



Government of Sark

POLICY & FINANCE COMMITTEE

A Committee of the Chief Pleas of Sark

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STATEMENT DELIVERED BY CONSEILLER JOHN GUILLE, CHAIRMAN OF THE POLICY & FINANCE COMMITTEE AT THE MICHAELMAS MEETING OF CHIEF PLEAS ON 1ST OCTOBER 2025

Compulsory Purchase of SEL Assets

On 25th June 2025, Chief Pleas decided to bring the Compulsory Purchase (Electricity) (Sark) Law, 2021 ("the Law") into force. This started the legal process to bring the assets of Sark Electricity Limited ("SEL") into the ownership of Chief Pleas.

The objective is to ensure Sark has a safe, reliable and affordable electricity supply for generations to come by bringing it into community ownership.

The next step under the statutory process is for an independent valuer to be appointed. A great deal of work has been undertaken by Chief Pleas and its advisors, engaging with nine different recommended valuation firms in order to reach the most suitable and robust proposal. An initial proposal was put to the Managing Director of SEL some weeks ago, though little feedback was received.

Today, on the 1st October 2025, the Policy & Finance Committee delivered a final proposal to the Managing Director of SEL to attempt to reach a mutual agreement on the appointment of the valuer. Under the Law the appointment of the valuer is made by Order of the Court of the Seneschal on the application of either party. The Committee will shortly be applying to the Court for an Order appointing Begbies Traynor, and it hopes to be able to tell the Court that both parties support the appointment, but such mutual agreement is not required for the application to be made or for the Court to make an Order. A decision has been requested from SEL within two weeks.

The proposed valuer is accountancy firm Begbies Traynor, supported by Hilco Global for the specific machinery and plant valuation aspects of the exercise. The Committee

and their advisors believe that Begbies Traynor has the necessary scale and possesses the relevant expertise and experience for this task.

Once Compulsory Purchase is completed the plan remains the same: all the current SEL staff in Sark would be retained under the new operating company. They would immediately begin the safety and reliability upgrade program under the supervision of GEL managers and highly qualified technicians. They would also be assisted by outside contractors with a deep and long earned understanding of Sark's power systems.

September bills

In late August, with less than a week's notice until the next billing cycle, SEL announced two new "levies" to be applied to the forthcoming September bills. The Sark Electricity Price Control Commissioner has reviewed these proposed charges and determined that they are not fair or reasonable. A Price Control Order has now taken effect from midnight on the 30th September 2025. The Price Control order will cover any bill from October onwards, but will unfortunately not cover the September bills, which should be received in the first two weeks of October.

For September, customers are advised to contact SEL directly with any concerns. Vulnerable residents are encouraged to inform the Island Safeguarding Officer or the Sark Medical & Emergency Services Committee of their situation. Residents are reminded that for the fitment or alteration of any equipment on your property, SEL staff must be given permission by the resident, or the landlord, in order to enter.

Correspondence from SEL

Chief Pleas, along with SEL customers, local media, the Ministry of Justice, the Lieutenant-Governor, and others, have received numerous communications from the Managing Director of SEL in recent weeks. Several opinions have been stated as fact and the Policy & Finance and Future Energy Committees would like to clarify the actual position:

Discussions between Island Power and Sark, not involving SEL, have been held several times since 2019, the most recent being in April 2025. None of the proposals presented were considered to have been financially credible, technically appropriate, suitable from a community perspective, or compliant with the tender process.

The Managing Director of SEL has claimed many times that he has "sold" SEL to Island Power, yet there is no evidence that such a sale has been made, and Mr Witney-Price still presents himself as the owner of SEL.

On other occasions it has been claimed that Chief Pleas has “blocked” the sale of SEL. This is not true. Chief Pleas has not blocked the sale of SEL to Island Power or to anyone else - it does not have the power to do so. There is no “Chief Pleas block”.

Island Power have never claimed to be interested in buying the company. They have consistently proposed a single model where Island Power enters into a partnership with SEL.

Island Power have not provided evidence to show that they have the access to the funds needed to implement the most urgent safety work, let alone the longer-term upgrades. Instead, they have consistently suggested that they would access the proposed £1.5 million loan facility that Chief Pleas has negotiated with the States of Guernsey.

The managing Director of SEL has also recently made false statements regarding the costs to Sark of legal advice representation provided by the Law Officers of the Crown. Currently, Sark pays a long-standing Service Level Agreement with St. James Chambers to the value of £82,952 per year (2025) this is reviewed regularly and has risen by RPI in recent years. There are no plans to increase this by £100,000 as stated by the Managing Director of SEL. There are no plans to increase tax by £200 per person on Sark in order to cover legal expenses. The Law Officers of the Crown will be representing Sark in Court hearings regarding the Compulsory Purchase process as part of the Service Level Agreement.

Taxes in Sark will need to be increased for next year to cover urgent expenditure on other critical infrastructure projects, but none of this will be associated with electricity matters. The Compulsory Purchase of SEL and the desperately needed immediate safety and reliability upgrades will be covered by the loan facility and subsequently paid back at a fair rate through the unit price of electricity.

Lastly, the most recent correspondence from the Managing Director of SEL to residents has claimed that the Compulsory Purchase legislation is not Human Rights compliant. The Committee is advised by the Law Officers' Chambers that this is not the case. All Bailiwick legislation is subject to the Human Rights (Bailiwick of Guernsey) Law, 2000 and is drafted to be compliant with the Bailiwick's international obligations, including under the European Convention on Human Rights; and all primary legislation such as the Law is scrutinised for that purpose as part of the Royal Assent process. It should also be noted that SEL were consulted during the drafting of the legislation.

Conclusion

Chief Pleas is committed to bringing the assets of Sark Electricity Limited into community ownership ensuring a safe, reliable and affordable electricity supply for our community. The Compulsory Purchase process is now underway to deliver this.

On Thursday, 2nd October, the Electricity Price Control Commissioner, Shane Lynch, will hold a public meeting in the Island Hall at 6pm. Shane Lynch will also have drop-in clinics on Friday, 3rd October in the Island Hall Boardroom from 2pm to 5pm.

It is expected that the Managing Director of SEL may continue to issue statements both publicly and directly to customers. In light of this, the Committee urges calm and unity within the community during this important period. Please do not hesitate to contact either Conseiller John Guille or Conseiller Mike Locke if you have any questions during this time.