



OFFICIAL REPORT

OF THE

EXTRAORDINARY MEETING

OF CHIEF PLEAS

OF THE

ISLAND OF SARK

HANSARD

Assembly Room, Sark, Wednesday, 6th November 2018

*All published Official Reports can be found on the
official Island of Sark Chief Pleas website www.gov.sark.gg*

Volume 4, No. 6

Present:

Seigneur

Maj. C M Beaumont Esq.

Speaker of Chief Pleas

A J Rolfe Esq.

Prévôt

Mr K N Adams

Greffier

Mr T J Hamon

Deputy Treasurer

Mrs L Higgins

Constable

Mr M Fawson

Vingtenier

Miss A Diaper

His Excellency the Lieutenant-Governor:

Vice Admiral Sir Ian Corder KBE, CB

Conseillers:

Diane Baker
Edric Baker
Nicolas Moloney
Helen Plummer
William Raymond
Alan Blythe

Reginald Guille MBE
Peter La Trobe-Bateman
Christopher Nightingale
Anthony Ventress
Sandra Williams
Pauline Mallinson

Business transacted

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Extraordinary Meeting of Chief Pleas

Chief Pleas met at 7.00 p.m.

[THE SPEAKER *in the Chair*]

PRAYER

The Greffier

ROLL CALL

The Greffier

The Greffier: There are 12 Conseillers, the Seigneur and the Speaker of Chief Pleas present.

Procedural –

Welcome to HE the Lieutenant-Governor; apologies for absence

The Speaker: Firstly, may I apologise yet again for the extremely short notice at which this
5 Meeting was called.

May I welcome the Lieutenant-Governor to our Meeting. Nice to see you, sir.

I have received apologies from Conseiller Sebastien Moerman, Roger Norwich and Paul
Williams.

Resignation of Conseillers Elizabeth Norwich and Antony Dunks

The Speaker: Since we last met, I have received Jane Norwich's resignation from Chief Pleas
10 for family reasons, and also Antony Dunks' resignation, and I will say more at the Extraordinary
Special Meeting of Chief Pleas to be held on 11th January 2019.

Welcome to new Vingtenier, Miss A Diaper

The Speaker: Something I was bit remiss on last time, having omitted to welcome the
Vingtenier to her first Meeting of Chief Pleas on 10th October, may I welcome her to her second
Meeting in her official capacity.

**Operation Hardtack 7 commemorations –
Statement by Conseiller Guille MBE**

15 **The Speaker:** We now go to a Statement by Conseiller Reg Guille regarding the Operation
Hardtack 7 Commemorations.

Conseiller Guille MBE: Thank you, sir.

20 At Michaelmas, I gave an update on the commemorations and gave the date of Friday,
28th December as the operative date. However, that day and date were selected before the
Christmas shopping timetables had come out. The Friday sailing is now just a cargo boat, whereas
on Thursday, 27th December there is a full day sailing, departing Guernsey at 8 a.m. and Sark at 4
p.m. A new programme of timings will be produced and advertised for the commemorations on
27th December.

25 Thank you, sir.

The Speaker: Thank you.

**Sark Electricity –
Statement by Conseiller Raymond**

The Speaker: A Statement by Conseiller William Raymond regarding Sark Electricity.

30 **Conseiller Raymond:** Thank you, sir.

There have been reports to the press and media referring to the worsening position between
Chief Pleas and Sark Electricity group of companies. That would better be described as an ongoing
position.

35 The present position is that Chief Pleas has passed an Electricity Law. A Commissioner has been
appointed with a remit to establish a fair price between the company and consumers.

The Commissioner has published a Fair Price Control Order. Sark Electricity has appealed
against that Order.

The ensuing action in the court, due for further hearing in December, lies between Sark
Electricity Limited and the appointed Commissioner, and the matter is *sub judice*.

40 As the appeal was lodged by Sark Electricity Limited, they are the only body able to control the
action either to pursue the matter or to withdraw.

Thank you, sir.

The Speaker: Thank you.

**Procedural –
Electronic devices**

45 **The Speaker:** Now in accordance with the Rules of Procedure, I would remind all present that
mobile phones, cameras, recording devices and other electronic equipment should be switched
off now, less for those allowed to Chief Pleas Members in accordance with Rule 18.

Business of the Day

1. Questions not related to the Business of the Day – Former vineyard fields – Question to the Chairman of the Agriculture, Environment, Sea Fisheries & Pilotage Committee and the Development Control Committee

Questions not related to the Business of the Day.

The Speaker: We go to Agenda Item 1, Questions not related to the Business of the Day. A
50 question from Conseiller Reg Guille to the Chairman of the Agriculture, Environment, Sea Fisheries
and Pilotage Committee and the Development Control Committee.
Conseiller Reg Guille.

Conseiller Guille MBE: Thank you, sir.
55 I wish to ask the Chairman of the Agriculture, Environment, Sea Fisheries & Pilotage Committee
and the Development Control Committee a question relating to the continuing disgraceful
condition of some of the fields that were until January 2017 planted with vines.

A question I put at Michaelmas last year, and raised again on the matters arising at the
60 Christmas 2018 Meeting. The vines were uprooted between January and March 2017 and piled in
heaps along with the posts and wire used to support the vines. There has been some but far from
enough work undertaken by the landowners or those who represent the landlords on the Island,
to eradicate these eyesores, notwithstanding that Sark had to present itself for inspection by the
Britain in Bloom judges in August 2017 and again this year.

We were assured that representations had been made to the landowners, urging them to make
65 good the land, and not least, to return them to pastoral land, which has happened on some of the
fields.

The fields that are left are so unkempt that they must contain many types of noxious weeds.
Having noxious weeds growing on agricultural land is an offence under Sark Law.

In the summer of this year, I wrote and complained to the Agricultural Committee about the
70 many noxious weeds that were in the two fields on the west side of the Rue du Fort -some of the
largest ragwort that I have ever seen and huge clumps of thistles that all went to seed, and now
it is plain that many of the vines on those two fields are now growing wild.

My question to the Committees is to ask what steps have they taken or are planning to take
75 against the landowners or their representatives to resolve this awful situation of unsightly rubbish
heaps and noxious weeds.

Thank you, sir.

The Speaker: Thank you.
80 Conseiller Edric Baker.

Conseiller Edric Baker: Yes, sir.

The Development Control Committee were very encouraged by the fact that so many of the
fields had been cleared and re-instated to a productive farmland, which of course is an asset to
85 the Island. It is therefore discouraging that so many fields have not been cleared and the
Committee are concerned as to the way forward.

We have written to the landowners. I think the way forward would be to write again and try
and push them into that clearance.

Thank you.

90 **The Speaker:** Okay, thank you.

**2. Amended Expenditure Budget Proposals for 2019 and Revenue Raising to Fund the Costs –
Policy & Finance Committee Report considered –
Propositions carried**

To CONSIDER a Report with five Propositions from the POLICY & FINANCE COMMITTEE entitled ‘Amended Expenditure Budget Proposals for 2019 and Revenue Raising to Fund the Costs’ and to Approve the Ordinance entitled ‘The Direct Taxes for 2019 (Sark) (No. 2) Ordinance, 2018’.

Proposition 1:

That Chief Pleas approves that:

- *the rate of property tax be increased to £14.50 per quarter for the year 2019.*
- *the minimum rate of Personal Capital Tax be increased to £350 for the year 2019.*
- *the maximum rate of Personal Capital Tax be increased to £7,000 for the year 2019.*
- *the forfait factor for the calculation of Personal Capital Tax remains at 2.0 for the year 2019.*
- *the net asset fraction for the calculation of Personal Capital Tax remains at 0.3% for the year 2019.*
- *individuals over 69 years of age on 1st January 2019 who have worldwide net assets of £150,000 or less pay £nil Personal Capital Tax for the year 2019.*
- *Personal Capital Tax of an individual who is liable to pay Property Tax as the possessor of real property which is his principal dwelling shall be £nil. This will apply to one individual who is the possessor of the principal dwelling where all adult occupants have worldwide net assets of £116,667 or less for the year 2019.*

Proposition 2:

That Chief Pleas approves the Ordinance entitled The Direct Taxes for 2019 (Sark) (No. 2) Ordinance 2018.

Proposition 3:

That Chief Pleas rescinds the decision made at its meeting held on 3rd October 2018 to approve the Impôt rates for the year 2019 as presented in Appendix 2 to the Original Budget Report.

Proposition 4:

That Chief Pleas approves Impôt rates for the year 2019 as presented in Appendix 4 to this Report.

Proposition 5:

That Chief Pleas approves the budget of Revenue Income and Expenditure for the year 2019 only as presented in Appendix 1 to this Report.

The Speaker: We go to Agenda Item 2, to consider a Report with five Propositions from the Policy & Finance Committee entitled ‘Amended Expenditure Budget Proposals for 2019 and Revenue Raising to Fund the Costs’ and to approve the Ordinance entitled ‘The Direct Taxes for 2019 (Sark) (No. 2) Ordinance, 2018’.

95 Conseiller William Raymond to introduce the Report.

Conseiller Raymond: Thank you, sir.

100 These are the re-cast Budget proposals for 2019. Before I explain the changes that have been made, I must emphasise the very substantial role that the former Treasurer, Mrs Wendy Kiernan, has played in the preparation of the proposals that are in front of us today and without whom I doubt that we would be in a position to meet here and consider them. I wish to ask that a vote of thanks be recorded to her for her prodigious work.

105 **Members:** Hear, hear.

110 **Conseiller Raymond:** We have made changes to expenditure, most of which are minor in amount. The largest is that we have increased the repairs budget by £27,000. We disagreed that certain items previously treated as capital were correctly treated in that way, but apart from this, we have where possible responded to the representations of the spending Committees, but those adjustments are relatively small.

We have adopted a guiding principle that forecast expenditure which does not create an asset should be raised from taxation. That will then preserve the Island reserves, which we think is an important matter.

115 There are still areas where forecasting is liable to change. For instance, in Education which is currently out for public consultation, it is not possible to be precise and form a view until the wishes of residents are clear. By this I mean should children commence in Guernsey at age 11 or 13? There will be cost implications. And will the parents be able to afford the lodging costs in Guernsey or will the Island have to assist them? The answers to these questions will be needed before any accurate estimate can be made.

120 The Island is currently paying the legal cost for the Electricity Price Control Commissioner, because that is what the Law provides. These costs cannot be forecast for the ensuring year. It is a matter of 'unforeseen expenditure' report later, as you will hear.

125 The Island had to review its policy over animal slaughter and at the moment, the costs cannot be forecast because we are still at the design stage, but we are aware of the tightening of the regulations which have only just been announced and we are dependent upon our export markets for the livestock that is reared here.

I will just mention that the budgeted sums for the Island administration, both for a senior civil servant as well as a senior Treasury post, have not been changed and remain at the level set by our predecessors. This should provide adequate provision when we are recruiting.

130 The previous Budget statement more or less broke even, by which I mean that it showed a modest surplus only. The increase in repairs and the changes to the treatment of income which I will come to in a moment make tax increases inevitable. This is then coupled with a reduction in the budgeted receipts from property transfer tax. Perhaps I can just explain why we have reduced that provision.

135 Property transfer tax can never be forecast. It depends entirely upon the number and the amount of the transactions. The basis adopted in prior years, which is prudent, has been to take the receipts of the previous 12 months and include those as a certain amount in the Budget. It is certain because we have received it. We have reverted to this more cautious approach.

140 I spoke about the inevitable increase in taxation which has been exacerbated by the reduction in property transfer tax in an amount of £36,200, which we think is more realistic. In order to fund this, we propose small changes to direct taxation. To property tax we propose an increase in the rate from £14.25 a quarter to £14.50. We also propose an increase in the rate of minimum personal capital tax from £325 to £350.

145 I should perhaps mention in passing that the forfait payers do not escape increases, as they will be paying a multiplier of the increased property tax.

The proposed increases just mentioned, however, will not be sufficient to cover the budgeted expenditure. The Committee have considered this carefully and have looked at the structure of the tax system as it now is. The reluctant conclusion is that there will need to be a 25% increase in Impôt and this is therefore what we propose.

150 You will see from Appendix 4 with the Agenda Papers that Sark will still compare favourably with Guernsey in terms of the duty levied. Impôt is a tax on discretionary spending and affects visitors as well as residents, so we think that it has an effect of spreading the load.

The aim this evening is to consider and pass these Budget proposals rather than engage in a philosophical debate on the forecast deficits for 2020 and 2021. These challenges will be on us soon enough. The Committee is alive to them and will be working on them, whoever they are, in the coming months.

155 The Budget paper and the proposals are here purely to deal with Island finance and there are no proposals to change the Island administration. It was those governance changes which may have led to the rejection of the Budget proposed on 3rd October. One of those proposals actually contravened existing legislation.

160 I hope that the rationale for the Propositions is clear. I am happy to recommend the proposals to Chief Pleas for approval.

When we get to the Propositions, I want to make an amendment but I will deal with that at the time.

165 Thank you, sir.

The Speaker: Okay, I wonder really if you might just make that amendment now, so that people, when they vote in the round, will actually know what is coming.

170 **Conseiller Raymond:** It is a very small amendment. It would appear as Proposition 3 with the consequent re-numbering after that. The Proposition is:

That individuals over 69 years of age on 1st January 2016, who declared assets of £70,000 or less for 2015, shall receive a payment equal to the calculated increase in their tax assessment total for the year 2019 above their tax assessment total for 2015.

I am assured that this has very limited application and the numbers are dwindling as I speak.

The Speaker: Thank you.

175 Right, can I have any questions or comments from the floor, or any debate? Those wishing to contribute?

If nobody wishes to say anything, I will go straight to the Propositions then.

Proposition 1:

That Chief Pleas approves that:

- the rate of property tax be increased to £14.50 per quarter for the year 2019.
- the minimum rate of Personal Capital Tax be increased to £350 for the year 2019.
- the maximum rate of Personal Capital Tax be increased to £7,000 for the year 2019.
- the forfait factor for the calculation of Personal Capital Tax remains at 2.0 for the year 2019.
- the net asset fraction for the calculation of Personal Capital Tax remains at 0.3% for the year 2019.
- individuals over 69 years of age on 1st January 2019 who have worldwide net assets of £150,000 or less pay £nil Personal Capital Tax for the year 2019.
- Personal Capital Tax of an individual who is liable to pay Property Tax as the possessor of real property which is his principal dwelling shall be £nil. This will apply to one individual who is the possessor of the principal dwelling where all adult occupants have worldwide net assets of £116,667 or less for the year 2019.

Those in favour; are there any against? That is **carried**.

180 Proposition 2:

That Chief Pleas approves the Ordinance entitled The Direct Taxes for 2019 (Sark) (No. 2) Ordinance 2018.

Those in favour; are there any against? That is **carried**.

We now come to the new Proposition 3:

That individuals over 69 years of age on 1st January 2016, who declared assets of £70,000 or less for 2015, shall receive a payment equal to the calculated increase in their tax assessment total for the year 2019 above their tax assessment total for 2015.

Those in favour; are there any against? That is **carried**.

185 We now go to Proposition 4 – this was on your Order Paper as Proposition 3; it is now Proposition 4:

That Chief Pleas rescinds the decision made at its meeting held on 3rd October 2018 to approve the Impôt rates for the year 2019 as presented in Appendix 2 to the Original Budget Report.

Those in favour; are there any against? That is **carried**.

Proposition 5, which was 4:

That Chief Pleas approves Impôt rates for the year 2019 as presented in Appendix 4 to this Report.

Those in favour; are there any against? That is **carried**.

Proposition 6 – again which was 5, but now Proposition 6:

That Chief Pleas approves the budget of Revenue Income and Expenditure for the year 2019 only as presented in Appendix 1 to this Report.

190 Those in favour; are there any against? That is **carried**.

The Ordinance carried in Proposition 2 will be numbered XIV of 2018 and rescinds Ordinance XI of 2018 passed at the Michaelmas Meeting.

Yes, I always forget to do this: is there anybody who wishes to declare an interest? Is that what you are about to do?

195

Conseiller Sandra Williams: Yes, Propositions 4 and 6, sir – I did not vote for either of them.

The Speaker: Okay. Anybody else?

200

Conseiller Sandra Williams: Sorry, Propositions 4 and 5.

The Speaker: Okay.

3. Unforeseen Expenditure – Policy & Finance Committee Report considered – Propositions carried

To CONSIDER a Report with two Propositions from the POLICY & FINANCE COMMITTEE entitled “Unforeseen Expenditure”.

Proposition 1:

That Chief Pleas approves 2018 capital expenditure as follows:

La Coupée lavatories – £8,190;

Refuse Skips – £4,635.

Proposition 2:

That Chief Pleas approves unforeseen revenue for 2018 as follows:

Church tower – £27,000;

Ivy Cottage repairs – £30,000;

Legal expenses (amount to be advised at the meeting);

Education – £15,000.

The Speaker: We now go to Agenda Item 3, to consider a Report with two Propositions from
205 the Policy & Finance Committee entitled 'Unforeseen Expenditure'.

Conseiller William Raymond to introduce the Report.

Conseiller Raymond: Thank you, sir.

210 This is a housekeeping report, because there are certain items of expenditure which were not
budgeted before which had not been brought before Chief Pleas. Some of them also need to go
before His Excellency for his consent as well.

The first one is the lavatories at La Coupée, where the shortfall of £8,190 needs to be approved
by Chief Pleas. The money has been paid.

215 The next one is the Public Works refuse skips. Those have been purchased and they cost £3,675
and there is a further £1,000 of necessary modifications to them.

Agreement has been reached with the Dean over the matter of the Church tower, which is in
the process of the Douzaine relinquishing their liability for this. I was not satisfied with the wording
of the Dean's letter, so I have passed it to the Law Officers and I am awaiting their confirmation
that our absolution from liability will be eternal. *(Laughter)* In anticipation of that, I would ask
220 Chief Pleas to approve the agreed sum of £27,000 as unforeseen expenditure.

Since the new Headteacher has moved in to Ivy Cottage, there are some considerable repairs
which are necessary and they will cost something in the region of £30,000. Therefore we are
asking for approval for that as unforeseen expenses. We do not know at present whether those
expenses may be funded from the Ville Roussel Trust – there is a precedent for that in the past.
225 £10,297 has already been incurred and that is owed to a third party. Therefore we seek agreement
to repay that quickly.

Legal expenses: these are the legal expenses of the Electricity Commissioner, because he is
engaged in litigation on the appeal that I referred to earlier. On 3rd October we were told that the
amount of the legal expenses to date at that stage was £52,000. I regret to inform Chief Pleas that
230 that amount was incorrect. It was actually incorrect because it was an understatement. It should
have been £79,670 more.

The present expenditure is £156,184.60.

235 **The Speaker:** Can you just read that figure again, please?

Conseiller Raymond: Which one would you like, sir?

The Speaker: A hundred and fifty-six thousand ...

240 **Conseiller Raymond:** £156,184.60.

The Speaker: Thank you.

245 **Conseiller Raymond:** Under the Law, Chief Pleas is responsible for paying the legal expenses
of the Commissioner, but clearly, these are unforeseen. It would not be appropriate to seek to
raise them from current taxation. They will have to come from reserves, but approval is sought
from Chief Pleas retrospectively for the payments that have been made so far and a submission
will need to be made to His Excellency.

250 We also ask for approval for staff recruitment for education. The recruitment to date is some £15,000 and retrospective approval is sought from Chief Pleas for that expenditure as well.

As I say, the expenditure has been incurred. The money in many cases has been paid. This is a housekeeping exercise but we are getting it right.

Thank you.

255 **The Speaker:** Before I open it to the House, can I just ask you, Conseiller Raymond, just on a point of clarification, the refuse skips in Proposition 1 – does that figure still stand in the Proposition?

260 **Conseiller Raymond:** As I understand it, sir, the £3,675 has been paid, but there is a further £1,000 for modification which is required.

The Speaker: You are putting forward a figure here of £4,635 – that stands?

265 **Conseiller Raymond:** Yes.

The Speaker: Okay, thank you very much.

Right, can I ask for any questions or comments from the floor of the House?

Conseiller Sandra Williams.

270 **Conseiller Sandra Williams:** Just to say thank you very much for that update on what has been obviously going on.

275 Can I ask, and I know that you may not know the answer to this: when the question was asked in Chief Pleas, I was not actually here in October, about how far we were with legal expenses, and you have since found out. Is that because the original Committee had no idea how much money they were spending on legal expenses or they just felt the need not to ask us for approval for them?

280 **Conseiller Raymond:** I think the answer is that they were ... The information they gave was based upon the payments which had been made to date. I think that the balance of the fees were actually not at that stage approved. Why they were not approved I cannot answer.

The Speaker: Thank you.

Anybody else?

In that case we will go to the Propositions. Proposition 1:

That Chief Pleas approves 2018 capital expenditure as follows:

La Coupée lavatories – £8,190;

Refuse Skips – £4,635.

285 Those in favour; are there any against? That is **carried**.

Proposition 2:

That Chief Pleas approves –

Conseiller Raymond: Can I correct a deliberate mistake sir?

The Speaker: Are you suggesting that I have made a mistake?

290

Conseiller Raymond: No, no! Far from it!

‘Unforeseen expenditure’; not ‘unforeseen revenue’! *(Laughter)*

295 **A Member:** Are you sure it is not 'revenue expenditure'?

A Member: That's wishful thinking!

300 **Conseiller Raymond:** I think it is 'revenue expenditure', actually, but I think 'expenditure' is a fairly key word!

The Speaker: Okay. I am just checking ...

In that case, I will put Proposition 2 again: 'That Chief Pleas approves unforeseen expenditure for 2018 as follows: Church tower – £27,000; Ivy Cottage repairs – £30,000; Legal expenses – £156,184.60; Education – £15,000.' Those in favour; are there any against? That is **carried**.

305 That concludes the business in front of us. I am closing the Meeting at 7.30 p.m.
Greffier, the prayer, please.

PRAYER

The Greffier

Chief Pleas closed at 7.30 p.m.