OFFICIAL REPORT

OF THE

EXTRAORDINARY MEETING OF CHIEF PLEAS OF THE ISLAND OF SARK

HANSARD

Assembly Room, Sark, Wednesday, 26th August 2026

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Present:

Seigneur
Maj. C M Beaumont Esq.

Deputy Speaker of Chief Pleas
T O Leworthy Esq.

Deputy Prévôt
J Godwin

Greffier
T J Hamon

Treasurer
S Hudson

Assistant Constable
Jonathan Godwin

Assistant Constable
J Burton

Conseillers:

Jolie Rose
John Guille
Helen Plummer
Michael Locke
Natalie Tighe
Christopher Bateson
David Curtis
Edric Baker MBE
James Martin
Patrick Dewe
Samuel Keyte
Nicolas Moloney
Karl Rang
Joseph Perrée
Michael Lanyon

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Extraordinary Meeting of Chief Pleas

Chief Pleas met at 5 p.m.

[THE DEPUTY SPEAKER *in the Chair*]

PRAYER
The Greffier

ROLL CALL
The Greffier

The Greffier: There are 15 Conseillers, the Seigneur and the Deputy Speaker present.

The Deputy Speaker: Thank you, Greffier.

Apologies received

The Deputy Speaker: We have received apologies for absence from Conseillers Carol Cragoe and Frank Makepeace.

Lieutenant-Governor absent

The Speaker: His Excellency the Lieutenant Governor of the Bailiwick cannot attend today's meeting, and he sent his apologies.

Business of the Day

Extension of Isle of Sark Shipping Loan

To consider a Report with Proposition from the Policy and Finance Committee entitled 'Extension of Isle of Sark Shipping Loan'.

Proposition 1
That Chief Pleas agrees to extend the existing loan facility arrangement between Chief Pleas and Isle of Sark Shipping Company Limited to 30th November 2026, on the existing terms, to allow time for a revised loan agreement, including provision for capital repayment, to be negotiated and brought back to Chief Pleas for consideration at the Budget meeting.

The Deputy Speaker: I will move straight to Agenda Item 1, which is to consider a Report with Proposition from the Policy and Finance Committee entitled 'Extension of the Isle of Sark Shipping Loan'. I think, Conseiller Tighe, if you would like to introduce the Report.

Conseiller Tighe: Thank you, Mr Speaker.

For Sark to prosper and thrive as a community, a reliable year-round and shipping service is essential. It is not simply another commercial transport operation. It is one of the fundamental pieces of infrastructure on which this Island depends. It carries residents, visitors, food, freight, building materials, workers, and tradespeople, while providing the connectivity which allows Sark to function as a modern island community.

Maintaining a dependable lifeline service throughout the year is therefore not optional; it is a necessity. The Committees have been working closely with the Isle of Sark Shipping Company on a range of operational and financial matters in order to preserve and enhance this lifeline service. Central to that work has been the consideration of the company's financial position and the steps necessary to secure its long-term sustainability.

Having engaged with the board and considered the information available, it is clear that the company faces significant financial challenges and that action is required if it is to return to a sustainable footing. Shipping is, by its nature, a difficult business. Seasonal revenues, significant operating costs, vessel maintenance requirements, wider operational pressures and broader economic factors all influence the company's financial position. However, external pressures tell only part of the story. Substantial improvements are required in financial management, reporting and corporate oversight if the company is to continue as a viable service.

The Committees have spent time attempting to establish a clear and accurate understanding of the company's financial position. That process has been made significantly more difficult than it should have been by weaknesses in financial reporting and management information. The Committees regard that as unacceptable and declare that it must improve.

In particular, the systems currently used by the company are no longer adequate for the needs of a modern business. Both the financial and booking systems are outdated and no longer provide the level of management information which the company requires. Those systems have made it harder to produce accurate and timely financial information, harder to understand the company's position quickly and accurately, and harder for Chief Please, through its Committees, to exercise the level of oversight which should be reasonably expected. The Committees are also conscious that the company has faced operational challenges in recent years. The crews and office staff of Isle of Sark Shipping perform a demanding role and continue to provide an essential service to the Island, often in difficult conditions.

Residents, businesses and visitors depend upon them every day, and the Committees wish to place on record their gratitude for the professionalism, commitment and hard work they continue to demonstrate. However, the company has too often found itself unable to respond to periods of strong demand because crewing levels have been insufficient. There have been occasions, particularly through periods of strong visitor demand, when additional capacity could and should have been provided but was not available because sufficient crew could not be secured. That has had consequences for residents, visitors and tourism businesses alike.

While the crews and office staff themselves deserve considerable credit, management must ensure that the company is properly resourced and organised so that it is better able to meet demand and deliver the level of service that the Island should reasonably expect.

Earlier this year, Chief Pleas appointed new non-executive directors to the board of Sark Shipping. Since then, the Policy and Finance Committee and the Harbours, Shipping and Pilotage Committee have worked closely with the newly appointed board on these operational and financial matters. The Committee acknowledges that the new non-executive directors were only appointed earlier this year and, as such, it is right that they are given the opportunity to progress the work now underway, strengthen the company's governance and reporting arrangements, and demonstrate that the necessary improvements can be delivered.

The Committees are satisfied that the new non-executive directors understand the seriousness of the position, understand what needs to change and are taking constructive and rigorous approaches to address these issues. Their appointment provides an opportunity to draw a line under many of the issues that have characterised recent years and to rebuild the company on firmer financial and governmental foundations. The Committees are determined that the issues which have contributed to the current position will not be allowed to continue.

Chief Pleas currently has a loan facility in place with Sark Shipping. The total facility is £300,000 of which approximately £270,000 is currently drawn down. Under the existing agreement, the company has been paying interest only. The existing facility requires repayment in full on 31st August 2026. The Committees had hoped that the company would be in a position to repay the facility by this date, but regrettably, due to the issues that have been set out, it is now clear that this will not be possible. If the facility expires on 31st August without an extension or replacement arrangement in place, Sark Shipping will be in default. That would not assist Chief Pleas, the company, residents, visitors or the wider Island's interest in maintaining a stable and lifeline shipping service.

We have been clear that any revised arrangement must move the company towards repayment of capital rather than allowing an interest only position to continue indefinitely. Unfortunately, it has not been possible to conclude a revised agreement before the current expiry date. The issues already described, particularly those surrounding financial management, reporting arrangements and the availability of reliable management information, mean that further work is required before the Committees can be satisfied that a revised facility has been constructed on an appropriate basis.

A clearer and more complete understanding of the company's financial position is required, together with greater confidence in the systems and information on which future decisions will be based. It would not be prudent for either Chief Pleas or the company to enter into a long-term revised agreement before that work has been completed.

The Proposition before Chief Pleas is therefore a short extension of the existing facility to 30th November 2026 on the current terms. This would avoid an immediate default, provide time for the Committees and board to conclude discussions on a revised facility and enable that revised agreement, including provision for capital repayment, to be brought back to Chief Pleas for consideration at the Budget meeting.

What matters today is ensuring continuity of Sark's lifeline service whilst putting in place the framework required to restore the company to a sustainable footing. The objective is clear, a shipping company which serves residents, supports tourism, provides a reliable year-round lifeline

service and is operated in a financially responsible and resilient manner. The Policy and Finance Committee therefore recommends that Chief Pleas approves this Proposition.

Thank you.

The Deputy Speaker: Thank you very much for that, Conseiller Tighe.

I will now open this Report up to debate in the House, if anybody has any questions.

Conseiller Locke.

Conseiller Locke: Thank you, Sir.

I have looked at this in some detail – thanks to Conseiller Tighe for introducing Report – having lived previously on another island that depends on ferry companies as lifeline services. I have looked at Wightlink and Red Funnel on the Isle of Wight and CalMac in the Islands of Scotland. Granted all three of those carry cars as well as passengers, nonetheless I think it is useful to have a look at their figures.

As of recently, last accounts, Wightlink carried 4.3 million passengers in a year and was in debt to some £250 million. When you can compare one to the other, £58 per passenger journey is the debt that Wightlink has. That, by the way, used to be publicly owned and then was sold off when British Rail got sold off.

Red Funnel, conversely, has always been private and that has a debt pile at the moment of £313 million, which compares to £136 of debt per customer journey. CalMac in Scotland is an owned and subsidised company by the Scottish Government. It is not a separate company but it is split into two halves. There is the half that operates the ferries that they have and the half that owns the vessels, the ports and the infrastructure that they have. I do not have the figures for that so there is clearly – you may well have read costs of new ferries in Scotland; it has been in the news regularly.

On the operating company they get something like a £370 million subsidy per year, which equates to very roughly £74 subsidy per passenger per journey. I think in the light of that, for Isle of Sark's 50,000 approximate passengers per year, both visitors who are essential to our economy and Islanders – and it is essential to us – this current loan that we are talking about extending against better terms equates to £5.40 per passenger journey. I think we should bear that in mind.

It is extremely expensive to run ferries. This is our lifeline service and I think that we need it. There is even a potential case in future, after further discussion, for a subsidy to be in place once we can afford it so that we can make it easier for visitors to come here and contribute to the Island economy. Nonetheless, in advance of that, in advance of the much political debate that will no doubt happen, I think Isle of Sark Shipping is as much our infrastructure as Coupée, roads and harbours, and therefore I would vote in favour of this proposal.

Thank you.

The Deputy Speaker: Thank you, Conseiller Locke.

Would anybody else like to raise any points? Conseiller Tighe, is there anything you would like to add before we move to the Proposition? In that case, we will move on to the Proposition now. I ask you to vote on the following Proposition: that Chief Pleas agrees to extend the existing loan facility arrangement between Chief Pleas and the Isle of Sark Shipping Company Limited to 30th November 2026, on the existing terms, to allow time for a revised loan agreement, including provision for capital repayment, to be negotiated and brought back to Chief Pleas for consideration at the Budget meeting. Those in favour? Those against? The motion is **carried**.

The Housing (Control of Occupation) (Commencement and Prescribed Persons) (Amendment) (Sark) Ordinance, 2026

To consider a Report with Proposition and Ordinance from the Douzaine entitled 'The Housing (Control of Occupation) (Commencement and Prescribed Persons) (Amendment) (Sark) Ordinance, 2026'.

Proposition 1
That Chief Pleas approves the amendment to The Housing (Control of Occupation) (Commencement and Prescribed Persons) (Sark) Ordinance, 2014 as laid before Chief Pleas.

The Deputy Speaker: We will move straight on to Agenda Item 2, which is to consider a Report with Proposition from the Douzaine entitled 'The Housing (Control of Occupation) (Commencement and Prescribed Persons) (Amendment) (Sark) Ordinance, 2026.

Conseiller Locke, would you like to introduce the Report?

Conseiller Locke: Yes. Good evening, once again.

This was brought about by the changes necessary for Education in order to provide ongoing education services for the Island of Sark, which is, I would hope we all agree, a very good thing. In reviewing the leases to be signed for the houses concerned, we noticed that the Housing (Control of Occupation) (Commencement and Prescribed Persons) (Sark) Ordinance 2014 currently provides that a prescribed person must be, 'being employed by the Chief Pleas in a particular capacity'.

Now we are getting for the next school year the teachers, as I believe seconded from Guernsey, with an arrangement with Education Committee, the law does not apply. They are not directly employed by Chief Pleas, they are directly employed by Guernsey and we have an arrangement through Education for them to come here and provide services as organised by Education. Therefore, we would like to propose an amendment to the Housing (Control of Occupation) (Commencement and Prescribed Persons) Ordinance 2026, which adds the, effectively, 'he is', and in this case I am told in law that applies to both genders, 'for the time being acting as a teacher at the Sark School'. So, therefore, that will allow those people who are under the arrangement with the Education Committee to live in both the alienated house, which is alienated specifically for teachers, and either of the two Local Market houses – sorry, Restricted Dwelling Market houses, which are on Chasse Marette. So that is why we brought this amendment, just to make certain that the law reflects what we need to do.

The Deputy Speaker: Thank you, Conseiller Locke.

I will open this now to debate from the floor. Does anybody want to add any points or ask any questions to Conseiller Locke's statement?

Conseiller Plummer.

Conseiller Plummer: I would just like to say I think it is very, very important that (a) we support this proposition, and (b) that our children are kept well in education, and I will be supporting this. Thank you.

The Deputy Speaker: Thank you very much for your contribution there, Conseiller Plummer.

Does anybody else have any points to add before we move to a vote? In that case, I will move forward. Please vote on the following: that Chief Pleas approves the amendment to the Housing (Control of Occupation) (Commencement and Prescribed Persons) (Sark) Ordinance 2014 as laid before Chief Pleas. Those in favour? And those against? The Proposition is **carried**.

Michaelmas Meeting deadline –
Statement by the Deputy Speaker

The Deputy Speaker: I would remind Conseillers that the next statutory meeting of Chief Pleas is the Michaelmas Meeting on Wednesday, 30th September 2026, at 5 p.m. The closing date for reports and submissions is next Tuesday, 1st September, at 12 noon. Thank you very much for your attendance. The meeting is closed at 5.17.

Greffier, the grace, please.

PRAYER
The Greffier

Chief Pleas closed at 5.17 p.m.