



Government of Sark

POLICY & FINANCE COMMITTEE FUTURE ENERGY COMMITTEE

Committees of the Chief Pleas of Sark

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Chief Pleas approves all propositions on energy reform and loan facility

At yesterday's Extraordinary Meeting (25th June 2025), Chief Pleas approved all three propositions set out by the Policy & Finance Committee (P&F) regarding the Compulsory Purchase of Sark Electricity Limited ('SEL') and the loan facility with associated conditions from the States of Guernsey.

This marks a significant milestone in Sark's journey toward ensuring a safe, secure and sustainable energy future for all islanders.

What was approved?

- **Commencement of the Compulsory Purchase (Electricity) (Sark) Law, 2021 (the Compulsory Purchase Law)** - the Compulsory Purchase Law came into force today (26th June 2025), enabling Chief Pleas to begin the formal process of acquiring SEL's assets. *Approved 10 for, 3 against.*
- **Agreement to the loan conditions** - Chief Pleas has accepted the conditions of a £1.5 million loan facility offered by Guernsey. These are the use of Impôt payments as security in the unlikely event of repayment issues, a continued commitment to the ongoing taxation review to strengthen future fiscal resilience and participation in the Bailiwick Commission to review inter-island relationships. *Approved 10 for, 3 against.*

- **Authority to negotiate the loan facility** - Policy & Finance will now work with Guernsey's Policy & Resources Committee to finalise the loan facility agreement. *Approved 10 for, 2 against.*

Next steps on Compulsory Purchase:

Now that the Compulsory Purchase Law has been 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, these being the physical assets of SEL and its interest(s) under contract(s) (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.

Timeline:

1. Valuer Appointment (Joint): 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.
2. 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.
3. 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.
4. Valuer may apply to court for directions: the Valuer may apply to the court for directions in respect of how to undertake the Valuation.
5. 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.

6. 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.
7. Payment of Valuation in exchange for transfer of assets and interests: following the determination of any applications 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.

Support and contact

This is a landmark decision for Sark, providing the opportunity for the island to take control of its energy future for the benefit of the local community.

Conseiller John Guille, Chair of Policy & Finance, said "It's an absolutely crucial milestone. Hopefully in the near future we will be able to begin the crucial upgrade and safety work that has been needed for so many years."

Conseiller Mike Locke, Chair of Future Energy Committee, said: "I'm very pleased with the decision. It means we're on the way to Sark having a safe, reliable and economic electricity supply not just for us today but for generations to come."

If Sark residents have any queries, please do not hesitate to contact either the Policy & Finance Committee or Future Energy Committee directly. The Committees are committed to open dialogue and continued transparency throughout the acquisition.

26th June 2025