in respect of that to stop the simple transfer of assets being used during this process to frustrate the enactment of the law.

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The Speaker: Thank you, Conseiller Guille.

Conseiller Harris; thank you.

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Conseiller Harris: Thank you, sir.

I want to thank Conseiller Guille for his fulsome response to the questions I asked. One further question I forgot to ask is, it seems to me that we are doing this with a certain degree of unseemly haste in the sense that we are having this meeting at 10 days' notice. We have been talking about this for a long time, why are we doing this in a meeting with 10 days' notice? I personally would quite like to let the dust settle between SEL and Island Power. I am wondering why we are doing this now rather than letting things settle out.

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The Speaker: Thank you, Conseiller Harris.

Conseiller Guille, would you like to answer that question?

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Conseiller Guille: Yes, sir.

I think you would have found the briefing we had from the Law Officers and the independent advisers the other week extremely useful. It is a shame you were not able to join in person or on Teams. Our feeling in all the professional advice we have received is, the proposed sale is not a viable option. If we merely wait for 3rd July and wait for the dust to settle on this, there is going to be another company supposedly coming along to purchase (*Interjection*) the assets. We will just be stuck in this cycle.

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Alan Witney-Price said in an Island meeting when he purchased SEL back in 2020, he laid out this grand plan for a 15-year project to redevelop and revolutionise energy production and distribution on the Island. Chief Pleas and Islanders have seen no evidence of that in the last five-plus years. It would probably be a fair assumption to say in the next five-plus years until the end of the lease there would be no further evidence of that. In the current state of affairs, it would be in Mr Witney-Price's best interests to drag out the process until the lease expires in 2013 and he has to vacate the site.

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I can see no reason for delaying this process any further; in fact, I can see every reason for making haste with the process. We know parts of the infrastructure are unsafe, both for the people that work in them and residents and visitors. Why would we delay any further starting a

process by which we can finally have some meaningful investment in the infrastructure on the Island? I see no reason to delay this whatsoever.

Thank you.

The Speaker: Thank you, Conseiller Guille.

I will come to you in one second, Conseiller Makepeace. Conseiller Locke, would you like to follow on from that?

Conseiller Locke: Thank you, sir, yes.

Just some follow on. The tender document that Island Power submitted clearly states that Witney-Price Group Holdings would become a founder capital member of the new entity. In some of their press releases in yesterday's date, they have also said that SEL will continue to be involved in the new organisation. I think that there will never, ever be any dust settled. It will be another case of 'find the lady' and assets will be moved around from one place to another to make it even more difficult.

I would like to add to that, that is why we need, I think, to do it now. The other reason, as alluded to by Conseiller Guille, is we now know that one of our residents had a very serious electrocution happening down at the harbour because of the state of the network. We cannot, I think in all conscience, delay our best efforts to make this as safe as quickly as we possibly can. In my view, compulsory purchase is the quickest way of doing that rather than having drag it out for yet more years.

Thank you.

The Speaker: Thank you, Conseiller Locke.

Conseiller Miller, I think you had your hand up, did you, sir? Yes, one second, I am going to come to Conseiller Makepeace first and then to Conseiller Miller.

Thank you, Conseiller Makepeace.

Conseiller Makepeace: It is just an observation, really. I think it sounds quite dramatic if we have to move the power station and the lease is not renewed. Would I be correct in thinking if we purchase the assets, it will only be a case of moving the machinery to an agricultural shed or something? It is not the end of the world, is it, to move and build something like that?

Thank you.

The Speaker: Thank you, Conseiller Makepeace.

Before I come to Conseiller Miller, either Conseiller Guille or Conseiller Locke. Conseiller Guille.

Conseiller Locke: I defer to Conseiller Guille.

Conseiller Guille: Thank you.

Thank you, Conseiller Makepeace. Yes, certainly some assets can be moved. Aside from the recently purchased second-hand generator, I think it is highly unlikely that the other couple of generators in there, I think they are on 80,000 hours and 90,000 respectively. They should have been fully overhauled at somewhere around 40,000 hours. It is only through the hard work and dedication of PJ and his team that they are still going when at the same time they are not supplied the investment to properly maintain them.

I think, in all likelihood, a new site up at Les Laches would feature new generators which, as I alluded to earlier, in the grand scheme of the project, £70,000, £90,000 for a new generation set, probably three of them, is affordable within this Proposition.

Thank you.

The Speaker: Thank you, Conseiller Guille.

Before we come to Conseiller Miller, who is waiting patiently, Conseiller Locke next, then Conseiller Miller and then Conseiller Harris.

Thank you.

530 **Conseiller Locke:** Thank you sir.

Thanks again to Conseiller Makepeace. I will just point out, firstly, he is exactly correct. The new building is of the sort similar to the abattoir that is already up there, to give you some idea of the scale. There are great advantages to having the Island's generating facility situated on Highland land.

535 Thank you, sir.

The Speaker: Thank you, Conseiller Locke.

Conseiller Miller, you have been very patient, sir; would you like to ask your question?

540 **Conseiller Miller:** Sir, they are not questions, they are observations that might assist some of the questions that have been made.

Firstly, Conseiller Harris talked about what liabilities we might be taking on. I am sure Conseiller Guille will correct me if I am wrong, but by compulsory purchase we step into the contracts that SEL has with suppliers. Therefore, we would be stepping into their shoes in respect
545 of insurances. There is no break of chain of insurer, which is very important in the way insurance works, because if you have a change in insurer, one insurer says, 'It is *his* fault' and the other says, 'It is *his* fault.' Therefore, in terms of liability falling on Chief Pleas, we have the full benefit of the contract with the insurers that SEL has. Yes, we might be liable for the deductible but that is going to be a very insignificant figure.

550 Also, it is just really about liabilities which I am commenting on at the meeting, which Conseiller Guille just described, with Law Officers. When pressed, could Chief Pleas be found guilty of effectively corporate manslaughter if it did nothing to ensure to the best of its ability the safety of the electricity and electricity supply/grid, transformers and all of that? They cannot do that if they do not own it.

555 As we are all aware from the, happily not fatal, electrocution in September a year ago, I think, if that happens now and Chief Pleas had been made aware by that fact that it is a danger to Islanders and tourists alike, by delaying the compulsory purchase order, which is necessary for us to put things right and safe, and if something happens, we could leave ourselves bare to the accusation or a law suit of corporate manslaughter. Because we, as Chief Pleas, our biggest
560 responsibility is for the safety of Islanders and tourists.

That is why at the end of that session of the discussion with them they agreed that the compulsory purchase order button needs to be pressed now. Because if you press that button you can demonstrate that you are doing everything that can be reasonably expected of you to ensure that you are fulfilling our role as looking after the population and the tourists.

565 Furthermore, if it did happen, the press would be incredibly bad in that they would say, 'Chief Pleas knew that it had a dangerous electricity supply. Now somebody else has died and they did not do anything about it.' I think that would be very damning for the Island, especially in the areas of tourism, where some horrible journalist would probably make the silly comment, 'Go to Sark and feel electric' or some headline like that. I hope I have not taken up too much time in explaining
570 those points.

The Speaker: Thank you, Conseiller Miller; thank you very much, indeed, for making those points.

575 Conseiller Harris, I think you had your hand up, and then Conseiller Kennedy-Barnard there afterwards.

Thank you.

Conseiller Harris: Thank you, sir.

580 Yes, I think it is helpful, the comments that are being made. I think the more information provided the better. I would like to assure Conseiller Guille that I pay close attention to issues on the Island; I keep an eye on public policy, in case he was concerned. I have to say though I do not believe that a publicly-owned electricity company, from my perspective, is intrinsically necessary or important. I do agree with Conseiller Miller and, indeed, everybody else, Conseiller Locke, Conseiller Guille and others, that having a safe and reliable electrical system is extremely
585 important.

I suppose another question I have is, I find it hard to understand why at no point in this saga have we sought to introduce safety regulations. I think if we are concerned about safety, I would have thought that lifting safety regulations from Guernsey or some simplified version thereof might well have been a good idea. It seems to have been to me, as I hope a reasonably intelligent
590 lay observer, something that we should have done.

I also think in the unlikely event that these Propositions are turned down this evening, that is something we should do because safety is obviously paramount. Obviously if you introduce safety regulations, a utility provider has to have time to bring their operations up to standard; of course, I understand that. I do not know, it is about risk, isn't it? We are talking about risk. I rather feel
595 that maybe a regulatory rather than an ownership-based assurance might be more sensible.

I have two basic concerns. I hope, sir, you will indulge me because it does touch slightly on the latter question, but I will keep it brief. The first concern is that this becomes a bit of a financial albatross in some way. The second concern I have is a political one. In terms of those second issues, I would echo everything that Conseiller Makepeace said. The loan conditions that have
600 been put on the loan, other than the Impôt duty, and that seems perfectly reasonable, the Tax Review and the Conseillers commission – admittedly, despite that, we are doing a tax review already – these are forms of duress.

I do not think it is necessarily a very good basis on which to engage in constitutional discussions with a neighbour if one is being forced to engage. We do not even know the terms of the
605 Conseillers convention as yet. I think that seems to be extraordinary really, that we are being asked to sign up to something, the scope of which we do not yet know. I am personally rather concerned about it.

This is of course the first time that we will have borrowed in decades. I do think if this passes tonight we have to look at expenditure again. I have said this for the entirety of the last two years
610 being in here that we need to look at expenditure as well as taxes. I think borrowing for the first time in decades is a serious matter.

I think there are some risks on both sides. There are a fair amount of unknowns. Do I understand the approach being taken? Yes, I do. I think there are quite a lot of fine judgements on the practical points about whether to compulsorily purchase or not. I understand apparently,
615 according to Conseiller Guille that we do, but do we actually want to own an electricity company for the next 20 years, if not longer, with the financial and the tension-based opportunity costs inherent in that?

I do not think the Government ownership of utilities has a particularly good record in our larger Island neighbour in the UK. They often end up being dealt with in political ways. Investment does
620 not happen because it is taken for current day-to-day spending. Yes, so there are these unknowns: the price of the business.

I thank Conseiller Guille for his comments on my questions about contamination, litigation, site lease, we have got costs and remedial works. I understand we have got some scoping, which is good, it is good to have some scoping, but I think there are some unknowable issues here. If it was
625 down to me, if I was making this decision, I would not be purchasing this company. I have to stand here and say that to colleagues and say that to the public; I would not be purchasing it.

I think ownership is best left in the private sector. I think that we should be looking at regulatory options, we should be looking at ways to regulate the service in order to bring it up to

standard as reasonably quickly as possible. What does that mean? I think the circumspect option is quite often the better, safer one. I will just use that word 'safe'.

Yes, I cannot honestly say that if I was being asked to push the button I would. I suppose in a sense, as a Member of Chief Pleas I am being asked to push the button. I think the issue around the company itself, yes, it is a tension, I can see both sides. I think then with the loan conditions attached, it pushes me over into thinking that this is not the right option at this point in time. I do not think I can support this Proposition.

Thank you, sir.

The Speaker: Thank you, Conseiller Harris.

Once again you have crossed over. It is difficult, I know, with three Propositions on the table, not to ignore one against the other. Again, some of the points you made there are relevant to Propositions 2 and 3 rather than Proposition 1.

Conseiller Kennedy-Barnard, you had your hand up; thank you.

Conseiller Kennedy-Barnard: Thank you, Mr Speaker.

I just thought I would touch upon something that Conseiller Miller raised. There is an area of risk here for us which has been made clear to us by legal professionals. If ever we have acted in bad faith, that could prevent this thing from happening. I just worry that there has been such a feverish obsession about obtaining the ownership of this electricity company that that may come back and bite us at some stage.

That is my concern in us pushing ahead with this. I will not be supporting the Proposition, mostly for some of the reasons that it is linked to in the second part of this Chief Pleas session, that Conseiller Harris and Conseiller Makepeace have already raised. Secondly, may I approach the bench just briefly?

The Speaker: I beg your pardon; I missed that last point.

Conseiller Kennedy-Barnard: Can I approach the bench? Is that okay? The front?

The Speaker: For what purpose?

Conseiller Kennedy-Barnard: I would like to say something to you, if that is okay.

The Speaker: To me? To the Speaker?

Conseiller Kennedy-Barnard: Yes, I want to ask if I could nip out to the bathroom quickly. *(Laughter)* I wanted to do it really subtly but you drew it out a bit.

The Speaker: You cannot get much more subtle than that, as we have all heard you.

Conseiller Kennedy-Barnard: Yes.

The Speaker: We will take a three-minute break while Conseiller Kennedy-Barnard and anyone else has a comfort break. *(Interjection)* That way, please.

*Chief Pleas adjourned at 6.06 p.m.
and resumed its sitting at 6.11 p.m.*

**Compulsory Purchase with Loan Facility and Condition –
Policy & Finance Committee Report considered –
Debate concluded –
Propositions carried**

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The Speaker: Thank you very much, indeed, returning; thank you, Constable.
So, I think we are getting to the point – Conseiller Guille; thank you.

Conseiller Guille: Thank you, sir.

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I just want to address some of Conseiller Harris's points about private ownership versus community ownership, and also I think the immediacy of the situation. This has not come out of the blue, this has been a long process to get here. The Compulsory Purchase Law was put on the books in 2021. Significant negotiations occurred in 2022 and 2023 and again recently. There has been a Narec Report commissioned by the previous Price Commissioner. There has been an Energypeople Report and there has been an EIS Safety Report commissioned by Chief Pleas. Then there has been the Sark Community Power Project.

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A lot of the public meetings and discussion in Chief Pleas around the Sark Community Power Project I think laid out pretty clearly the reasons why a community ownership would be favourable. Likewise, a lot of the advice – and I was not referencing your general attention to Island goings on, I am specifically referencing the very useful meeting we had leading up to this – where the point was hammered home by the managing directors of Guernsey Electricity and Alderney Electricity that the level of infrastructure investment that is required in Sark, the fact that it has been left for so long, it does not make it a viable commercial opportunity to acquire this company.

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It neither makes it a viable opportunity for commercial buyers to acquire commercial loans for this. However, if it is in community ownership and it is supported by Government, a Government as opposed to a commercial company, this has a lot greater potential access to such things as Government-to-Government loans on a much more favourable interest rate which enables the possibility of achieving a much-needed investment. And on top of that, building a system that is fit for the next several generations of Sarkees.

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In fact, it has always been stated it is the aspiration for the Sark Community Power Project to progress eventually to a mostly renewables-based system, which has all sorts of benefits in terms of unit price for the customers but also in terms of what Sark is about, about us being resilient, about us being self-sufficient, about us being an Island of outstanding natural beauty and sympathetic to nature. It is a selling point of Sark. I can see a renewable system on Sark being a major selling point for the Island, both people moving here and especially I think for tourists as well.

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All the advice we are receiving is, such as the investment required, it is not a viable commercial proposition. Despite the claims of multiple companies bidding at the moment to buy SEL, we certainly have not made the assessment that it is a serious or viable approach from Island Power or Island Energy.

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If there were sensible companies bidding I think we would have certainly had a lot more contact at Chief Pleas and the Electricity Price Control Commissioner would certainly have had a lot more contact as opposed to the zero contact he has had. It is a regulated utility. Any reasonable and diligent company thinking of investing, literally one of their very first points of call would be the regulator.

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Just as an aside, it is important to make clear once more that it is intended to retain the Electricity Price Control Commissioner after the companies and Chief Pleas have subsequently community ownership to ensure an independent oversight of fair and reasonable unit prices for Islanders while allowing investment in a sensible manner to happen at the same time. Which is key that Sark Electricity has been offered every opportunity by the Price Control Commissioner

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for the last five years and previously to make investments in the infrastructure, and to still take a sensible return from it.

725 The fact that those investments have not happened, whether it is through a conscious decision not to or an inability to borrow, whatever the reason, it has not happened, despite the urgency of it, I think we are all aware of, on the safety and security grounds. That is why we do not think there should be any delay.

730 In terms of regulation, you are very correct to point out that any regulation, despite being a lengthy process to introduce that regulation, would then require a grace period for upgrades to happen. It still begs the question: what is the ability of the owners of Sark Electricity to generate the funding to provide those upgrades even once regulation may or may not be in force? Given the extent of the safety work that is required I think compulsory purchase and community ownership is by far the most efficient and crucially needed avenue to achieve a safe, strong and reliable supply of electricity immediately and into the future.

735 Just as examples from our closer Islands, there is regulation in Guernsey. Certainly the view of professionals over there is that it adds little except for expense to the process. There is no regulation in Alderney but, like Guernsey, being an Island-owned utility, all of the necessary standards are met just by the course of the company, as any private company should do regardless of whether it is Island-owned, enforcing best practice for their customers and for their employees, 740 so I think a community-owned company conducting best practice.

I have also been given the example that in the UK there is a safety regulation but the utility providers more often than not are exceeding it because the regulation does not keep pace with industry best practice but they do it out of course anyway and maintain the most appropriate and most up-to-date standards.

745 In community ownership the Island will have control of that. The Island will have the confidence in that, the Island will have an open-book model. We will see that the money generated from the unit price of electricity will go back into either lowering the unit price and/or providing the reinvestment into the infrastructure that is needed. I hope that covers your observations about commercial ownership.

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The Speaker: Thank you, Conseiller Guille.

Getting close to summing-up but before we go to the summing-up and the Proposition, Conseiller Makepeace, you put your hand up, followed by Conseiller Harris. Conseiller Makepeace first.

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Conseiller Makepeace: I would just like to say at the meeting we had with the Law Officers and the heads of Guernsey Electricity and Alderney Electricity, I did ask the chap from Guernsey a question. I understand and respect his experience and everything else, but I asked him if he was aware that Guernsey Electricity faced a protest from a group of residents because they had 760 actually raised their electricity prices 40% in four years. I remarked that if that had been the case in Sark now, our electricity would have been 70 pence a unit.

If that had have been the case, if we had have followed the model of Guernsey – because the chap from Guernsey said that they needed to do that to invest and whatever they needed to do— if we would have allowed Mr Alan Witney-Price to raise his prices, it would be 70 pence a unit at 765 40%. Is there a chance that he would have kept to his side of it and introduced safety measures and whatever?

None of us want to see that price go that high and it is a hypothetical question. In one way he is prevented from raising his prices, yet on the other side the example we are given from Guernsey is that they have raised theirs at 40% in four years to keep pace with the work they need to do.

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Thank you.

The Speaker: Thank you, Conseiller Makepeace.

Do you want to take that question, Conseiller Guille, before we come to Conseiller Harris?

Conseiller Locke, thank you.

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Conseiller Locke: Thank you, Conseiller Makepeace; thank you, sir.

In terms of Alderney then, they do not have regulation, they just do it within the existing unit price that they charge because that is what they should do as a responsible utility. I believe, although I do not speak for Guernsey Electricity, but the politicians in Guernsey Electricity kept their standing charge below what was needed for investment, so an adjustment is needed. That is not the case in the business models but our Price Commissioner has pored all over for the case of Sark Community Power. I think we are in a better place with our system than Guernsey have been with theirs and it does need addressing in Guernsey.

The other thing I would add to the information is that, having come from a regulated industry, I pored over the GCRA site and looked at both electricity and telecoms. It is interesting to note that the Telecoms Law is a Bailiwick law which is why we are impacted on it here. Whereas the Electricity Law is simply for the Island of Guernsey, which is why Alderney does not have regulation and neither do we.

Quite apart from the delays that Conseiller Guille has mentioned which, having worked in the UK, actually it takes a very long time to introduce new regulations, we would first have to bring in a new law in order to make us have the ability to make regulations. That would just keep us going for far too long, in my view. From what I have seen on the plans and the compulsory purchase, advice we have had from the Law Officers, this is the quickest way to achieve what we need, i.e., safety and reliability.

Thank you, sir.

The Speaker: Thank you, Conseiller Locke.
Conseiller Harris had his hand up.

Conseiller Guille: It is in response to Conseiller Makepeace.

The Speaker: We will do a response to Conseiller Makepeace from Conseiller Guille.
Thank you.

Conseiller Guille: Thank you, sir.

Yes, in response to Conseiller Makepeace's comparison to Guernsey Electricity, Alan Bates, the Managing Director of Guernsey Electricity, gave a really comprehensive reply within our meeting. He was explaining that the price, due to political decisions, had been kept artificially low for many years. Now he has been allowed to alter that and Guernsey Electricity are catching up on Island-wide years of underinvestment.

I do not think it is fair to appropriate the percentages from Guernsey to Sark but the Price Commissioner has given every opportunity for Sark Electricity to invest. A lot of the problem has come by – Alan Witney-Price has been suggesting – that rather than borrow and make the upgrades and gradually pass the price on to customers, he is wanting the customers to pay upfront for the upgrades. I think the last request last summer was something ridiculous like a £1.50 unit price.

That is not how regulated utilities work, that is not how the provision of a utility works. You have got to have access to borrow, you cannot pass the cost on to your customers in one big hit. Again, I think the last time the Price Commissioner was here, he made it very clear that every reasonable and normal opportunity has been afforded to Mr Witney-Price to make investments in the infrastructure in Sark, but he has opted not to. For the same reasons stated again and again, this is the most sensible course of action to resolve this long-standing issue.

Thank you.

The Speaker: Thank you, Conseiller Guille.

Conseiller Harris, you had your hand up.

Conseiller Harris: Thank you, sir.

830 Just briefly, I have got no brief on Alan Witney-Price, I think the whole thing is a bit of a mess. It reminds me of that old joke as to how I feel about this, about a tourist looking for a local beauty spot who is asking for directions. The local says, 'Well if you are trying to get there I would not start from here' and that is kind of how I feel about it.

835 I entirely respect colleagues who have come to the conclusion this is the right thing to do. I think in terms of regulation, certainly a moral question of what people should or should not do – I recognise the current owner is incalcitrant, recalcitrant even; that is the word – but the purpose of regulation is to assert basic standards, assert control without taking on financial risks. Do we want to own it? I am not convinced.

840 I was interested that Conseiller Guille was saying it is not a commerciality that a commercial entity would be interested in. This is in danger of broadening the thing because I think the original proposal, including all of the renewables, was £8.4 million, something like that. I can see how that would not be a commercial issue. Indeed if we were to go down that route I think we would end up paying; as everyone knows, you have to replace the plant every 20 or 25 years. Anyway, we are not doing that right now.

845 I understand there is no subsidy. It must presumably be a commercial entity because there is not really a subsidy from Chief Pleas, it is all going to be done out of the revenue of the –

A Member: The unit price.

850 **Conseiller Harris:** Yes, if it can be done by us out of the unit price. Perhaps it could be done by the current owner or somebody else out of the unit price. Perhaps there is some judicious borrowing; I do not know. I remember when we were talking about the renewables, we were saying actually we were not going to get cheap electricity because the only thing that was certain was that it was going to be expensive and the unit price would remain high. We now seem to be in a different situation.

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The Speaker: Conseiller Harris; thank you.

Conseiller Locke, before we start to wrap up on this one.

Conseiller Locke: Thank you, Conseiller Harris.

860 In the old industry that I used to be in, there were many acquisitions and mergers among the various communities, although not particularly by brief. I can tell you that at the moment SEL and SEHL are not investable. There are too many hidden questions about creditors and other things that have been bought, and particularly as it has been claimed by Alan Witney-Price in recent times.

865 I would contrast that with a stable organisation owned by the Island, and then later the Island community, which has proper books and proper financial controls and, with the Island of Sark behind it, is a far more investable entity than what we have at the moment. In a sense we can see that about what has happened in the past five years, with no same plan for investment being made to the Price Control Commissioner and no investment has actually been made. I would not have started from here either, I would have done something in 1949, but we are where we are. 870 This I think is the best route we have to get out of it and put things on a proper footing.

The Speaker: Thank you, Conseiller Locke.

I have got two hands up. Conseiller Makepeace first, followed by Conseiller Plummer.

875 Thank you, Conseiller Makepeace.

Conseiller Makepeace: Yes, I would just like to say somewhat that I do have my doubts regarding the Bailiwick Commission and such. I will actually be supporting the compulsory purchase because I think my doubts about the Bailiwick Commission are outweighed by the need to have a stable and secure electricity settled.

Thank you.

The Speaker: Thank you, Conseiller Makepeace.
Conseiller Plummer, thank you.

Conseiller Plummer: Thank you, sir.

We need to go forward with this compulsory purchase for the good of the Island and for the safety of the Island. What I would just like to say, if the Chief Pleas in the past had not got into debt by borrowing, we would not have a Maseline Harbour, would we?

Thank you.

The Speaker: Thank you, Conseiller Plummer.

With that, before we go to Proposition 1, Conseiller Guille, on behalf of P&F, would you like to sum up?

Conseiller Guille: Yes, thank you, sir.

Just touching on private ownership once more, I think there has been enough explanation out there in Chief Pleas and in the public forum for the reasons why it is not an investable opportunity for private ownership. It is perhaps easier to suppose that private ownership will take all our troubles away, but I think this is one of those brave decisions. As Conseiller Plummer has just alluded to, the last time Chief Pleas had to borrow money for the Maseline Harbour and the previous time, 100 years ago, we had to borrow money – sorry, 200 years ago where we had to borrow money for the Creux Harbour. This is a time in Sark's history for Chief Pleas, on behalf of the public, to make a brave decision for the best interest, not just of the Island as it is at the moment but for the Island for many generations to come into the future.

I have not mentioned the point too much previously, but I would like to make particular reference now to PJ and his team at Sark Electricity Ltd. All through this debate we talk about SEL but we are absolutely not talking about the team at SEL, who quite remarkably, under the circumstances, keep the electricity going for Sark. You could very easily say with their hands tied behind their backs, without having the sufficient investment available to them, without having the sufficient support available to them. This Proposition is starting us down, hopefully, the final leg of this journey to being able to provide that for the benefit of the employees who provide the electricity for us, the benefit of the residents of Sark, the benefit of the businesses of Sark. I would urge fellow Conseillers to support this Proposition.

Thank you.

The Speaker: Thank you, Conseiller Guille.

It is a very comprehensive debate. Thank you for everyone who has been involved in that. So let's therefore, as I said at the outset, go to Proposition 1, which is as follows. We are going to vote on this.

Conseiller Makepeace: Can we have a named vote?

The Speaker: We can, Councillor Makepeace, thank you. Councillor Makepeace has requested a named vote, which we will happily do. I will just get the paperwork ready for that. So I will read the Proposition first, then we will go to a named vote. Right, okay, so Proposition 1: That Chief Pleas directs the Policy & Finance Committee to bring the Compulsory Purchase (Electricity) (Sark) Law, 2021 into force on 26th June 2025 by making the Compulsory Purchase (Electricity) (Sark)

930 Law, 2021 (Commencement) Regulations, 2025 in the form attached at Appendix A. Therefore, we are going to go to the vote. If you are in favour of that, it is pour; if you are against that, it is contre. So, Greffier, thank you very much indeed.

There was a named vote.

Carried – Pour 10, Contre 3, No Vote 0

POUR

Conseiller John Guille
Conseiller Andrew Miller
Conseiller Helen Plummer
Conseiller Carol Cragoe
Conseiller Michael Locke
Conseiller Natalie Tighe
Conseiller David Curtis
Conseiller Edric Baker MBE
Conseiller James Martin
Conseiller Frank Makepeace

CONTRE

Conseiller Christopher Kennedy-Barnard
Conseiller Benjamin Harris
Conseiller Mary Nicolle

NO VOTE

None

935 **The Speaker:** Okay, the Proposition 1 has been passed: 10 pour, 3 contre, so therefore the Proposition has been carried accordingly. Thank you very much indeed.

940 With that, let us therefore move on to part 2, which is the section headed Loan Facility and Conditions. Admittedly, during the debate on section 1, we strayed into this already. I would ask you, if possible, not to replicate some of those points. If you have fresh points to make, then fine and dandy, but for the time being, let's try and focus on the loan facility and the conditions. Once again at the end of this section, we will then vote on Proposition 2. Conseiller Guille, would you like to open this part of the Report?

Thank you.

945 **Conseiller Guille:** Thank you, sir.

We are thankful to Deputy Trott and members of P&R for bringing forward this Proposition to the States of Guernsey to offer us a loan facility and it was passed by 37 votes in favour and one abstention in the States of Guernsey, which shows the feeling and sentiment of support to Sark. I find all these three conditions entirely reasonable and I find that there has been a lot of misinformation particularly over the Bailiwick Commission leading up to this and even tonight. It is not a forum in which decisions are made, it is a forum for an exchange of ideas and to suggest otherwise is entirely false.

950 Likewise with the terms and conditions, these are to be agreed beforehand and with full consultation with Conseillers. If we cannot agree reasonable terms and conditions, then it will not go any further, but I cannot see that happening.

955 I was involved in the previous version of the Bailiwick Commission, as was the Seigneur, hosted by the Governor. I found it to be an incredibly valuable forum for discussing areas of mutual interest, mutual benefit to the Islands, and areas of benefit solely for Sark. The law got changed on young persons from Sark being able to reside in Guernsey as a result of those discussions, for example, when they finished education at the College of FE. Unfortunately, a lot of the further work surrounding things like education and healthcare did not progress, largely due to a change in the top Committee for Policy & Resources in Guernsey shortly thereafter.

960 I think, regardless of any loan, Policy & Finance in the majority would be recommending partaking in a Bailiwick Commission, even if we were not accessing a loan facility from Guernsey. It is only sensible, when we share so many services with Guernsey, that we should sit down in a forum with independent arbitrators, moderators, whatever you want to call them, commissioners, to assist in the discussions between Islands. It will be a forum where, rather than repeatedly asking with different committees and different committee chairs over the years for

things to change, for example, in terms of healthcare and the charges that we pay in Guernsey, a Commission will really focus everybody's efforts. I think it is the best possible way to bring about an outcome. In fact, the timing of it would seem fortuitous now, because it is obviously going to happen with the new Assembly of the States. I think there is far less likelihood of either Policy & Resources or, for example, Health & Social Care – there is far less chance of any of those Committees changing subsequent to the discussions at the Bailiwick Commission. Then, as has been repeated to exhaustion, none of the discussions in the Bailiwick Commission are binding. Any of those decisions need to come back to Chief Pleas, need to come back to the States of Guernsey, in Alderney's case need to come back to the States of Alderney.

I am in full support of that, a loan or no loan, and I think the idea that we could just get a loan from Guernsey without conditions, I think it is a bit fanciful. These conditions are, in fact, all of them, intended as an enabler, as a means to strengthen Sark's resilience. The review of taxation we would do any way, but to put a greater focus on it I think is useful. We need to be more resilient in the future and undoubtedly our tax take does need an overhaul.

Again, I would disagree in the general – well, obviously little savings can be made here and there, I would disagree in the general concept with Conseiller Harris that we need to focus on savings. Anybody who has knowledge of the budgets on Sark knows that we are already operating at a bare minimum across all the important aspects. We cannot have less teachers, we cannot have one less doctor or we will have none, we cannot get rid of a nurse. In fact, if anything – not if anything, in fact definitely the Islanders have suffered in a lot of areas from a lack of investment for many years, unfortunately but sensibly taxation needs to be looked at. I think there is no harm, in fact there is a benefit, of attaching it as a condition. Like I said, we were already doing that anyway.

The Impôt, which seems to be less controversial, interestingly was a condition attached to the loan in 1825 to rebuild the Creux Harbour. It was attached to that loan as a backstop, as a guarantee. I think it is another sensible condition added to this. It only comes into play to cover any shortfall if, for any reason, the unit price of electricity, the revenue generated by the electricity consumers, cannot cover the loan repayments. But, as previously said, the modelling that has been done has been done in conjunction with Alderney Electric and the community for renewables has been checked independently. The modelling shows quite clearly that the loan will be affordable within the range of the current unit prices. Obviously unit prices go up and down at the moment due to diesel price, but like I previously said, we are going to have the Price Control Commissioner and there is no intention to change that position, and that is an independent check to ensure that the unit price paid is fair and reasonable against loan repayments and any investments, any further investments in infrastructure.

So I would encourage all Members to support the loan and to support these entirely reasonable conditions and to allow the Island to move forward.

Thank you.

The Speaker: Thank you, Conseiller Guille, for that introduction. Does anybody have any questions for debate of P&F on this part of the Report, the loan facility and conditions?

Conseiller Harris, thank you very much indeed.

Conseiller Harris: Thank you, sir.

I will not make any more than brief comments. I think everybody knows my views on this. I must accept that the majority of the Chamber does not share the concerns that I have. I would simply observe that if I thought it was exactly as Conseiller Guille was saying, then I would be signing up for it tomorrow. Wonderful.

I take issue with this phrase 'misinformation'. It is not a piece of misinformation that has come out of my mouth this evening. The point I would make is that this is a moment of opportunity and peril. So, yes, of course, the Bailiwick Commission contains opportunity. It also involves potential peril. We do not even know the format of it as yet or what is going to be in it.

1020 Now everybody is going to make their own decision on how important this is. I was shocked,
as I have said before, to find this out in a press release from the Guernsey Government. A lot of
other people do not seem to be that bothered by that but I was. Again, I say that if this is so great
why does it need to be a condition for a loan, why not make this entirely separate, why not have
1025 this debate entirely separate from a loan. I think friends do not impose conditions on one another
for loans, unless legitimate financial ones, because I have got no issue with the Impôt duty as a
condition, that seems very reasonable and sensible.

The tax review I am less bothered by because we are already doing it, but the Bailiwick
Commission is a source of potential opportunity, it is also a potential source of peril. Why do I say
that? I say that because I think Guernsey can tend to regard us as a little bit of an embarrassment.
1030 I always say that we should never go out of our way to embarrass Guernsey or try to, we should
not do that, but we do have our own legitimate interests and I think that maybe we could all agree
– I wonder if Conseiller Guille would agree with me this evening, that we could have as a red line
that as a result of this process Chief Pleas should not lose any legislative competencies. I thought
that would be a good basis upon which to operate. I would be interested to see if John – sorry, my
1035 apologies, if Conseiller Guille can agree with me on that.

Is it misinformation to have some realistic concerns in terms of understanding how power
operates between larger jurisdictions and smaller jurisdictions? I would suggest not. But I think
other colleagues and members of the public will form their own views. I know that there are
various members of the public who also share my concerns. I would simply observe to them that
1040 if they have those concerns and are serious about them, they should be considering what it is their
duty to do in the upcoming by-election; perhaps they should stand.

The Speaker: Thank you, Conseiller.

Conseiller Guille, do you want to come back on any of those points? No, okay. Any further
1045 points questions or debate?

Yes, Conseiller Kennedy-Barnard, thank you.

Conseiller Kennedy-Barnard: Thank you, Mr Speaker.

I just thought I would back Conseiller Harris's opinions; they are more or less mine exactly. This
1050 is a political loan, whenever you have conditions attached that are not linked to repayment, it is a
political loan in this situation. So I am in agreement that the Impôt should be there to secure the
repayments of the loan, and of course we are doing a taxation review. But a constitutional review
or Bailiwick Commission that may impact in some way, we are consenting to something that we
do not know the terms of yet. I understand Conseiller Guille was saying we can come back to the
1055 House, I feel very uneasy on this.

What I would add is I will resign from the Policy & Finance Committee with immediate effect,
because I think my views and Conseiller Guille's diverge in a big way on these two issues that are
sort of merged into one. Naturally, I want the best for the Island, so I would wish the Policy &
Finance Committee well, and I hope this works out how they intend it, but I am going to drop out,
1060 distance myself from it, and naturally at the next Chief Pleas you can repopulate when necessary.
Thank you.

The Speaker: Thank you, Conseiller Kennedy Barnard. Do we have any further points or
questions? Conseiller Nicolle, thank you very much, followed by Conseiller Cragoe.

1065 Conseiller Nicolle.

Conseiller Nicolle: Thank you, Mr Speaker.

I would just like to endorse what Conseiller Guille said about PJ Carré and his team. They really
do a magnificent job for all of us in difficult circumstances. I am mindful of the enormous amount
1070 of work that Members of Policy & Finance and Future Energy Committees have put into this and

I thank Guernsey for the offer of the loan. I do however feel that borrowing money is relatively easy; paying it back is not.

1075 It may be desirable to buy SEL and SEHL but I do not believe that it is affordable. Sark has very limited capital and huge other commitments going forward. £175,000 of taxpayers' money has already been lost on electricity plans and we currently do not have a specific business plan for this bold move. I am very fearful that this will end up in higher costs to taxpayers and increased electricity charges.

Thank you.

1080 **The Speaker:** Thank you, Conseiller Nicolle. Conseiller Cragoe, I think you had your hand up, followed by Conseiller Locke.
Conseiller Cragoe.

Conseiller Cragoe: I did, thank you very much.

1085 I will let one of, if you would like, were you going to answer the affordability point? Only that we have had in presentations, which I think – I am not sure if Councillor Nicolle attended but we have had various presentations that the loan repayments, based on what we know about SEL's finances, should be affordable from within the existing revenues, as I understand it. We are not being asked to sign up to commit more Chief Pleas money to that.

1090 But I would like to come back to the Bailiwick Commission, which is mainly what we are discussing and say I think it is a very positive proposition and something that we should be embracing, joining. I see it a bit like family counselling or couples counselling is that you get into a room with other people who are external and have serious discussions about key issues that really matter to you and I think some of those in appendix B, we have quite a lot of topics that we might talk about, but it could be lawmaking and how that relates. I think there are some things that we could say to Guernsey that actually we find problematic and it might be that if there is someone else there, they have to listen.

1095 We could have more discussions about education, particularly secondary education, healthcare, improving transport links, going back to the customs port, policing, police support, digital services, digital mapping, environmental marine protection, and a more general relationship with Sark, Guernsey and the MOJ.

1100 I think it seems to me to be something that could be very positive for us, and there is no requirement for us to do anything that Guernsey has said for us to actually do. Nothing is binding. We also have the opportunity to set the terms of reference. So let us take this as a positive opportunity and set the terms, include in the terms what we want to have, and take this as a real opportunity.

1105 Thank you.

The Speaker: Thank you, Conseiller Cragoe. Conseiller Harris, I will come to you in one second.
1110 Conseiller Locke, you had your hand up.

Conseiller Locke: Thank you.

1115 I would just like to make some very short and broad comments about the loan conditions that we have. It seems that the feeling of the House is that the Impôt as a backstop is no problem and there is precedent for it, so I do not think there are any big problems with that. Taxation review is something that we are already undergoing and it is very important we get this right and, with the consultations with Islanders yet to come, to have a proper tax footing going forward. So I do not think there is any problem with that.

1120 I would point to the fact that for any commercial company in the UK if you were to offer them a fixed loan over 20 years at this interest rate, they would bite your hand off. This is a really good set of loan conditions and we are protected for if anything goes wrong in the interest rate market

in five, 10 years' time; we are protected from it. It is a fixed rate at the current rate so I am quite happy with those.

1125 Lastly on the Bailiwick Commission, I think it is another very important place where we can make certain that Sark's voice is heard on an equal level with the other members of the Bailiwick, not as somebody being imposed on from elsewhere. I think that is a very good point. Lastly, I feel that we, as Chief Pleas, would be failing in our duty because there is going to be a Bailiwick Commission between Guernsey and Alderney, and we would be failing in our duty if we did not make certain that Sark's voice is heard within a similar commission at the same time. That is why
1130 I support the Bailiwick Commission, and to me it is a no-brainer to have it, whether or not with a loan; I do not need that.

Thank you.

1135 **The Speaker:** Thank you, Conseiller Locke. Conseiller Harris and then Conseiller Kennedy-Barnard.
Conseiller Harris first.

Conseiller Harris: Thank you, sir.

1140 I would simply observe that our education and health relationship with Guernsey is contractual, it is not constitutional. You can have a conversation with Guernsey about education and health and transport links any time. I understand that they are going to be topics for the Bailiwick Commission, or could be topics of the Bailiwick Commission, but they are not constitutional questions. The reason to have a constitutional convention is to discuss constitutional issues.

1145 Is it like family therapy? Well, I would say as a psychotherapist, therapy is normally best undertaken without a compulsory element. It is normally better if people are not forced to attend it, otherwise you do not necessarily get the outcomes you want. Look, I am charmed. I am charmed and I am enthused by my colleagues' positive feelings about this process. I wish I could just get myself into the mindset that they are in. But I do feel I am being sold something and I am intrigued
1150 that the viewpoints do feel perhaps a little over-positive to me. I make my comment again, could we hear some support, maybe we could all coalesce around the idea of saying we will engage and the bottom red line is that Chief Pleas should not have legislative competencies taken from it.

1155 Can we agree on that? Can we agree on that here this evening? Could we get some commitments from some big players in here to support that line? It might make some of us feel a bit more comfortable. I would really be interested to hear what other colleagues have to think about that.

1160 **The Speaker:** Okay, thank you, Conseiller Harris. Would you like to take that question before we come to Conseiller Kennedy-Barnard, Conseiller Guille, thank you?

Conseiller Guille: Yes, I think it is probably a good time to reply to several questions that have been raised.

1165 First of all, I do not think I ever said that Conseiller Harris in particular misrepresented anything. I was talking in the general. I think, to be quite honest, it is rather shortsighted just to consider the loan from our end. For the loan to be passed by the States of Guernsey, especially at a time when they are experiencing their own financial problems, and it was passed leading up to a general election, we have got to consider politics here. The Deputies in Guernsey needed to be given some reassurance (a) that they were not throwing this money away, (b) you would maybe be surprised or not at the common misconception in Guernsey in the Guernsey population, even among some
1170 Deputies, that Sarkees pay no tax, etc.

There had to be some reassurances to perhaps some more less enthusiastic Members of the States of Guernsey that this loan was not throwing away money, that Sark would be able to repay it and that Sark was putting itself on a surer footing. A lot of Deputies might have said, 'Well it is

£1.5 million, why did Sark not have that in its reserves anyway?' I mentioned before an election because what was the hot topic of the Guernsey election, it was finances, it was the Island's finances.

So actually while Guernsey are in their own financial difficulties at the moment, pledging money to Sark, which they have no fiscal responsibility for, is a bit of a hard subject leading up to an election, so attaching terms to it is just really a fact of life. This is politics, you have got to get the Guernsey Deputies on side to offer us this loan in the first place before we get to vote on it.

Legislation and actually tax were one of my red lines in the original Bailiwick Commission and I cannot see any need to change that, but what I will say is that we need to go into this with eyes wide open – not eyes wide open, with as few preconditions as possible. It has to be an open conversation. There is nothing binding in it. You need to be able to generate all ideas for the benefit of Sark possibly to come out of it.

I really found it useful last time when we had Lord Wolfson chairing the Commission, and I think that is the difference between why we cannot at any time go and talk to Guernsey about areas of healthcare or areas of education having it in the forum of a Bailiwick Commissioner with appointed commissioners, such as Sir Bob Neill has been suggested as one, and I think there is opportunity for Sark to suggest commissioners as well. As I alluded to earlier, having those independent people in the room, having the focus on a Bailiwick Commission and not just a run-of-the-mill ask, is a really useful tool to actually get things done.

Since I have been in Chief Pleas we have been talking to Guernsey about healthcare costs, how we pay very high private patient rates in Guernsey. I have certainly been through several versions of the Health & Social Care Committee and Policy & Resources. It is a topic that comes up again and again, but there has been no significant movement on this. I think the Commission is a fantastic place to hopefully achieve some positive change.

Conseiller Kennedy-Barnard's views. He said his views and my views differ; his views and the whole Committee's views differ. This is not about me and him. Conseiller Nightingale – Nicolle, sorry, apologies. I think it was your father's birthday that had that in my mind yesterday. Taxpayers' money has absolutely not been lost on the design exercise that we recently did. That, in fact, was a key step on the way to where we are now with compulsory purchase. We were able to go into compulsory purchase with our eyes wide open as to what the potential future costs of an upgrade of an electricity system looks like, both in the minor, do minimal, and in the major, the all singing and dancing, and anywhere in between.

I think that is a key step on this journey and whether we use that information this year, next year, or in several years' time, it is always there; that is absolutely not lost to the taxpayer. I would also push back against the lack of a business plan. I think what we have done so far in terms of the loan repayments, and we have costed them against the information that is publicly available through the Electricity Price Control Commissioner, we did one model against that as to how the loan repayments, even if we maxed out the loan facility at £1.5 million, would still be affordable within the range of the current unit price. We did a second evaluation using a scaled-down version of the ordinary electricity operating model.

Aiding us and that was the CEO of Alderney Electricity who arguably has more access to information than we have at this time through the Price Control Commissioner's website. We did a scaled-down version of the Alderney model, more access to reliable information maybe and detailed information as well, and that again showed that the loan repayments even if maxed out to the £1.5 million are affordable. So without actually getting our hands on the company books I am confident that that, at this stage, is a very prudent and fair business plan in order to proceed to the next step. I will leave responses to questions there and invite more debate.

The Speaker: Thank you, Conseiller Guille. Before I come to Conseiller Makepeace, Conseiller Martin, did you have your hand up? Yes, I thought so. Conseiller Miller, have you got your hand up? We will go Conseiller Martin, Conseiller Miller, Conseiller Makepeace, Conseiller Locke.

Conseiller Martin, thank you.

1230 **Conseiller Martin:** Just to say that I went along to the Bailiwick Commissioner's meeting that they held in Sark and there were quite a few questions being asked and everything. One of the ones that struck me was a lot like people were asking is there financial – like do we have to pay into it? There was nothing that came back that was saying that there was any cost to the Island. I look at it like it is going to be beneficial for Sark to actually go with this. It is like having a new shiny toolbox, full of tools that we could use and help for Sark.

1235 Just over to Conseiller Harris's question, I would suggest that you are right, your suggestion there about maybe having a vote now, maybe the PDG group might have been better first and bring that into it later on, maybe. Everything is doable, it just does not have to all be done in one go. Yes, that is all.

Thank you.

1240 **The Speaker:** Thank you, Conseiller Martin. Did I forget Conseiller Kennedy-Barnard in my routine? Can I go to Conseiller Miller first, Conseiller Makepeace, Conseiller Kennedy-Barnard, Conseiller Locke? Change of the schedule.

Conseiller Miller, thank you.

1245 **Conseiller Miller:** Thank you, Mr Speaker.
As far as the Bailiwick Commission is concerned, appendix B, fifth paragraph, that says it all for me.

The outcome of the Constitutional Committee will be informative, it will not be binding. Any proposed changes are for the Governments, Parliaments of the relevant Islands to decide.

1250 In which case, it is fine by me and, hopefully, fine by a lot of other people worried about it.
Going on to something that I am more concerned about which is the loan, and I am hoping this information will be forthcoming when P&F go back and say, 'Look, we are serious.' There are two interesting things about it.

1255 First of all, the tranches when drawn down will be at a fixed rate. How is that rate – what is the mechanism and can we understand it? One would presume it is a percentage above UK base rate which currently stands at 4.25% though is rumoured or suggested it will go down. But could we have that mechanism that they get to between 5% and 6%. When they finalise it, it is 5.25% or 5.75% or 6%, will we know before that time what mechanism that they are using?

1260 Finally, there is something here, probably I should not say, but I think I am going to anyway, should Chief Pleas want to draw down the loans in separate tranches, then when a tranche gets taken up it is fixed from there to the end of the 20 years. What option is there to repay each tranche early? That is quite important because you have some fun and games here because once you know the mechanism, you take out a loan of £500,000 at between 5% and 6%, base rate of 4.25% then goes down to 4% – perhaps you wait until it goes down to 3.75% – you take out another tranche of £500,000, use it to repay the first tranche of £500,000 and that way you have just got yourself a reduced debt. If they have not thought of that, perhaps I should not have mentioned it in *Hansard*, sorry.

Those are the initial points that I was going to make.

1270 **The Speaker:** Thank you, Conseiller Miller. Before we come to the other pointers, Conseiller Guille, do you want to come back on that particular point, or Conseiller Locke, about that or do you want to leave it for a few minutes? Leave it for a few minutes. Okay.

Conseiller Makepeace, you are next up, sir.

1275 **Conseiller Makepeace:** Yes, I think, listening to Conseiller Guille, he has reassured me to an extent. I think that we are, to an extent – beggars cannot be choosers and we probably did not have a lot of options anyway to secure a loan. It is probably quite understandable. I know if I had the upper hand in a negotiation, I would be trying to gain as much advantage as I could over the person that required my service. It is probably more of a business thing or more of a situation
1280 where they do have the control in hand and they are naturally going to try and get as many concessions as they can, I think. That is it.

The Speaker: Thank you, Conseiller Makepeace.
Conseiller Kennedy-Barnard, thank you.

1285

Conseiller Kennedy-Barnard: Thank you, Mr Speaker.

Just one point to add really that I think is quite important. If it is the will of the House to pass this and proceed ahead with this Bailiwick Commission, what I just say is crucial is that whoever represents us at that Commission is willing to fight for the interests of this Island. In the sense that
1290 at times we have converging interests with Guernsey and I really want them to be the best neighbour possible, but on some occasions we have competing interests as well. In those instances, we really need to stand up for ourselves. We are a smaller Island but we need to be heard and we need to be willing to negotiate and push back.

Thank you.

1295

The Speaker: Thank you, Conseiller Kennedy-Barnard. Conseiller Locke, you have been very patient, sir.

Conseiller Locke: Thank you, sir.

1300 I would actually agree with both Conseiller Harris and Conseiller Kennedy-Barnard in that regard on the independence and sovereignty of Sark. I cannot answer Conseiller Harris's question directly because I am not as much of a legal mind as he is. However, what I will say is this, if there is to be any constitutional change – which I believe would need the consent of the Privy Council and His Majesty, so I do not think that would happen anyway – that would reduce the
1305 independence or sovereignty of this very precious Island, I, for one, while still a Conseiller, will vote against it.

The Speaker: Thank you, Conseiller Locke.
Right, we are getting to a stage.

1310

Conseiller Guille, thank you.

Conseiller Guille: Yes, I would just like to echo Conseiller Locke's view there on the independence and sovereignty of our Island. It is something that my forefathers have protected for hundreds of years and I have got absolutely no intention to alter that, and I hope Sark is still
1315 here in another 500 years' time in a very similar situation to what it is.

Likewise though, the reason that Sark is still here is because we have adapted and changed over the years, and I think an obsession with just having things exactly the same as they currently are is certainly not what the approach our forefathers took. Sark has constantly evolved, so we do not need to be and should not be afraid of change. This is more general, not specifically the
1320 Bailiwick Commission, but I think it is really easy to bang the drum of no change, no change, but you have to be realistic.

Why is Sark still an independent jurisdiction sustaining itself? It is because our forefathers embraced positive change over many centuries. I think that is an important point to make.

Just with Conseiller Miller's very astute, comments. I am very pleased that Conseiller Miller is
1325 a Member of the Policy & Finance Committee because he is going to be instrumental in negotiating loan conditions and, as it is stated in the paper, these will be in consultation with all Conseillers.

As I understand it, the loan conditions are going to be basically exactly the same as they are to the various States trading entities such as States Water, States Electricity. Obviously the agreement will have to be slightly different because we are not owned by the States of Guernsey so there is going to have to be additions to that. The feeling at Policy & Resources was for us to agree in principle the loan today and then they can put the time and resources into drawing these up, and I think that is a sensible way to approach this.

Lastly, I would like to encourage Conseillers to support this important step for Sark.
Thank you.

The Speaker: Okay, thank you, Conseiller Guille.
Conseiller Makepeace.

Conseiller Makepeace: It is only a short question. What is the approximate timescale for our participation in the Bailiwick Commission? How long will it be before it is all up and running, approximately?

The Speaker: Conseiller Guille.

Conseiller Guille: I do not think there is a timescale. Alderney are already in discussions. I think there is an aspiration to have terms agreed by the end of the year, which is probably quite reasonable. As I understand it, Alderney are going to go before Sark. There will be aspects of the Bailiwick Commission that are separate between Alderney and Sark, and there will be aspects of the Bailiwick Commission that are probably with all three islands together.

Sorry, I cannot give an accurate timescale. I think you also have to take into account that they just had a general election in Guernsey as well. So there is going to be a whole lot of different areas of work and focus. We do not even know who is on the new Policy & Resources Committee yet. So that is why I do not want to give a more precise answer to that question.

Thank you.

The Speaker: Okay, thank you, Conseiller Guille.
Conseiller Locke, thank you.

Conseiller Locke: Yes, thank you, sir.

Thank you, Conseiller Guille and Conseiller Makepeace. I just flicked ahead because I did not have to answer the question. Once that process has happened and it is established following the agreement of Chief Pleas, it is expected that the Bailiwick Commission could take evidence and oversee hearings within 12 months of the initial hearings, up to a maximum of 18 months overall, and it is apparently a similar timeframe for a UK Parliamentary Select Committee.

The one thing that I would point out with that is if that timescale works out how it is, the report will come back to Chief Pleas within the lifetime of this Chief Pleas. So if we are still here in office we can vote on it exactly how we prefer to put it into operation.

Thank you, sir. Or not.

The Speaker: Thank you, Conseiller Locke. Or not, thank you, Conseiller Locke, thank you.

Right, I think we have discussed that in some detail. You have read the Report, you have listened to the discussions and the debates. I think therefore at this stage we will go to a vote on Proposition 2.

Conseiller Makepeace, thank you.

Conseiller Makepeace: Could we have a named vote?

The Speaker: Conseiller Makepeace has requested a named vote, which absolutely we will do.

There was a named vote.

Carried – Pour 10, Contre 3, No Vote 0

POUR	CONTRE	NO VOTE
Conseiller John Guille	Conseiller Christopher Kennedy-Barnard	None
Conseiller Andrew Miller	Conseiller Benjamin Harris	
Conseiller Helen Plummer	Conseiller Mary Nicolle	
Conseiller Carol Cragoe		
Conseiller Michael Locke		
Conseiller Natalie Tighe		
Conseiller David Curtis		
Conseiller Edric Baker MBE		
Conseiller James Martin		
Conseiller Frank Makepeace		

1380

The Speaker: I apologise, I did not, in the excitement of the moment, read out the Proposition. We voted on it and it has gone 10 votes pour, 3 votes contre. I do apologise. At this point, for the purposes of the record, I am going to read out Proposition 2. My apologies: that Chief Pleas agrees to the conditions of the loan facility, these being for Chief Pleas to participate in the Bailiwick Commission, to agree for Impôt payments to be used as a security guarantee to repay that loan to Guernsey in the event of non-payment by Sark of any loan utilised, and for Chief Pleas to share the comprehensive review of Sark's taxation regime, that it already is undertaking, to ensure that it can acquire sufficient reserves to support essential capital investment requirements in the future.

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That is the Proposition. We voted on it first. It has been carried 10 votes for and 3 votes contre. So that is approved. Thank you. My apologies for that.

With that, if we may, we will move on to the third section of the Report, which is the loan facility.

Conseiller Guille.

1395

Conseiller Harris: Sir, my apologies.

I am going to have to take your leave because I am just going to speak to a patient, so I am afraid I have to leave the sitting at this point.

1400

The Speaker: You are departing. Okay, so at this point we note that Conseiller Harris has left the meeting and will not be participating in the debate or the vote. Thank you. Conseiller Harris is now leaving the meeting.

Right, going back to the Report, Conseiller Guille, would you like to introduce this section of the Report before we go to Proposition 3?

1405

Conseiller Guille: Yes, sir, I think this has basically been covered in the debate before. It is a straightforward Proposition as has been covered in the debate before. The Policy & Finance Committee to engage with the Policy & Resources Committee, whatever that may look like in the coming weeks.

1410

As previously mentioned, I am grateful we will have somebody like Conseiller Miller as one of our Members in these negotiations. I think it is pretty straightforward as previously explained, like a loan between the States' trading entities. As stated in the Proposition, full consultation with all Conseillers before this is agreed.

I would encourage everybody to support this.

1415

Thank you.

The Speaker: Thank you, Conseiller Guille.

Yes, I take the point a lot of this has been discussed already in the earlier part of the debates but it is only right that before we go to Proposition 3 that everyone has the opportunity, if they wish, to raise any further points specifically about the loan facility. Do you have any questions based on what you have read or from what you have heard regarding leading up to Proposition 3? Any debate? Any comments?

Well, in which case, do you want to sum up or do you want to go straight to the Proposition? Straight to the Proposition right, so therefore Proposition 3 reads as follows: That Chief Pleas directs the Policy & Finance Committee to enter negotiations with Guernsey's Policy & Resources Committee to finalise and agree, subject to consultation with all Conseillers, the loan facility of up to £1.5 million over a 20-year period to enable Chief Pleas to purchase the assets of Sark Electricity Ltd and/or Sark Electricity Holdings Ltd, and undertake immediate remedial works to ensure the safety of the existing network to mitigate any existing health and safety risks.

That is Proposition 3. Those in favour, please raise your hands; those against? Thank you. That is **carried**. Proposition 3 is **carried**.

With that, that completes all three Propositions and the end of the Report.

Thank you, Conseiller Guille.

Conseiller Guille: Thank you, sir.

As previously asked, I would just wish to make a statement now all the Propositions are finished.

The Speaker: Can I just say, Conseiller Guille, for the benefit of the House, Conseiller Guille requested after the debate that he should make a summing up final statement on behalf of the Committee.

Conseiller Guille.

Conseiller Guille: Thank you, sir.

Given the level of correspondence that all bill payers on the Island have received over the last few weeks and the various statements made, in particular regard to a statement about police complaints against Members of Chief Pleas for improper conduct, I would like to make the House and the public aware that I received a phone call on Monday from a detective in Guernsey CID to inform me that following two complaints for the last couple of months, they have been conducting an investigation into my conduct in relation to compulsory purchase and the sale of SEL. I had not previously spoken to anybody from Guernsey Police and the only thing I knew about it was a statement in one of the many correspondences we have had saying that complaints were being made about me by Mr Alan Witney-Price.

The detective informed me that after a thorough investigation, they found absolutely no evidence of criminality and the investigation is now closed. The task of securing a safer future for electricity provision on Sark has unfortunately, as is evidenced in the most recent correspondence in the last few days relating to Island Power, only been made harder by a Conseiller or Conseillers within Chief Pleas secretly recording meetings and leaking these to Mr Witney-Price. Potentially, that is an illegal act.

While ultimately, myself and fellow Conseillers have done nothing wrong, it is incredibly disheartening and adds extra difficulty and workload to those Conseillers, officials and advisers who generally have the best interests of Sark's community as their priority.

On a more positive note to conclude with, while this is the beginning of perhaps the final stage of taking electricity generation and supply in Sark into community ownership, I think it is an important juncture. Several versions of Chief Pleas have been not specifically working on this, but working on the difficulties surrounding electricity. I would just like to pay thanks on *Hansard* to the extraordinary amount of help we have received from our neighbouring Islands and further afield.

1470 I would like to extend the heartfelt thanks on behalf of Chief Pleas Members to Alan Bates and
the rest of Guernsey Electricity, to James Lancaster and Alderney Electricity, to Advocate
Jon McClellan, St James' Chambers, to Andrew Ozanne, OBE, to Jake Burnyeat of Community for
Renewables, to Deputy Trott and the Policy & Resources Committee of the States of Guernsey, to
Jo Reeve, BEM, and the External Affairs Department of the States of Guernsey, and to the Chief
1475 Pleas Committee Office in Sark, and my fellow Conseillers, particularly on Policy & Finance and
Future Energy that have worked tirelessly to get us out to this important juncture in history. Thank
you greatly. It is very heartfelt.

Thank you.

1480 **The Speaker:** Thank you, Councillor Guille. There we have it. It is almost 7.30 and we call the
meeting to a halt. I would ask the Greffier to say grace, please.

Thank you.

PRAYER

The Greffier

Chief Pleas closed at 7.28 p.m.