

STATES OF JERSEY

OFFICIAL REPORT

WEDNESDAY, 4th OCTOBER 2023

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[9:30]

The Roll was called and the Dean led the Assembly in Prayer.

PUBLIC BUSINESS - resumption

1. Funding for Jersey Reds (P.78/2023) - as amended (P.78/2023 Amd.) (P.78/2023 Amd.(2)) - resumption

The Bailiff:

We continue with the debate on P.78. When we adjourned yesterday evening the Attorney General was sent away with a list of questions to address his mind to and it may be prudent at this stage we ... yes, Deputy Southern.

Deputy G.P. Southern of St. Helier Central:

There was also, Chair, a request from Deputy Bailhache that the Greffe turn his attention to the phrasing ...

The Bailiff:

That has been circularised electronically overnight.

Deputy G.P. Southern:

Sorry.

The Bailiff:

It may be sensible for the learned Attorney to give his advice to the Assembly now on the various matters so you can proceed with the debate fully informed.

Mr. M.H. Temple K.C., H.M. Attorney General:

I believe I had 4 questions from Members yesterday evening. I will take the first from the Connétable of St. Brelade who asked me about the status and liabilities of Jersey Reds. So my answer to that is while that is primarily a factual question, and I am unable to comment on what the specific liabilities of the company are, I do note that Jersey Reds issued a statement that the club ceased trading at 5.30 p.m. on 27th September, and they were unable to pay their September salaries and they were unable to obtain new funds from private investors. The fact that Jersey Reds have ceased trading and is unable to pay salaries means that it is currently cashflow insolvent, as it is unable to pay its debts as they fall due. The directors - this is an inference on my part - but the directors will very probably have been advised of the risks of unlimited personal liability for wrongful trading under Article 177 of the Companies Law that I advised Members of yesterday. Broadly speaking, when a company is insolvent, from a legal perspective, the duties of the directors switch from safeguarding shareholders' interests to protecting the interests of the company's creditors. I remain of the view that sending representatives to join the board is a risky thing to do in these circumstances. The 2 proposed representatives under the proposition as amended would both, in my view, require comprehensive indemnities from the Government of Jersey before they could be persuaded to even join as representatives. There may also be questions of insurance, whether it is available for those directors. Of course the Government of Jersey would not be able to control the actions of the business representative that is proposed under the amended proposition. As regards the question from the Minister for Economic Development, Tourism, Sport and Culture, he asked me 2 questions. The second I will come on to at the end. But he asked firstly, and this I believe was raised by officials, as to whether there was a conflict of interest between the duties of accountable officers under the Public Finance Manual and their duties if they were representatives on the board in the circumstances. Looking at the Public Finance Manual - I do not pretend I have done a comprehensive review of it - but looking at the Public Finance Manual there does not seem to be a specific section of it which

covers this situation. Perhaps it is closest to a grant, or it does not seem to be specifically an A.L.O. (Arm's Length Organisation) but if I can treat it broadly. Under the Public Finance Manual, accountable officers have various duties in terms of due diligence, becoming familiar with risks, stress testing those risks, minimising potential for fraud, evaluation and review purposes. So there are various detailed exercises which accountable officers need to go through when making grants, for example, or if it is an A.L.O. Broadly speaking, the duties of accountable officers involve necessarily getting into the details of the company's business, and if one gets into the details of the company's business then perhaps that necessarily increases risks of being treated as a shadow director for the purposes of our Companies Law. This could potentially be mitigated, but perhaps not entirely solved, by having an ethical separation between anyone who is a representative on the board and anyone who is involved in a decision-making process regarding funding or being an accountable officer. So if those 2 roles are separated, potentially that would mitigate some of those risks. Thirdly, Deputy Scott asked me about a comparison with A.L.O.s. It is my understanding that Government of Jersey officers do sit on the boards of A.L.O.s but the key difference in this situation is that A.L.O.s are not insolvent as the company is in this case. Then lastly, the Minister for Economic Development, Tourism, Sport and Culture also asked me about potential legal liabilities arising for the 2 representatives on the board as proposed by the proposition, as amended. I gave quite extensive answers on that yesterday. But overnight I have reviewed case law concerning shadow directors and advisers, and particularly an English Court of Appeal case called the *Secretary of State v Deverell*. The English legislation is slightly different from our own in that it has an express exclusion from professional advisers, which is not present in our legislation. But even ignoring that point, I think the key test, according to the case of *Deverell*, being a shadow director or whether you are just an adviser is whether the person is someone in accordance with whose directions or instructions the directors of the company are accustomed to act.

[9:45]

That is the key test. Do they act in practice in accordance with the directions or instructions of the particular person who is potentially a shadow director? Applying that test to this case, if the board of Jersey Reds acts in accordance with the instructions or directions of the 2 proposed representatives, then there is a real risk of those 2 representatives being classed as shadow directors for legal purposes if the company were to enter insolvency proceedings. Conversely, if the board does not act in accordance with the 2 representatives' instructions then there is less risk of them being classed as shadow directors. There is a slightly perverse logic to that in that if the board does not act in accordance with the instructions of these 2 representatives then that would mean that they are not classed as shadow directors for legal purposes. Perhaps the key point for Members is really this, and that is that the proposition, as amended, with the 2 representatives being present at the Jersey board, it does not really give the protection that is intended or the accountability that is intended by the proposed amendment. Arguably it may even give it perverse incentive for the board not to act in accordance with the directions of the 2 proposed representatives. I hope that has answered Members' questions, but I am happy to take further questions.

The Bailiff:

Does anyone have any further questions for the Attorney General?

Deputy M. Tadier of St. Brelade:

I would just like clarification on that last point. That does not sound like a legal opinion. If there are effectively non-executive members who attend board meetings presumably any influence they have could be non-legal, so just because they do not have legal standing on the board does that preclude any influence to be exerted on the board? Is that what the Attorney General is saying?

The Attorney General:

No, I am not saying that. The *Deverell* case confirmed what I said yesterday, that the precise name of the person who is on the board or not on the board or is lurking in the shadows or who is a representative does not matter. The key test is whether the board is acting in accordance with the instructions or directions of the 2 representatives. That is the key test.

The Bailiff:

Just to clarify what you have said, if I may, simply for the point of clarification. Is it therefore that if representatives of the board are doing nothing more than advising and not instructing or giving direction, are simply saying: "My advice would be to do X, Y and Z but of course it is up to you" is that a distinction which would apply to whether they are considered to be shadow directors?

The Attorney General:

It is a potential distinction but it is a bit of a grey area as to when an adviser is acting just as an adviser or not really. I am afraid it is a grey area but the test is, is someone acting in accordance with the instructions of the directors of the company? Sorry, are the directors of the company acting in accordance with the instructions of the 2 representatives, and it may be that those 2 representatives just can say: "I am just giving you advice and it is entirely up to you as to what you do." In those circumstances then, yes, potentially there is much less risk of them being classed as shadow directors. But the more they get involved in the business of the company the more they try and exert some checks or oversight of what the board is doing in accordance with the intended ... I think what the intent of the amendment is then the greater the risk that they are classed as shadow directors for legal purposes.

The Bailiff:

Deputy Scott, do you have a further question for the Attorney?

Deputy M.R. Scott of St. Brelade:

I just wonder if the Attorney General had another chance to look at the report that said that ... it referred to the funding to date that has been given without sufficient review and control. Has the Attorney General considered the extent to which there can be advisers on the board who are put there by an investor just to look after that specific investor's interest rather than everybody's interest? So they are not purporting to act in the interests of the shareholders of the company, they are looking at the specific person's interest who put them there. How that fits in with this idea of shadow directors, which in light of, of course, the intention of this legislation is to ensure that people are not being puppets.

The Attorney General:

While I do hear what the Deputy says, I do come back to the point that the key test is whether the person is someone in accordance with whose directions or instructions the company is acting or accustomed to act. That is the key test. In *Deverell* the advisers were in fact found to be people who ... they were called advisers but they were found to be people in accordance with whose instructions the company acted, and they were disqualified as directors accordingly. Labels, who they are acting on behalf, does not necessarily matter. It is: is the company acting in accordance with the instructions of these representatives? That is a factual matter and it may be that it can be resolved by some very careful parameters for these 2 representatives who may be attending board meetings. But when there are serious questions about the way the company has been managed by the existing board then, quite clearly, there may be a necessity to change how the company is behaving in perhaps the way that the Connétable of St. John was suggesting, some quite radical changes to the business of the company. If those radical changes are really being seen through, driven, suggested by the 2 representatives,

then there is a risk that they are classed as shadow directors. I really do not think I can take it much further than that.

The Bailiff:

Connétable of St. Brelade, do you have a question you wish to pose?

Connétable M.K. Jackson of St. Brelade:

Yes, referring to accounting officers. Notwithstanding what the States may or may not decide, is it legally possible for an accounting officer to make a payment to an insolvent company?

The Attorney General:

If there is funding so that the company is no longer insolvent on a cashflow basis then that takes the company out of insolvency. If there is funding coming from the public purse then, by definition, the company will no longer be insolvent. I am not aware of a prohibition in the Public Finances Manual which would prohibit that sort of payment being made to take a company out of insolvency, but I cannot pretend that I have done a comprehensive review of the Public Finances Manual. But I hope that answers the question.

The Bailiff:

Are there any other questions for the Attorney General?

Connétable R. Honeycombe of St. Ouen:

If we are going to put the company back into a solvent position, there is a £400,000 I.T.I.S. (Income Tax Instalment Scheme) amount which is outstanding, and I assume there is quite an amount outstanding to Social Security. Would those amounts have to be paid by the public purse before the company would be counted as being solvent?

The Attorney General:

I am obviously not aware of the specific terms relating to those 2 liabilities but, as I understood it from the debate yesterday, there are arrangements in place whereby the liability to pay has been deferred over a 36-month period. That suggests that there would not be ... I may be straying slightly out of my remit and it may be more of an accounting issue rather than a legal issue, but that seems to suggest that those liabilities are deferred so there would not be an immediate obligation to pay those liabilities out of public funds.

The Bailiff:

Does anyone have any further questions for the Attorney? I would urge you to ask them now, the learned Attorney has to be absent from the Assembly when he has finished these questions. He will be available online but he has to deal with the Island's representation in the MONEYVAL matter. He will be available online but this will be the last we will see of him in the Assembly.

Deputy L.J. Farnham of St. Mary, St. Ouen and St. Peter:

I just wanted to clarify that, as the Attorney General mentioned, officers sit on boards of Arm's Length Organisations and companies such as the Opera House, Andium Homes, the risk ...

The Bailiff:

Is this a question to the Attorney?

Deputy L.J. Farnham:

Yes, I am asking: the element of risk is inherent by law for all members of the board but if the Attorney General is saying that that is obviously higher ... the risk is much higher in this case, not different but higher, because of the precarious financial position of Jersey Reds.

The Attorney General:

Yes, I agree with Deputy Farnham's comment or question. Yes, so there are Government of Jersey representatives that sit on A.L.O. boards. I think there is one for Visit Jersey and it may be that the arrangements are such that those directors or those representatives are primarily there as observers to sit and listen rather than to take decisions. But again, I am not really able to comment on the specific factual circumstances for each of those A.L.O.s. But, yes, the key point here is that the risk of personal liability for being a director or a shadow director is very high because the company is insolvent at the moment, the proposition proposes to take it out of insolvency by providing government funding, and I think the amount that is proposed is £590,000 for this season, but nevertheless the company is still in a ... my understanding, and again this is not primarily a legal question but a factual one, is still in a perilous financial situation and would be ... in those circumstances the law looks to protect the interest of creditors or investors, third parties dealing with a company because they merit particular protection in those circumstances, so the risk here is heightened because of the parlous financial situation of the company.

The Bailiff:

Do you have a further question, Deputy?

Deputy L.J. Farnham:

One final question; I am sorry to test the patience of the A.G. (Attorney General) and probably the Assembly, but if the rescue package was to involve creating a new body to run the organisation, would the liability be transferred?

[10:00]

The Attorney General:

Well that would be quite a complex process to effectively restructure the company to basically contribute all its assets and liabilities on to a new company, perhaps write off certain debts, but I am afraid that is probably beyond my ability to advise immediately off the top of my head now.

The Bailiff:

No further questions? Thank you for your advice, Mr. Attorney, and we note that you will be participating remotely if called upon to do so.

The Attorney General:

Maybe I should stay for a bit because **[Laughter]** ...

The Bailiff:

Probably very wise.

The Attorney General:

Because I have to get to the Hotel de France and I cannot do that instantaneously by teleportation, so I will stay for a bit.

The Bailiff:

Very well, we now resume the debate. I have next listed to speak Deputy Scott.

1.1 Deputy M.R. Scott:

Thank you to the Attorney General for his thoughts on wrongful trading. I am not what you might call a rugby fan nor, as a former corporate lawyer, a fan of wrongful trading, which this proposition does not seek to support in any event. I am even less of a fan of the way in which the Government has funded the Reds without the imposition of more judicious conditions in the past and with no clear

endgame, nor am I a fan of a continuing lack of joined-up thinking. The Assistant Minister for Sport is not the Minister for Tourism. She has talked of blank cheques. Let us remember, other investors in the Jersey Reds have not sought to invest in a platform for the tourist economy; that has been Government's role. I became aware of the global reach of the Jersey Reds brand a few years ago when I met a policeman in New Zealand. I will not go into the details about the circumstances in which I met him but I did find out to my surprise he had played for the Jersey Reds. I am a fan of supporting our visitor economy in a meaningful way. I have previously in the States Chamber tackled Deputy Farnham regarding a score sheet as the former Minister for Economic Development, Tourism, Sport and Culture, but I am not blind to the need for support for the Island's connectivity while the number of hotel beds have steadily reduced, nor to the hospitality premises in the Island who have benefited from accommodating and serving visiting rugby fans. I am a fan of judicious public spending. I do not have a record of being swayed by arguments that people will lose jobs, not unless I see a credible business case to support public funding. I have had to think long and hard about this proposition and in doing so I have been mindful of my experience of having served as the chair of the Scrutiny Panel elected by the States Assembly with a responsibility for looking at sport and the tourist economy and much other funding by the Department for the Economy. Tourism is built on platforms. There has been considerable investment in this platform and I cannot add to the Constable of St. Clement's eloquent speech on why it makes no sense to pull funding now. What happens if we do? What new platform do we build? Do we invest in a plane ticket to send Deputy Tadier to represent the Island in the Coupe Mondiale Worldwide Accordion Championships in the hope he might drum up support for the Island's visitor economy in the shoulder months? **[Approbation]** There is some support for that. **[Laughter]** That might suit the Minister for Treasury and Resources at least. Ministers appear to be playing the personal people rather than the ball, remarking on the performance and competency and trustworthiness of the board of the Jersey Reds, possibly on the advice of officers, possibly not, but what have we seen of Government's performance in this matter? Is this a Government that leads on competency and management? Most of us are aware of the symbiotic relationship between professional and amateur arms of sports clubs. The Jersey Reds' history of financial challenges have been apparent from the figures provided to us by Government yet only recently has this been evident to the Assistant Minister for Sport. The vice-chair of the States Employment Board criticised the board of the Jersey Reds for a lack of wage cuts in light of decreasing income. What Government leadership have we seen in this area? What business model is being used to resource the government organisation right now that we should continue to sponsor? What holes in Government business cases have Backbenchers and the public seen? The Jersey Reds' director to whom the Assistant Minister for Sport addressed her letter dated 26th January 2023 happens to be the chair of the Ports of Jersey. Have I heard the Minister for Economic Development, Tourism, Sport and Culture express a lack of confidence in and mistrust of the board of the Ports of Jersey? While I seek to understand Government's own priorities and its own understanding of the meaning of productivity, Government's position in this matter has been contradictory and lacks focus on the endgame. Deputy Feltham's amendment does not seek long-term viability for the Jersey Reds but a methodology regarding government funding as a temporary measure, as a temporary rescue package. I am a fan of looking at contribution, not blame, and, let us be clear, Jersey Reds are not their management. I do not seek to praise that management nor am I convinced that is the best time to bury that management. So I thank the Assembly for accepting the amendment to enable oversight of the investment that is being proposed to be made of the funding and which hopefully in the interim may be, going on, there can be future improvement sought in the management of the Jersey Reds. Deputy Millar asked a question that sent States Members racing in the direction of our Attorney General. As he himself explained during question time yesterday, his legal opinion is an opinion. There are wealthy private investors and companies who provide funding on a basis they have a representative sit on board proceedings just to keep an eye on their investment. In this case, in response to Deputy Millar, the Attorney General warned against the risk of advisers being regarded as shadow directors and Deputy Millar suggested there would be difficulty in finding

people to take on the role. Anyone - anyone - on the board of Jersey Reds needs to be mindful of wrongful trading, which is trading while being reckless and negligent regarding the payments of debts, and wrongful trading is not what we want the Jersey Reds to do. That is not what Deputy Farnham is seeking Government to support. I am reasonably certain a professional director with a passion for rugby, of which there are many, nevertheless would volunteer for the role out of a love for the Jersey Reds mindful of the consequences and the protections against wrongful trading. With reference to Deputy Ahier's point regarding stadium size; this is a question I asked the Assistant Minister for Sport about in a recent public hearing of the Economic and International Affairs Panel. Had she taken any action to address this potential need if rules were not changed? We even sought to lobby the R.F.U. (Rugby Football Union) for a change in its rules. No, that was a matter to be pursued by the management and private sponsors and they have been doing so, so far as I am aware. In my role as chair of the Economic and International Affairs Scrutiny Panel I have been tasked with reviewing a few business cases to justify government funding for what are essentially cost centres, business cases which have been no better constructed, in some cases worse, than the one I have seen for Jersey Reds. During my tenure as Chair, there has been a recurring theme, a lack of data collected by the department, a lack of financial analysis of return on investment or cost benefit analysis, a lack of economic modelling. For too many government departments productivity seems to be measured by output consisting of words. The department has kept growing and enabling grant-funded bodies to grow without setting meaningful measures, despite the constant pursuit of successive Comptroller and Auditor Generals, successive Public Accounts Committees and successive Economic and International Affairs Panels for meaningful performance measures. Is that a productive use of taxpayers' money? Meanwhile, the private sector has been crying out for staff to increase their economic productivity as an ever-burgeoning public sector true support for the economy. The Minister has informed the States Assembly that Government has funded Jersey Reds £2.5 million since 2012. A report by Santander claims the economic value of Jersey Reds to the Island is estimated at between £3 million and £6 million per annum. The Assistant Minister for Sport has pointed out Jersey Reds are not an Arm's-Length Organisation but both have received government funding. Visit Jersey has been regularly funded to the tune of £5 million every year for a few years now, which was increased to £5.75 million last year and for what in terms of measurable economic benefit, and for what in terms of filling the reduced stock of hotel beds during the shoulder months? Might some of the arm's-length organisations be characterised as bottomless pits and black holes when it comes to the Department for the Economy government funding? There needs to be a re-set of the way in which the Government approaches matters and it needs to happen now. So far my existence as a scrutineer has largely consisted of a fruitless chase for economic impact assessments and evidence of a satisfactory review of business cases. Is that a productive use of taxpayers' money? I have no doubt approval of this proposition will necessitate budgetary adjustments on the part of the Department for the Economy which is due to deliver a Value for Money review after putting in bids for more funding in the Government Plan. What sort of timing is that? The same sort of timing as deciding to pull out from funding the Jersey Reds, at a time when the R.F.U. has been rethinking its post-COVID funding model. Local companies who pay corporate sponsorship of games and Islanders, like the Constable of St. Mary, have invested in a season ticket, a time when the players have missed the best opportunity to be dispersed into different teams. I am a fan of learning lessons and well-thought-out exit strategies. The Constable of St. Clement mentioned how an investor weighs risk against value in appraising the time to move on from an investment. As the Constable of St. Mary, a former chair of the Economic and International Affairs Panel himself, flagged in his speech, this is not a morally-justifiable time to pull the carpet away from the Jersey Reds, whatever the Ministers and Assistant Ministers think of their management. I urge Members not to think of this proposition as support of a bottomless pit but support for a bridge to potentially a brighter future for the Reds and to actively support the tourist economy while we wait for the Department for the Economy to deliver both a Value for Money review of the arm's-length organisation it funds, along with a tourism strategy for whatever that tourism strategy will be worth. Yet we do need to draw a line. I only seek to support

funding until the end of the season when there is potential light at the end of the tunnel in the form of further funding from benefactors in the R.F.U., and that is all this proposition seeks. I am sure we will hear more of the same from other Ministers too, with the Minister for Treasury and Resources and the Minister for Economic Development, Tourism, Sport and Culture waiting to add their contributions as a final say-so. But please let us remember this, the proposed funding is a bridge to the end of the season. If it leads to an unfortunate abyss, there is no moral obligation to jump into it at that time. Players will be able to move at a better time than now, Government will have done its bit. This is a season that counts to the Jersey Reds and it counts for the Island's tourist economy too. Government needs to put down the stick it has been shaking and support Jersey Reds right to the final whistle at the end of the season and start improving its own game from now on too.

1.1.1 Deputy I. Gardiner of St. Helier North:

Since yesterday and continuing this morning I have reflected on speeches and arguments being made through the debate. What is clear for me is we all have emotions and feelings while we are also wrestling with common sense and facts. I think all Members of this Assembly are sympathetic to the players and other staff and their families. We all feel how difficult the situation is for them.

[10:15]

This was probably the feeling, together with trying to give this bridge, with the Government being put in the position now to "give us a bit more time", so this was given a bit more time. We have given several months to put this bridge and to find the solution. I am sure that if we have funds of Qatar the decision would be really, really easy but we are where we are. When I tried to put all speeches and arguments together I came to the 3 paragraphs in my head, it is easier for me to structure. The first one, I am really grateful for the Connétable of St. Lawrence that yesterday brought even to my attention the funding going back to 2012, because when we made the decision I have seen funding for 2016 and apparently funding going back 11 years. We have been giving massive support for 11 years. Members, I urge you to consider 11 years for asking this business to find a sustainable model. Which private business receives 11 years of public money? Deputy Farnham, while the Minister and Senator Farnham, gave support over multi-years and the conditions to enable Jersey Reds to become financially sustainable over an extended 3-year period after which no further government support would be required. It happened 4 years ago, the conditions were clear. The Deputy, in 2019 made this grant and conditions, so what has happened? Again, COVID. I know we have COVID, we had COVID, but extra support was given through COVID. What changed in this 11 years that will make this last, last, last support for the end of the season different? I do not know. Deputy Farnham made clear in his speech that he is looking back and he wished that it would establish a line in the Government Plan to support professional sport. I understand and respect that each of us was elected to the Assembly based on our own visions and priorities. I do remember those Government Plans debated in previous terms and when Reds have received grants to stabilise their finances and to find a sustainable model. I do remember how Deputy Ward's amendment for less than £200 for hot meals was defeated because we did not have money. I remember standing here, if Members remember, when I asked for support for the youth workers and support was halved. We could not find £70,000; now we have found the £70,000. From this seat I asked public investors to come and support Your Service if they can. Now we did include this meals and Your Service in the Government Plan and I think we can see where I am going. Private investors will probably never pay for school meals and Your Service - they might - which is why our Government needs to fund their projects and the private investors can invest in the private business. This is the history. I am going now to the amendments, safeguarding and business plan; Deputy Feltham's amendment asking for safeguarding and a business plan. Let us make it clear, this private company have received a clear letter from my colleague, Assistant Minister Deputy Stephenson, saying that there will not be more support and they need to find the model. It was very, very clear. What has happened between November and now to ask for more time? In my opinion, it is a poorly-run business with a very well-run team. As the

Connétable of St. John mentioned, I just would like to remind, I picked up things, to remind the States that it was a bold choice to pursue a full-time professional model despite the challenges and it was a conscious decision to put the Reds into the top half when it comes to pay. Why are they not ready to hear and listen to Deputy Stephenson who said very clearly in her speech: “We have been there, we asked for the business plan. We assessed it, we challenged it, we scrutinised the figures and found it inadequate. We do not need to do it again.” I recognise that this proposition and amendments came to our attention within 24 hours. We even just now have received the full proposition and if we would have time, all of us, to assess the figures and to reflect and consider, we might all agree. The advice from the A.G., it is very alarming advice. In light of the A.G.’s advice that says having a representative, as this proposition states now, making us liable and at risk for the public money, are we getting involved in running private businesses now if Government is stepping in? I would urge Members, and I know there is lots of information that came to our attention, to your attention during this debate, to reflect and people who spoke yesterday to maybe change their mind. It is no shame in reflecting again, once you have all the facts and evidence that came to our attention. So, really this Government and other Governments, successive Governments, tried to do it most to get this message across. It is not a popular decision. None of us want to make this decision. I feel we all love the Reds and the public love them and let us continue to invest public funds, but we have done it for 11 years and maybe this time magic will happen. I am now moving to my third part, it is other sports and priorities. As the Minister for Children and Education, I work with my colleague, Deputy Stephenson, and we are finding ways to give more support for sports for children and young people. I cannot help feeling really sick knowing that this investment of over £2.5 million, £3 million could do those sports in our schools. I was asked by Deputy Kovacs in June to look into whether each primary school will have a qualified physical education teacher, which I think is a really, really good point. I said that I will look into this and I would like to come with options but it comes with a price and funding challenges. Children and young people and their parents need to meet a very high cost of travelling over the Island, representing the Island for the sports and dancing competitions. I have been asked: can we support the Jersey Proud Squad uniform which costs a lot for the parents, and what do we do? We do not have funds. We tried to find these funds to support these children and young people and adults representing Jersey on different levels: amateur club sport, the sport groups like Wednesday night football clubs that really opened the sports for different ages and making it work across the Island. Extra after-school activities for children and young people. Our elite sport, more cycling and swimming lessons for free in public and private schools. The list is endless and the funds are restricted. I cannot see any sound business plan now and the history of the poor financial management of this club is not unique in professional sport. It is common for professional sports teams to go into liquidation. I would like to bring Members’ attention to 3, 4 numbers. 13th October 2022, Wasps £112 million in debt and suspended by R.F.U., Bristol Bears £51.2 million in debt, Newcastle Falcons £39 million in debt, Worcester Warriors £26.5 million in debt and suspended. It brings the question, is it possible to make professional rugby independently financially viable in Jersey with its population of 100,000? What I feel, and this is the summary, that we as a taxpayer became an integral part of Jersey Reds’ income. They relied upon our generosity for 11 years and became dependent on it. It was as much our fault as successive Governments as we find ourselves in this position, and we should never have been so unrestrictedly for 11 years to continue to support them. This is the first Government that said: “You have 10 months, sort yourself out” and it did not happen. If somebody in this Assembly can tell me what we can take out of the Government Plan to continue to invest in Reds and bring an amendment to the Government Plan, then we can debate it, although it might be late. I really cannot support to agreeing for an extra £500,000 or £700,000 or £1 million, as no one knows in this Assembly, and no one could see the business plan and how long it will take to write a business plan, and including the risk and liabilities confirmed by the A.G., I really cannot support, as a lot of Members here described, to write off a blank cheque of the public money.

1.1.2 Deputy P.M. Bailhache of St. Clement:

Sometimes the States stands on the brink of what could be a completely shambolic outcome and it stands there because Members, with all the best wills in the world and with the best of intentions, are trying to do the right thing in a rather sad situation. The amendments of Deputy Scott and Deputy Feltham are designed to protect the States but they seem to me to introduce a whole range of uncertainties. The Attorney General's comments were extremely illuminating and point at one of the very substantial risks that exist. If the man from the Treasury or the woman from the Treasury is deemed to be a shadow director, he or she will become personally liable, or may become personally liable, for the debts of the company. That is the understanding that I received from the Attorney General. There will be a personal liability for that shadow director but of course the Treasury official will not pay that money himself or herself, it will be down to the employer because the employee will be acting in the course of employment and it will be the employer who will assume the ultimate liability for the debts of the company. As a member of that employer, the States Employment Board, I am bound to express my concern. The amendment of Deputy Scott provides that there shall be a senior representative of the Treasury and an independent representative from the business community, both to be involved in an advisory capacity. One has to ask whether it will be possible to find an independent member of the business community to assume the position of adviser in these circumstances. I hope that the proposer of the motion will be able to make it clear, when he replies to the debate, that he has somebody in mind who will accept the responsibilities in these circumstances because what is the position if no one can be found? Does that matter? Will it be sufficient that an official from the Treasury is there to protect the interests of the States or is it an essential part of the amendment that there should be an independent member of the business community? I must say I am not clear. It seems to me that there are prior questions as to whether the board itself would accept the existence among them of these independent advisers.

[10:30]

I asked Deputy Scott yesterday evening whether she had approached the board of directors to see whether they were willing to have these advisers or possibly shadow directors as members of the board, and she had not approached them. Again, the question for Deputy Farnham, who has accepted this amendment, has he spoken to the board and is he able to assure the States ... he is nodding, so he is able to say, I hope, that the board will accept the presence of these individuals among them. The same question of course applies to Deputy Feltham's amendment: will the board agree to provide a business case and so on? Then what does the business case mean? Suppose that the benefits are shown in 2023 to be quite low. Suppose that the benefits of the club to the Island are shown to be quite low; does that matter? Presumably not because all the amendment says is that they need to be quantified and the business case must show that the organisation will remain operational for the 2023/2024 rugby season. That seems to me to be much more difficult. Suppose some of the best Jersey Reds' players have already found new jobs. They have been told that it is open to them to do so. Does that matter? Again, presumably not if 15 players can be fielded, then the Jersey Reds are operational. I mention these points only to underline what seemed to me to be the uncertainties inherent in the amended proposition. It is true that ultimately the burden of deciding whether or not all these points have been satisfied and whether the business case is satisfactory falls upon the broad shoulders of the Minister for Treasury and Resources because at the end of the day he has to decide whether to honour the blank cheque which Deputy Farnham is seeking from this Assembly and, I must say, I would not care to be in the Minister's shoes. Deputy Farnham has been absolutely candid with the Assembly and, I must say, I admire him for that. He has made it absolutely clear that he does not know what he is asking the States to give but is that really a satisfactory situation for the Members of an Assembly entrusted to look after taxpayers' money? I do not think so. It may be impossible to quantify the amount of money which we are being asked to commit, but all that can be said with certainty is that it amounts to many hundreds of thousands of pounds and we are being asked to commit that money to an insolvent company whose assets we are extremely unclear about.

1.1.3 The Connétable of St. Brelade:

I would refer Members to the Public Finances Manual, which the Attorney General referred to earlier on and the reality, I cannot see, that any reasonable accounting officer could operate within the guidelines of that manual as described and make a payment to an insolvent company as such. I would also suggest that it would be interesting to hear, if he wishes to speak, from the Minister for Treasury and Resources who will also be culpable within that finance manual for the making of such a payment. I congratulate the present Government on having the, well, some might say, audacity, I would say the courage to stand up and lay this out in the open and put it to the test, because it is a quite unsatisfactory situation created, dare I say, by the mover of this proposition in his past life. I think that ...

Deputy L.J. Farnham:

Sorry, I cannot accept a Member making allegations like that. That is simply untrue and I ask that he withdraw that.

The Bailiff:

Well it is simply a comment, is it not, Deputy Farnham, that what you did when you previously held Ministerial office is of course a difficulty. I am sure the Connétable might wish to elaborate on that and you might wish to respond to it but I am not sure it impugns your integrity or anything of that nature which would be a ...

Deputy L.J. Farnham:

I think it does. It is not true and he must provide evidence for that and unless he can, he should withdraw it. Thank you.

The Connétable of St. Brelade:

I am the last to impugn the integrity of the Member but the reality is, in his role as the Minister for Economic Development, Tourism, Sport and Culture in the previous States, he was responsible for making payments, as he has outlined in his proposition, and there is no question or doubt about that. I referred to the present Government challenging this, and we have seen what has happened in the past, and I think we have, as a Government, to make a judgment based on the information we have given whether we should throw good money after bad. My feeling is that I am in admiration of the players and what they have achieved, I think we are at the stage where we have to reset. I do not think it is probably achievable for the 2023/2024 season but I think we need to look ahead, reset the game so that it is put on a substantial footing, take advice to do that and let us get the rugby players back playing to the benefit of the Island but on a sound footing and using the Public Finance Manual as a guide, that has to be the basis from which we do that.

1.1.4 Deputy J. Renouf of St. Brelade:

I think one of the problems we have here is that everyone is coming to this situation at different points on the timeline. I think it is a situation people may be familiar with where you are watching a film and people keep coming in at different points in the film, not quite clear about what is going on. Those who come in last, perhaps for the just final 10 minutes or so, have not seen all the preceding action and they keep wondering why the protagonist does not do something. Why do they not do X? Why do they not do Y? Now those people who have been watching for longer, they know the answer to that, and it is because the protagonist has already done X or Y, and I think that is what we have got a situation of here to some extent. For many Members of the Assembly, and indeed the public, their first encounter with this situation was last week when the demise of the Reds came seemingly like a bolt from the blue. The obvious question to ask in that situation is: why not give them a chance to find some more money, give them some more time, one more chance? But for those who have been in the story for a little longer we know the answer to that because the Reds have already had

that chance. They had it once in July and then again in August; indeed, you could argue chances before that as well. I can talk a little bit about the payment in August because, to an extent, that is when I came into the story. Why did we give the go-ahead, some people have asked? Why did we give that money at that time? I can remember the situation very clearly. Deputy Morel came to find me, it was during the holiday period, he had been placed in a, as he said in his statement, in an almost impossible situation where he had been told that if money was not forthcoming by the end of that working day, which by the time he spoke to me was only a few hours away, then the Jersey Reds would go bankrupt. So that was the situation we were faced with in August and Deputy Morel, not unreasonably, was asking for some other Members of the Council of Ministers' opinion on what should happen in that situation. It is, as he explained quite eloquently I think in his statement, a real dilemma, a real Hobson's choice sort of thing. Whichever way we went at that point we were in danger of being criticised: wasting public money on the one hand on what could potentially be a doomed project or failing to give Jersey Reds the chance to prove their case. Well, we chose to give Jersey Reds the chance to prove their case. It was, according to Deputy Farnham, a funding to fail and I take considerable exception to that. It was certainly ad hoc but it was ad hoc because of the situation we were placed in. Nobody would want to be in that position. So this is a key point, we have already been in the situation where this proposition is trying to put us. The proposition says: one more chance. There has already been one more chance, there have been 2 more chances at least, so we already have that bridge, offered that bridge, that Deputy Scott referred to. The only circumstances in which, given those opportunities that have been offered, it would be appropriate to continue funding is if there was a route to viability, economic viability. Not only has evidence not been forthcoming, there is no indication that it will be forthcoming. What we have here is a political case and indeed a case from the club that is based in a systematic - and I am being kind here - optimism bias but might more fairly be called "wishful thinking". The problem is the route to viability is not clear. It has not been clear for some time and frequent opportunities to provide information for a route to viability have not been taken. The company was not self-supporting on the way up, it is not self-supporting at the moment when it is successful and the risk clearly is that it will be insolvent in the future. I do not think any responsible Government can continue funding a business in these circumstances. It is worth taking a quick look, as Deputy Gardiner began to do, at the wider question of rugby financing and whether this optimism bias might be justified. In the premiership, 3 of the main rugby clubs have all gone bust, and been allowed to go bust, so there has been no rescue for them. That is the top division, the one in which our Jersey Reds aspire to play in. In 2022, clubs in the Premiership had half a billion pounds of cumulative debt. This is a sport with a very significant funding issue. The possibility that the R.F.U. will prioritise smaller clubs when it has its premier elite clubs in such dire circumstances is something I would not be wholly confident. Indeed, it is quite telling that the R.F.U. are not putting in money to keep the Reds going, not even a tiny token amount. They are prepared to let the Reds go to the wall. My reading is that the R.F.U. know full well that they do not have enough money to fund all the clubs currently running; in other words, the hope that there will be a white knight riding to the rescue at the end of this year or next year is a piece of wishful thinking. It is interesting to read at the time in the national press what was said about the reasons for the private investors stopping putting money into the Reds. The *Guardian* said: "It is understood that Jersey Reds' existing investors privately felt the lack of R.F.U. assurances over the importance of the Championship rugby club's survival and the failure to restore their funding to pre-COVID levels made it impossible to continue."

[10:45]

That is the economic assessment of this situation. The R.F.U. is presented as being the white knight but the private investors themselves do not believe in that. If they did believe that that was a really realistic chance then surely they would be prepared to tide the company over themselves for a short period until that came. So, if there is not going to be a white knight coming over the horizon, what about the ability of the club to find a way forward itself? As the Constable of St. John pointed out,

there are no accounts, basic account information is missing, but the problem for me goes wider than that. Where is the ringing endorsement of the club's strategy from the board? Indeed, where is the strategy? Where is the plan clearly spelled out and easily repeatable by everyone in this room? Where is the compelling vision for the future of the Reds? We have heard nothing from the board either to explain how we got to the current situation or to offer any vision for a different future. There is a hope, a wish, a dream, a fantasy, I would suggest. My screen has frozen so I will speak the rest from my memory of the points that I was going to make. I think the final point that I would make in terms of the case is that it comes down ... the final argument comes down to a belief in what is often called the sunk-cost fallacy, the idea that we have already spent a lot of money on this and it would be wasting that money if we did not put in more money. That of course is an emotionally appealing argument but it is called a fallacy for a reason. The fact is, the money that we have invested in the Reds or spent in the Reds, it really does not matter how you determine it, is money that is gone, it is not coming back. There is nothing in the Santander business plan that suggests that any of that money is going to be repaid. It is a sunk cost. The only question in front of us is: does the money that potentially Government are going to put in, is that going to save the situation? We have not seen any evidence for that. I will try and rescue my screen. So, we are left in a situation where we have a case that has been attempted to be rescued on many different occasions, we have had many different attempts to have a persuasive business plan and none has been forthcoming. So, I am left with the view that we should look very carefully at what is being proposed by the proposition. Deputy Bailhache did us all a favour I think in taking us back to that proposition. The proposition has been accepted with 2 amendments, and I think that was possibly a mistake on the part of Deputy Farnham. The first amendment from Deputy Feltham purports to offer safeguards in terms of a need to assess the business plans and so on but, as has already been pointed out, we have done this. This is what the Santander plan responded to, that was the attempt to do this. What reason would we possibly assume that if we ask the club to do it all over again that they will come back with anything other than what they have already come up with, a plan which does not offer anything except hope and wishful thinking about possible future funding based on revenues that might or might not come from the R.F.U. and a plan to invest in a 3G facility on a pitch which they do not own themselves. Why would we assume that, having been put under immense pressure to come up with a plan, they have come up with a plan. Why would we assume that because the States Assembly asked them to do it all over again that they will come up with another plan? I cannot see it. The amendment from Deputy Scott is I think potentially even more fatal to this proposition because, as it has been shown, it puts in place a situation which is almost impossible to reconcile. Treasury officials would have to sit on a board, try and manage conflicts of interest. They would have to try and avoid acting in a way that ... in fact we would be in the perverse situation where the more effective they were, the greater at risk they would be. The more effective they were in terms of providing some kind of oversight, the more they would have to worry that they would become personally liable. It is a recipe for disaster. I will finish with this thought. I met yesterday some of the supporters of the club outside, in fact, I think one of them was an employee, and talked to them. I did think that they displayed at least some more realism than has sometimes been talked about in this Assembly. I said to them I could not support giving more money than we have already to the club. I said to them rhetorically but they answered the question: "Why on earth would we do that? Where would the funding come from?" and one of them said to me: "From the Government." I said: "Do you mean for all time?" and he said: "Yes" that this is a club, in his view, that would need support for all time and it is shown it has needed its support for all its existence so far, so I think that is a reasonable assumption. None of the arguments that have been made by the people in this room fall away in January or February or March next year because of anything having changed. They are all the same: they still need to support the visitor economy, we still need to support tourism and easyJet and so on. All of those arguments are still valid and indeed the club's supporters see that and completely see that. So the argument is: do we want to keep funding the Jersey Reds' for ever? I say very regrettably no, it has been 10 years to

try and find the viable business model following this strategy. Sadly, it has not worked, it is time to do something different.

1.1.5 Connétable K.C. Lewis of St. Saviour:

I will not repeat much of what has already been said. I desperately wanted to support this proposition but, as has been said, with the amendments it has muddied the waters. There is just far too much risk with these shadow directors, advisers, too much risk for the States of Jersey. If all risk came with a guarantee there would be no risk but the risk here in my opinion is far too great. I sincerely hope that one of the international banks would take it over and give it the subsidy that it requires. But, as I say, I desperately wanted to support this but I regret with these conditions I cannot.

1.1.6 Connétable D.W. Mezbourian of St. Lawrence:

Interesting debate with a wide range of views. I had a lot to say but it has been said by other people, so I will limit my comments. First I want to thank the Minister for Economic Development, Tourism, Sport and Culture and his officers for providing the figure that I asked for yesterday when he had made his statement on this. We learned from that that the public have so far given, given, to the Jersey Reds a total amount of £2,252,920. That is £2,252,920 and what we are considering now is whether we are going to give more. I use that word advisedly because nowhere in the proposition does it say or imply that this would be a loan to the Jersey Reds. It does not even say “to give” it says: “To make funding available to the Jersey Reds.” Deputy Bailhache raised this, I find the whole proposition, it is not parliamentary probably, but it is airy-fairy. There is nothing tangible there that I can grip on to and understand. Deputy Farnham did say that it would be difficult for him to give a figure, to indicate a figure, so we know that, but that does not help me. I should have asked yesterday for clarification when the Deputy made his proposition because ... and I said yesterday I am getting old and my hearing is not as good as it used to be. I will say that again now, it is happening to us all. I am looking forward to reading Hansard on this, but I am pretty sure that I heard the Deputy say yesterday that he would make ad hoc payments to Jersey Reds, that he would give to them an amount that they asked for when they went to speak to him to request the funding. He is shaking his head. As I say, I look forward to clarification when Hansard comes through, but I am sure he will address that and make it clear to me and other Members exactly what he did tell us yesterday about that. I certainly got the impression that it was when they went to him to ask for funding that a figure would then be agreed upon at that time. Certainly the words ad hoc were used. There are more questions still for me than answers today. I was going to raise the question about the private investors that had been referenced in the meeting in November with Deputy Stephenson. We saw in her letter, and I think she mentioned it, that she had been told that they were - she did not use this word = but wooing high-net-worth investors. Deputy Renouf has just told us the reason he thinks that high-net-worth investors have not come forward is because with the R.F.U. there is no guarantee of further funding. Deputy Bailhache touched again on what I wanted to know, and what I still want to know. So: “The States are asked to decide whether they are of opinion to request the Minister for Treasury and Resources ...” the silent voice in this debate, the person from whom we have not heard, the person who I expect to stand up before this debate finishes ... and he always waits until the end. We have sat in this Chamber for many years, he and I, so I know his tactics. So I am expecting the Minister for Treasury and Resources to stand up, maybe as the penultimate speaker, to tell us what his view is on this and how he will decide, if this is approved, what will he be looking for in the business case which he has probably already seen because he sits on C.O.M. (Council of Ministers), I do not know, but we have heard that a business case has been given. What would he be looking for in a business case and how much of public money would he be prepared to give to the Jersey Reds? We need to know that because we have heard the term “blank cheque” mentioned on a number of occasions. I am not prepared to write a blank cheque. I do not do it in the Parish and let me say that the Constables, who were criticised yesterday, manage their budgets on an annual basis. If I want to hire more staff

I do not do it if I cannot afford to pay them, and yet I am hearing that we are expected to give funds to a private company who has done that.

[11:00]

It recently hired additional staff when it knew it would not be able to pay their wages and indeed in all likelihood their employment would not be for very long after they had joined the company. The Minister for Treasury and Resources needs to stand up and tell us what his thoughts are, what he would be proposing to pay as a maximum, not to pay but to give from the public purse. I do feel obviously this has been a rushed proposition and we agreed to take it early. There was a reason for that. The company is insolvent, as we have heard today from the A.G. I think it shows to me, it highlights the fact that it is difficult and there is a reason why propositions are lodged for a certain amount of time. That is to give us all the time to do necessary research, make enquiries, contact people, ask questions, find out as much information as we can before we get in here to make important decisions. Of course, this is an important decision because if we were to fund the Jersey Reds then it would enable them presumably, depending on what we hear from the Minister for Treasury and Resources, to continue to operate for this season. What we do not know, and what someone else has already mentioned, is how many of the team have already decided to leave and would not be willing to play. There are so many unanswered questions, there is so much uncertainty for me that I find it very difficult to support this proposition. In fact, notwithstanding what the Minister for Treasury and Resources is going to tell us, the evidence for me is clear. We have already paid £2,452,920, given that money to a company that, for whatever reason, is now insolvent. We are being asked to give more. That cannot be the best way to deal with public funds. It is certainly not the reason that I sit in this Assembly, so I will not be supporting the proposition but I do very much look forward to hearing first from the Minister for Treasury and Resources and then from the Deputy proposing this when he sums up and he addresses my question on the ad hoc amounts that I understood him to have said that we paid. To Deputy Farnham, I found it interesting that Deputy Renouf mentioned about the sunk-cost fallacy, I think he referred to. That is probably what the P.M. (Prime Minister) is doing today, not wanting to throw more money after bad. I do not think he has made his speech yet but we are all expecting him to say that he will not be funding HS2 from Birmingham to Manchester. Digressing a little bit but I cannot support this proposition, Deputy Farnham.

1.1.7 Deputy H. Jeune of St. John, St. Lawrence and Trinity:

I will not be long but I first wanted to admit to everybody that I used to play rugby. I was a flanker at Newcastle University and I loved it. That is over 20 years ago and women's rugby then was really difficult to get into. I was not allowed to play it at school, so the only time I was able to start playing the game that I love was at university and, boy, did we have great fun. I am really pleased to see that the women's rugby team, and especially Jersey, both amateur and through the Reds, has been really supported but only to a limit. I want to maybe put into the mind of the States Assembly as well: how much are we willing to give to men's sports versus women's sports? Ultimately we need to also support women. We have seen women's football has grown more and more but we want to be able to see in Jersey that women's rugby and girls' rugby is also supported. I know people who go out every Sunday to support the girls' rugby, to develop the girls' rugby in Jersey and I salute them. I am really disappointed, especially in the Reds statement that we have just received, that pointed out Deputy Stephenson and the work that she does. I want to say that I really support what she does and she has a hard job in making those decisions when it comes to where and how we support what sports we do. I think there needs to be more support for women's sports and especially for women's rugby and women's football, which does not necessarily therefore mean it is a professional game but that is not the point. We are about Jersey and about how Jersey and Jersey people participate in sport, and we have heard a lot from people about that. I wanted to just put on the record that I absolutely support Deputy Stephenson in how she has conducted her role in this since coming into the position and I want to say that I think women's rugby is also extremely important to support in the future.

1.1.8 Deputy K.F. Morel of St. John, St. Lawrence and Trinity:

I also support women's rugby and remember in university days, which were slightly before the Deputy's, I know in the U.K. it was going strong and I can understand in Jersey perhaps it was difficult as well, but women's rugby is as vital as men's rugby. That is a really important statement to make, I think, in what is a developing area of the game. I must admit I am slightly heartened, I think, by some of the speeches I have heard this morning because last night I went home very, very concerned that there seemed to have been a sense in the Assembly that the right thing to do in life is to throw good money after bad and to do that with public money. I just could not wrap my head around that. I suppose it is because one of the difficulties is knowing when to stop, and in this case that is exactly what Government have been trying to understand: when do you stop? That is the position that Deputy Stephenson was in, I was in and the Council of Ministers was in and, to be honest, Deputy Farnham, when he was Minister, was also in. He chose not to say stop. He did say stop but then Governments changed and he was not faced with that in quite the same way. But what we have heard today is the immense risk, which is what I was trying to say in my statement yesterday, that continuing to fund the Reds provides us with. Despite amendments that have been aimed at providing protection, even I could see yesterday that they were doing exactly what I had tried to warn the Chamber of in my statement, which is the more involved Government gets the higher the risk for Government becomes. That is why Government has never spoken about being an investor in terms of putting its money in for an equity stake and expecting something back because once we do that the Government would be on the hook. Putting officers near the board exposes those officers to risk, which is exactly what we have heard today and I could hear that yesterday when I saw the amendments. Making Government closer to this club just drags Government closer to what is financially - and I stand by those words - a black hole. I do not want it to be but it is and some of the things that have added to that ... I will reference the statement the Reds have made already, some of the things in the future, I will reference in a future speech but some of the things that we have looked at as Government, and this is where I know people do not want to trust Government. I know people, Members of this Assembly want to kick Government. No matter who that Government is, they just want to have a dig at Government. I get that, but sometimes, in fact very often, Government is ... and we as a Government absolutely try to be as transparent as we can be and to show people what the thinking is and where it has come from. What we were doing yesterday was trying to show people that the £1 million in the business plan that is booked in for the 2025 and 2026 seasons is a figment of the imagination. It does not exist. We have been told this by other clubs because it does not exist. Maybe it will happen but today, as we stand here today and a month ago when I spoke to the Reds representatives and told them exactly that, when I spoke to the bank that did this work and told them exactly that, that this is a figment of their imagination, they were not willing to accept it. When you are dealing with that, with the weight of responsibility of public finances on your shoulders, I do not believe you can possibly move forward down the road of saying: "Yes, we will continue to fund you" because that £1 million is imaginary as we stand here today. To then speak with the amateur club yesterday morning before the Assembly and them tell me to my face that the Reds in this business plan are booking income against assets that they do not own just absolutely says exactly the same thing to me; more of this business plan is imaginary, it does not stand up. I do not have to be an accountant to see that, and I said that to the bank that did this piece of work when they showed it to me. I expressed my immense disappointment at the piece of work because they were showing figures in here that did not exist. So to base the States decision, as the Connétable of St. Lawrence has said, to fund indefinitely to a sum that we do not know against a business plan that does not stand up I think would be highly, highly irresponsible of this Assembly. At the same time, I stand by the fact that I did this elevation. There was Deputy Stephenson and there was me. We elevated it to the Council of Ministers for that decision and then States Members elevated it to this Assembly for a decision as well. Absolutely the right thing to do, no problem with that at all. It is the right thing to do because none of us wants to lose the Jersey Reds, none of us, but in its current form I do not

believe it can continue. It has not taken advice, constant advice that stretches back into the past Government. It has consistently failed to take that advice. It then presents a business plan with over £1 million worth of holes in it, so the Government could well be on the hook if we were to continue with this, if we were to agree this proposition but the Government could be spending well over £1 million a year keeping the Reds going, well in excess of £1 million. Even with £1 million from the R.F.U. the Government are still spending hundreds of thousands pounds a year to keep the Reds going. That is why we as the Council of Ministers said we just cannot do this, this is not how you spend taxpayers' money, this is not the responsible way to spend taxpayers' money. I know it is always a question of choices but that is where the choices lie and, of course, if you spend over £1 million of taxpayers' money at the Reds, then you are not spending it somewhere else. We know that there are plenty of sports that need this money, let alone other services and charities. Just to continue with how the numbers that have been presented to us cause me immense concern, one of my officers yesterday spoke to 3 Championship club chief executive officers and he told me they are furious, those chief executive officers, at the erroneous playing costs associated with their clubs in the Santander report. One of the C.E.O.s (chief executive officers) says he has written to Santander demanding a correction in their report and others are at the Championship committee meeting in London and say they are likely to make statement about that report. They all state the £1 million from a new league is a nonsense figure and they are angry as the report gives the R.F.U. ... sorry, I will not go further down that line. They are angry; I will stop there. **[Laughter]** Again, that is feedback through an officer to me of calls that that officer made to C.E.O.s of other Championship clubs saying that this money, this £1 million is imaginary, that the playing costs as in the wage bills that Santander have put in here against named clubs, those C.E.O.s are saying those are fundamentally incorrect figures and they are not happy that these incorrect figures have been issued.

[11:15]

They are incorrect to the element of being inflated, so what they are saying is that Santander have put figures that are much higher against their playing costs than is the reality. So again I really look at this Assembly and say how can this Assembly possibly agree ... in the same way the Council of Ministers felt that it could not possibly agree to future funding, how can it do that? It is just not the responsible thing to do and when I was on social media last night what I saw was pretty much I will say 95 per cent - maybe there were one or 2 but I did not see them - of statements all saying: "Do not throw good public money after bad." They love the Reds, we love the Reds and what they have achieved but this is not the right way to do it. We should also point to the community element of the Reds. This is something that various sources are telling me is also overstated. In 2013 there were more schools engaged in rugby than there are today; there were more clubs in Island than there are today. I learnt again from the amateur club yesterday that they pay people from the Reds to coach their staff. That is not a donation from the Reds; it is payment for services. Average gates, as I understand it, are much less at the Reds now than they were 10 years ago. The real shame - and this hurts to say it - is that there can be an argument made that the professional club has harmed rugby in the Island in terms of actual numbers of people taking part. One of the other figures that I had shown to me is that there are fewer young people at the academy now than there were 10 years ago. These are the things that really worry me, which is why I support Deputy Stephenson wholeheartedly in saying we need to focus on the amateur club. We need to turn those community figures around and see more children playing the game, seeing more young girls playing the game. These are really important factors. Again, they have been blurred in this debate but I personally cannot ignore them. Having seen the statement from the Reds this morning, I also want to say again one of the difficulties, to try to put you in my position at the time, is knowing the right way to do something, which is what I said yesterday. I felt that when you are saying something to someone that is effectively ending their business you do it face to face, and that is what I wanted to do. Through officers, I have invited the main investor to speak to me and it was his diary that said: "I cannot speak with you until 27th September." I had seen emails from the Reds' chair asking me about the Council of Ministers'

decision and I asked officers to respond to that but because I wanted to say this face to face ... we did not want to put it in an email that this is the case because we did not know where that would spiral. That was me trying to do the right thing, trying to look someone in the eyes and say: "I am really sorry but we cannot carry on funding." Maybe that was not the right thing, I do not know. I felt it was the right moral thing to do but I understand that perhaps that created a practical issue. I do not believe it did because I did look various directors in the eyes about 2 or 3 weeks earlier and said to them: "I really do not think the Council of Ministers are likely to support this." I told them quite clearly that the money was unlikely to come their way, so the idea that this is a surprise ... and the misinformation that has come out of the Reds over the past weekend is this idea that the Government had given indications that the money was going to be there. We had done exactly the opposite. We had given the indications that the money was not going to be there and they were very, very aware of that. As I say, that indication, to be honest, was given back in 2021, going roughly off the top of my head, a few years ago under Deputy Farnham's leadership as Minister when it was made clear that there would be no further funding then. I am not saying I got everything perfectly right but I was trying to get it right and that is, I think, the best we can ever ask anyone to do. But what I do not think would be the right thing to do is to carry on funding the Jersey Reds indefinitely to an indefinite amount, exposing officers of the Government to liabilities, and therefore the Government to liabilities, that are completely unknown, to potential prosecution. I would assume if something was against the board that could happen and I do not know if that would be corporate or individual. I am no lawyer. I just do not see how this proposition is tenable if we as an Assembly are to be seen as responsible representatives of this Island.

Deputy L.J. Farnham:

A point of clarification, Sir, if the Deputy would give way.

The Bailiff:

Would you give way, Deputy?

Deputy L.J. Farnham:

It was he mentioned speaking with representatives earlier and following on from this morning's statement, could he confirm if he has spoken to the 2015 or 2022 board members from the 2 companies?

Deputy K.F. Morel:

Without seeing an organisation chart in front of me, I cannot say one way or the other. One of the issues with the Reds structure, which is a complex structure, is that we talked with an investor who was acting as director of one of the companies. It was never clear to us in Government specifically which companies were being represented. So I think on our side we just think that these people are representing the Reds, they are speaking to us as representatives of the Reds regardless of which actual entity they were directors of. I think importantly to my knowledge - and I stand ready to be corrected - I do not believe I or any other member of the Government named any individuals from those boards yesterday. I believe we spoke only about boards of the Reds.

1.1.9 Deputy D. Warr of St. Helier South:

It is a pleasure to following Deputy Morel because I think he raised a lot of wider points. Like my colleagues, I want to start by voicing my sympathy to the players and staff who have had their lives turned upside down by this debacle. To paraphrase a well-known Bob Dylan song, they are just pawns in this game. The reality though is that backing the Reds has been akin to the Government acting as banker in a casino game. For over a decade the Reds have relied on a promise that they will win the Championship, effectively Team Red landing on red. £2 million later and, hey presto, Team Red did land on red. The gamble paid off so why not, as someone said to me yesterday, just stop there and revel in the success, but we did not. Like the gambler who wins big, we live in the

hope that if we gamble a bit more we might even win bigger. Maybe, but at what cost to all the other sports in this Island? Last Sunday I had the privilege of representing Jersey in one of 2 veteran inter-insular tennis matches. The privilege cost me and my team mates £50 each to cover costs. I am fortunate that I have the resources to play the game I love but sadly many do not. As for economic benefit, there were 32 playing tickets booked and in the longer term a bunch of fit individuals who rarely use our health service. I do not see any of that on a spreadsheet of wider economic benefits. This comes to the point of my speech: what is the role of government when it comes to divvying out taxpayers' money? I do not believe we are here to help a privileged few. How many other hugely talented athletes in this Island get no funding apart from mum and dad who will forgo holidays, nights out, et cetera, so that they can get their son or daughter to an off-Island event? How many flights do they not take because they simply do not have the resources to make the most of their child's talent? It does not stop there. As we all live longer and look to be fitter, how do we invest in our community knowing that this investment will reduce healthcare costs in the long way? I was, therefore, very heartened to hear the Minister for Sport tell us of her plan to develop an elite sport strategy. In the U.K. they use funds from the National Lottery to help fund sport across the board. This has proved to be an extraordinarily successful strategy with British athletes now performing at a global level in a whole host of different sports, something inconceivable even 20 years ago. I empathise with those invested in the Reds but I do not believe it is the role of Government to fund one sport ahead of another. We need a far wider and deeper strategy that gives opportunity to all no matter what your background.

1.1.10 Connétable M. Labey of Grouville:

I cannot allow this debate to go by without saying that this wonderful club provided me with one of the proudest moments in my life. I have been very fortunate to have many but I went to see them play off against a side in their attempt to join the Championship and I saw Ashley Maggs run at least 95 yards to score a try across the hallowed turf at Twickenham. That day was a great day for Jersey men and a great day for my family as I was able to take my son to that game. But I cannot support this proposition in the same way as my colleague from St. Saviour has said, despite the fact that I am still disappointed in the amount of sponsorship coming forward. My colleagues on the other side of the Chamber often say that this is a wealthy Island, and it seems very odd that there is not enough sponsorship available in this lovely Island of ours for such events, for the Jets in their attempts to attain greatness, the Bulls, our wonderful cricket team, the Island Games team, the Darts World Cup teams ... we have some wonderful associations that need our support and I am disappointed by the lack of sponsorship for those teams and their events. I am disappointed about the sponsorship for Durrell and the Battle of Flowers and the air display and I continue to be so, but I cannot support this proposition because I do not believe that the game has a long-term future in its current format.

1.1.11 Deputy S.Y. Mézec of St. Helier South:

I have to start by confessing that I know almost nothing about rugby. There are only 3 things I do know. One is that when I was made to play it at school it hurt. The second is that "Invictus" is a pretty cool movie, but the third thing I know is that despite how I may feel about it, there are thousands upon thousands of people in Jersey who love it and who get a great amount of enjoyment from it. From the Jersey Reds there are many benefits to this Island, some of which are quantifiable in terms of the economic activity in the club itself and on the periphery of it too, but also there is much unquantifiable benefit in the impact it has on people's social lives, the people they meet, the friendships they strike up or in people's health and fitness because of the inspiration they take from that team and the activities around it. So when you are faced with a situation like this, it is a moment where perhaps our ideologies get tested, and there have been lots of discussion in this debate so far about the rights and wrongs or the lengths to which Government should go when it comes to using public money to involve itself in private businesses, and that is a fundamental question in politics

and there are many sides to that. I find myself on a side that is not quite against public money being used in economic ventures when there can be a demonstrable public good to be gotten from that. I must say Deputy Coles and I were chuckling before when Deputy Gardiner bemoaned the idea of spending 11 years funding a private business because Deputy Coles uttered the words: “What about LibertyBus?” which is an obvious example where public funding for a private business is a good thing because they provide a service that is an economic enabler for the Island. There are circumstances where we do that. When I saw the proposition from Deputy Farnham when he lodged it on Monday, my heart sank because I read it and saw it immediately as an attempt to do a good thing but as it was written I found myself unable to reconcile what it was asking for in that proposition with what I consider my duty as an elected representative of the people of Jersey to safeguard public funds. I thought in my head the words “blank cheque” when I saw it, which are words that have been uttered in this debate several times and which feature in the comments from the Government on it. I found myself upset at the prospect of having to vote against something that I thought was trying to do a good thing but because I could not in good conscience reconcile with the risk to public funding that would go alongside it. In comes Deputy Feltham, who I was in the room with when that proposition was published, who then rushed to put an amendment to it which I thought was frankly a stroke of genius that aimed to mitigate that risk quite substantially.

[11:30]

It says: “Subject to the provision of a business case by the organisation that quantifies the benefits of the club to the Island and demonstrates that the organisation will remain operational for the 2023 to 2024 rugby season.” A few things to specifically note in that wording. The words “subject to” which means if the following does not happen then the funding does not happen either. It can only be done on the provision of what is provided for in that amendment. If it cannot be demonstrated that public funding would resolve this for the club they do not get that public funding. It refers to the provision of “a” business case, not “the” business case, and that is fundamental too because of the questions that have been raised about an iteration of the business case provided by the Deputy in the report to his proposition. That could be amended. That could be changed or some iteration of that, and if they are able to do that and able to substantiate enough evidence to justify a little bit more public funding to enable the club to carry on then that in my mind resolves the worries I had about public funding essentially throwing good money after bad; another phrase that has been used a few times in this debate. If that evidence cannot be obtained then the funding does not happen. Great, so we get to attempt to do something good but safeguard public finances and best-case scenario is that with a little bit of work that business case can be amended or supported so we can continue to see this club - which many people in Jersey care about so deeply - continue. If not, it does not, and it would be sad but it was what destiny simply had for that club. That, therefore, makes it something that I can support. When I arrived in the Assembly at 9.30 a.m. this morning to listen to the Attorney General’s comments on this, referring to the Companies Law, referring to English Court of Appeal case law, it reminded me of my time as a law student at university, although thankfully on this occasion without a hangover so it was different in that respect. The points he was raising about the potential risk that arises from Deputy Scott’s amendment was also a great worry because we do not want to be in a position where we are tying our hands behind our back and because of one potential interpretation of the role of what the proposition calls representatives in an advisory capacity - it does not say shadow directors in the wording of the proposition. But if the Attorney General says that there is a potential risk which would be determined by their actions and not necessarily what the wording here says, then that is something we have to listen to and be careful of because if we found ourselves in a situation where a representative of Government by virtue of that role took on some liability, then again we would be making the situation even worse for public finances. That caused me to worry because of what he had said there although, let us be clear, in his advice to us he was not being definite, he was just saying what potential there would be depending on how this role manifests itself. I found myself almost getting annoyed that an extra amendment might have inadvertently scuppered this proposition.

But again I re-read the wording to make sure here and that part of the proposition also begins with the words “and subject to”. It does not say “or subject to” it says “and subject to” and it follows the words that were put in by Deputy Feltham about making that funding conditional on a business case that demonstrates that the organisation can remain operational. So, if that business case is not provided to the standard we need it to be then it also follows that representatives will not be put anywhere near that board, so the only circumstances in which representatives can be put near that board are if we have already undertaken an exercise to severely mitigate any risk arising because of that amended business case. So it is not to put people near a board where there would be a substantial risk because the first amendment has sought to deal with that and both aspects say in the wording of the proposition we are asked to agree “subject to”, so if it does not happen the rest does not happen. So the only way that public funding can be released to support the Jersey Reds to continue in one way or another is on the provision of a business case that demonstrates that the organisation will remain operational for this season. If that does not happen no funding goes through. If that does not happen no representative of the Government goes anywhere near the board on that and no risk is taken from it. The only circumstance in which somebody nominated through Treasury and Exchequer goes near that board in what this proposition says is an advisory capacity, not a shadow director, is if that risk has been substantially mitigated first. Honestly, do I have my hopes up that if this is adopted there will be a guaranteeably clear path for the Jersey Reds getting that funding and securing their long future in the Island? No, I am not particularly optimistic for many of the reasons that have been outlined by representatives from the Government and the statements from representatives from Jersey Reds as well. I do not think anyone is going to pretend that it is anything other than a disastrous situation to find ourselves in, and irrespective of where blame lies on it the chances do not look particularly good. So it is totally understandable why somebody would want to say now: “We spent this much money so let us cut our losses and not try to waste anymore.” That is absolutely understandable but with the wording that has been changed in this proposition because of that contribution from Deputy Feltham I find myself able to support the proposition, knowing that if those conditions are not met I, as an elected representative of the people of Jersey, will not have contributed to funding being released only for that funding to be completely wasted because it will not be released if those conditions are not met. So, can I justify to myself supporting something to give them a chance in the hope that maybe they will be able to secure their future? Well, given how I know so many people take such great joy from this, and know that there is an economic and social benefit to the Island, much of which is unquantifiable, I am prepared to give it that chance based on the wording of this proposition and I hope Members will see it that way as well.

1.1.12 Deputy M.B. Andrews:

I took the time last night looking at social media and I wanted to see how people were in terms of their view on should the Government intervene and should the Government provide funding. So I decided to create a post on social media and I asked my constituents: “What are your views on supporting Jersey Reds?” I had about 10 responses, and 10 responses said: “No, we do not want the Government and we do not want the Council of Ministers to provide funding for the Jersey Reds.” I think this has been something that has resonated among Islanders. There are of course many supporters of the Jersey Reds who have postulated their views because they have seen the club grow, and I have myself seen the club grow. I remember in 2007 it was my grandfather who took me up to see the Jersey Reds and during that time there were I think a few professional rugby players but the rest of the side was comprised of local lads who were working during the week and on a Saturday they would play at St. Peter every fortnight, and they would also play abroad in the U.K. as well because again it was part of the setup of the English system and they were promoted. I think they started off in division 6 going all the way through to the National League One division. It was very impressive seeing the ascent of the club, and it was done in such a short period of time and it was very impressive. But when I am looking here at the finances I cannot help but raise concerns about their being a budget deficit over 6 consecutive years. That for me is very disconcerting when we see

the Government during that period provide funding for the Jersey Reds to maintain that model when that model quite clearly is ineffective. Really what should have happened is that the board itself should have taken a good look, they should have reappraised the situation and come up with a solution: how could the club run a budget surplus. Because that is how you manage a professional sports team. I do understand, however, that there are problems with the R.F.U. pulling out and reducing their funding across time. But in the decisions that have been taken it means the board have continually had to reappraise the situation, and if it means the squad in terms of payroll expenditure maybe needs to become more diminutive then you need to live within your means. What I do see, and this is something that Connétable Jehan commented on, is an increase in salaries when funding was being reduced for the club. It was almost as if the club was building itself to winning the Championship without any financial consideration for the repercussion, and the repercussion has only been several months later upon winning the league where we as a legislator are having to debate potential funding to support the Jersey Reds. I think it is very sad that we are in this position because you have a management team, you have a squad of about 40, you have all of the people who have been at the club and they have been working there for years, and all of that potentially will be gone. But at the same time it is not the Government's role to be intervening in the market to support a professional rugby club. I think where essential services are concerned, absolutely, the Government has a duty to involve itself. I know there will be many people who would probably argue: "Well, there are many benefits in the Government providing additional funding" but how much funding will that be, because we really truly do not know. Despite the fact we have 2 amendments in place it is very difficult to know whether it is possible for the club to sustain itself without there being secure knowledge that there is going to be private capital investment to support the club in addition to public funds. What also concerns me is looking at the Jersey Reds' statement; 30 high-net-worth individuals have engaged with the club at different points in time and nobody has been forthcoming to provide that private capital investment. You think about it; these are people who are able to generate sufficient levels of income, they generate large surpluses, they see a healthy net wealth increase year upon year because they are levied with low taxation compared to those on the standard rate of taxation, and they said: "No, we are not doing it." Why, you have to question. These people are obviously pragmatic, they have done well in life, and if they see a good business model then they will invest. But if they see a business model that is flawed then who would invest in it? Some people may do; I certainly would not be investing in a club that is run this way because you just need to look at the treatment of staff. Look what they are having to go through now. They were totally oblivious to what was going on.

[11:45]

So are we willing as a legislator to say: "We will put money forward and we are going to deal with those people who are responsible for the club being in the disposition it is currently facing." The answer is quite simply no. Had it been an opportunity where maybe new investors came along ... and there is an opportunity for those investors to come along now but nobody has been forthcoming because I think it is almost as if they expect the Government to bail out the Jersey Reds, and only then will private capital investment be forthcoming. I am sorry but that is not the right thing to do. It really is not. If they care about the Jersey Reds then they should come forward now. Save the club. But as far as I am concerned, as politicians, when we are looking at fiscal expenditure we have got to really think about our economy, we have got to be thinking about our people, we have got to be thinking about our essential services. What we cannot be thinking about is a professional rugby club; a professional rugby club that was incorporated because fans who love rugby wanted to see professional sport on the Island. But sadly over time we have not seen the club build a vision and build a vision while investing in infrastructure to see the club grow. The club in fact has seen attendances reduce across time. I know obviously with COVID it was affected gravely but you cannot manage a professional rugby team employing 40 professional rugby players, and also the team as well, with a gate of say 2,000 people. It is not sustainable. I know there has been talk previously

about a national stadium potentially being built, and yes that would probably provide you with the right infrastructure in order to fund a professional rugby team, because if you are looking at these rugby players, professional athletes on £26,000, and I just think that is a ridiculously low salary because these people are qualified, they are capable, they are the true athletes and that is what they are having to live on in an Island where we just need to look at the cost of living, the cost of food, factoring in inflation; it must be considerably difficult. I do sympathise with the squad and with the coaches because for all of them the utter turmoil of having to relocate in itself is something that we as politicians have to consider that from a humane perspective. We have to find that acknowledgement but at the same time it is a very difficult position that we are put in here because nobody really wants to be debating this. That is very true. But at the same time Government has a role and Government's role is not to invest or place monies in private enterprise, especially when you are looking at a sports club that owes the Government £457,000 in licences fees, G.S.T., social security contributions and tax. In the private sector if you saw 2 parties in such a dispute one would not then lend more money until the money has been paid that is outstanding. I think that is an important point that I had to make.

Deputy R. Binet of Grouville and St. Martin:

I appreciate that the Attorney General is not here but is there anyone that could answer a question?

The Bailiff:

On law?

Deputy R. Binet:

Yes.

The Bailiff:

The Attorney General is available online, we are told. It may take a moment to get him to the machine. If you have a question for him we will make enquiries as to whether he can be online and then we will give you the chance to ask it.

Deputy R. Binet:

Thank you.

1.1.13 Deputy R.S. Kovacs of St. Saviour:

I want to start by saying that I would not want any public money to be wasted or invested in a non-viable way with no return of some sort. We used to be very pedantic about the words of a proposition and many times we kept on stumbling over an "and" or an "or" but I guess it depends on what you want to read. Here there has been a lot of discussion more on the wording of the report but what we are asked to do is in the proposition text which clearly says: "The States are asked to decide whether they are of opinion to request the Minister for Treasury and Resources to take the necessary steps to make funding available to the Jersey Reds subject to ..." some business case or the points of the amendment, which I will talk more about a bit later. In my interpretation one could say this can also mean for the Minister for Treasury and Resources to pick up the phone or use his contacts to ask any potential investor to step in, so not necessarily only the public money. Members would know that I have always advocated for more support to be put into sports clubs and individuals, especially when they reach the high level and proudly represent Jersey, flying the flag abroad. I agree that this support needs to be balanced with support given to more clubs and different sports than just one, and also supporting schools and in our community and I will continue to support that. However, this is not a matter of one sport club versus the rest. In this particular situation it is to look at it from more than just the sporting aspect. The reality is that so far only the Reds have reached in Jersey this Championship cup level that brought and has the current potential to still bring ongoing visitors, business to the Island and social community engagement, without the mention that 70 jobs could

continue to exist and taxes from those jobs coming in. Last week during Democracy Week I took part in presentations in Q. and A. panels in different schools. One of the students there - and I am happy I saw him up in the gallery yesterday still being interested - actually asked questions on how the Government can support the club to continue as it is important for Islanders even before they announced they are closing. I saw more youngsters present here and interested today as well. Their interest showed clearly how the Reds are also inspiring youngsters on the Island and they act as role models as well. Jersey Hospitality Association has also highlighted the impact this rugby season not going ahead will have on the surrounding hospitality venues that already prepared for such a season. So we have the situation now, and we could see other similar coming, where we have this sport club which won the Championship and is ready and skilled to be in the Premier league and to bring even more revenue than their current activity could bring, but due to not having the adequate space provision on the Island they cannot meet the requirements of being part of such a league. This needs to change if we are truly talking of an elite sports strategy and a tourist strategy as elite level brings different level of requirements, many not being at all in the power of the professional club or individual to address. To follow on this, separately than what we debate on now but linked to it, an important food for thought for our Government and for States Members maybe we should start thinking more seriously of it and start a plan on ways of having an adequate-sized stadium on the Island for all kind of events if we want to keep up with the rest of the world and the nowadays needs in sport, tourism, arts, culture, social engagement opportunities and economy overall. This should of course be complemented by adequate related infrastructure and increasing the number of beds available for tourists. This is definitely a capital project that this Island needs. Maybe with investors as well; but the Island needs it. To come back to the Reds, the Minister maybe had more sight of the Jersey Reds' information but not sufficient as they mentioned before, and we have not either. Deputy Stephenson also said that discussion in person with the Minister did not take place and the club refused to meet her, but the statement issued today on the Jersey Reds website says something different, and that a lot of misinformation was in the public domain. I am not sure where the truth is; it could be in the middle. If this matter still came to the Assembly now I think we could allow the club another short period to give evidence with the proper business plan to show us the return expected if any funding were to be given, and then the ball is in their court. That is what Deputy Feltham's amendment brings as a layer of safeguarding. Agree to have the conversation with all parties involved, with all the financial aspects able, and then decide if such evidence would be sufficient to justify such funding, other source of funding than just from sport could be identified to support it but, as I said, based on evidence. If not, of course we should not give further funding. Such funding of support, if proven viable to give, it could come from different areas than sport funds like from Visit Jersey, even Digital Jersey, or as well engaging directly with R.F.U. for a review of negotiation, or even encouraging some of the 2(1)(e)s on the Island, some of them renting places from States Members, therefore in contact, to further support the club. So there are different ways of funding on something that is more than just sport. The Constable of St. Mary made a good point yesterday to consider. The club having the R.F.U. withdrawing their support is likely they did not have the right level of specialised advice on best of use of resources. Adopting also what Deputy Scott's amendment brings, the inclusion of advisers from Treasury Department and one from the business community into the Reds board gives another safety net, giving a proper analysing of the business case and to go further, that such funding is being used in the right places to bring the club back on track. From my understanding, Deputy Scott's amendment is asking for someone to be an adviser, not a shadow director, as the amendment proposition text says "to be involved in an advisory capacity". That is what we have always analysed for voting; another report. The Attorney General already said there is a distinction between the 2 terms and that such member should be appointed accordingly. The adviser could very well be an adviser to Government or both, rather than an adviser to the board, so there may be a few different sensible ways to meet the text of the amended proposition. If the in-depth analysis and conversation shows it is not viable to continue funding, no adviser needs to be on the board anymore so no risk there. Similar condition to include certain

members in an organisation board to make sure funding is used with specialised advice, as the Attorney General also confirmed, are also for Opera House, Andium, A.L.O.s, so this is not the first. Talking about the Opera House, to continue making a parallel, we know that this is not necessarily a sustainable business on its own on an Island but we still fund it, and just lately £11.5 million, because we know the importance of the Island having such artistic and cultural activity besides just their direct business. An article in the *Guardian* states that Deputy Morel has also funded the new private business of Ballet d'Jèrri, and I support that knowing the benefits this could bring long-term on the Island. We also support the Arts Centre, LibertyBus. Similarly, the Reds situation should have the opportunity to be objectively assessed by the Government against what having a professional rugby team representing the Island means, and the opportunity to sit down with them to do a specialised cost-benefit analysis before deciding the best way forward. So far the figures I have seen show about £2 million support in 10 years and the direct benefit from the report showed from the club could account around £5 million per year, plus non-financial benefit. Voting on this proposition with the 2 amendments brought which clearly state "subject to" twice, it is not a blank cheque how it was mentioned. It is agreeing for a proper conversation and analysing of all financial aspects and prospects of the club to be discussed with the Government, and the right adviser for both parties, and see if the return gives ground for that funding to continue or not, and give another chance of not losing an emblematic part of Jersey. So I encourage Members to support the proposition as amended.

The Bailiff:

Thank you very much. The Attorney General is online at the moment so, Deputy Rose Binet, do you have a question for the Attorney?

Deputy R. Binet:

Yes. If the company has ceased trading because it is insolvent what will it take then for the company to start again, because a company will have to be trading for Deputy Farnham's proposition to be able to work. So will that mean that the Government will have to fund all its current liabilities before it starts funding the coming season?

The Bailiff:

Mr. Attorney, did you hear the question?

The Attorney General:

Sir, I did.

The Bailiff:

Are you able to assist with an answer?

The Attorney General:

Yes. In order to take the company out of its current insolvent position there would need to be, whether it be by way of a guarantee of immediate access to or a transfer into Jersey Reds' bank accounts of a sufficient sum or credit line to enable the company's debts or liabilities to be paid as they fall due. Currently, the company's wage bill for September has not been paid, so there would need to be an access to whether it be a credit line guaranteed by the Government of Jersey or an immediate transfer into Jersey Reds' bank account of a sufficient sum to enable that sort of liability, and there may be others apart from the wage bill, to be paid, so that the company is no longer cash flow insolvent.

[12:00]

The Bailiff:

Thank you very much. Deputy Alex Curtis, do you have a further question for the Attorney?

Deputy A. Curtis of St. Clement:

I do not. Can I take this time to propose Standing Order 84 and give 30 minutes notice to close debate?

The Bailiff:

Yes, you have not yet spoken and more than a sufficient number of people have spoken. We have been speaking for long enough. You can give 30 minutes to propose the closure. Very well. Does anyone else have a question for the Attorney, while he is online? No. Thank you very much, Mr Attorney.

The Attorney General:

Thank you, Sir.

1.1.14 Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter:

We, and I certainly, feel that what happened last week was a sad event, when the announcement was made that Jersey Reds, in effect, whichever company we are looking at, announced that they had been advised to cease trading. We sensed that sadness in the Royal Square yesterday. Could I ask the Greffier to put the clock on, just so I have an indication of time, I know I am not limited, but I do not want to speak indefinitely, contrary to what I normally do. There was that sadness. I understand that sadness, because Jersey Reds have played great rugby. They have gained an international profile as they have gone through the leagues. I understand that those who have gone Saturday after Saturday during the season up to St. Peter's, great Parish, and also have travelled off-Island to follow them, that they will be feeling a great sadness. I, through my political life, have supported Jersey Reds and the support that Government has given to them. Some would say incorrectly, others would say, no, that was the right thing to have done. I fear ultimately that this debate has been probably inevitable. It is always important we learn this through life, not only to start projects well, but also to end projects well. For me, the added sadness of their decision, for it was their decision to cease trading, is the turn of events that we have experienced over the last few days and some of the commentary in this Assembly. I stand in support of my colleague, the Assistant Minister for Economic Development, Tourism, Sport and Culture, her political boss, the Minister for Economic Development, Tourism, Sport and Culture, when they made the difficult decision, and I recognise that, to support Jersey Reds to pay their salaries for the last 2 months. I stand in support of them. They, as we heard yesterday, had to issue a letter of instruction and I issued letters of comfort or am in the process of finalising those letters of comfort for them. For my part, it is inappropriate for this Assembly and for Members to criticise them for making those payments. Those payments were direct payments to pay the salaries to give time for the club to do the things which they themselves have outlined. Maybe Government will be criticised for process. It seems ironic that Government is now being criticised for making those payments and saying because it has made those payments it should make more payments. The alternative to that would have been that the club would have ceased trading earlier without the support of Government. I believe that Government would have been criticised for not seeking to support the club to allow them to make alternative arrangements. I do not want to get into tit for tats about who said what when. However, it is clear to me that the Assistant Minister for Economic Development, Tourism, Sport and Culture was clear with Jersey Reds in all of her engagement about the likelihood of continued funding, as was the Minister for Economic Development, Tourism, Sport and Culture. In the meeting which I have been in, I do not and cannot understand how anyone could have left those meeting being in any doubt to that eventuality. I come to Deputy Farnham's proposal before the Assembly today. Unfortunately, I fear that if Members accept this proposal it will leave Ministers, myself, in an impossible position. That is impossible for a number of reasons. Some Members have referred to the plan that Deputy Farnham attached to his proposal, which was information provided by Jersey Reds to Santander to allow them to provide the budget figures that Members now have before them. I do not take it as criticism of Santander. They

are a valuable part of our community. I do not take it as criticism of them if one is to interrogate the assumptions upon which those figures have been based. What I do find it quite difficult to accept is the presumption of some Members that my officials in Treasury would not have already gone over these numbers with a fine toothcomb, would not have already sought to understand the assumptions used, and that it would not be that upon which Ministers have based their decision that it is not appropriate or the right decision to provide additional funding. We only need to look at the figures in front of us in 2020, the R.F.U. provide, and we can see from 2017 it was around £500,000, rising up to £650,000 in 2020. That money was then withdrawn and that will not be there in the year to June 2024. There is an assumption made that in the year to June 2025 the R.F.U. will not only revert back to the same amount that it was giving in 2020, but will add another £350,000 to that. That cannot be a prudent or sensible assumption upon which to base a decision to spend money or to provide a grant. If we look down those lines, we can see that there are other optimistic assumptions in there which, it should not surprise any Member, that myself and the Minister for Economic Development, Tourism, Sport and Culture would ask officials to interrogate and to review. The reason that I raise those points are because on analysis of those assumptions the figures are not adjusted upwards, they are reduced downwards, which means that the potential liability of what the Deputy is proposing to the Government is only going to be greater and remains uncertain. At least one speaker has said that they are in a position of being able to support the proposition as amended because they are not sure it is going to be deliverable, which, of course, is an argument, but it is not an argument that I feel able to support. I feel sorry for Deputy Farnham, because the reality is his proposition would have been better as it was and we could have debated it as it was, but what we now find is the belief that the first amendments caps the liability - it does not and I will explain why I do not believe it does when I read through it - and that the second amendment provides governance over a grant from the States. It does not for all of the reasons that the Attorney General has explained, because if it does then we are increasing our liability if the rugby club does continue after this season to cease trading. That liability is not quantifiable to us, because the club will have been listening to my advisers. The other reason that the amendment does not limit the liability is if we remind ourselves of what the proposition now says: "To request the Minister for Treasury and Resources to take the necessary steps to make funding available to Jersey Reds, subject to the provision of a business case by the organisation that quantifies the benefits of the club to the Island." We see in annexes to Deputy Farnham's proposition and in the work that Santander did, some of those, but they are assumptions, they cannot be drilled down to provide hard evidence. They are assumptions. The only thing we could do is provide those assumptions. The problem is the next sentence: "And demonstrate that the organisation will remain operational for the 2023/2024 rugby season." The only way that we can be absolutely certain that the club will remain operational is by saying to the club: "I will give you whatever money you require to remain operational." None of us know what that amount of money is. It will not surprise the Constable of St. Lawrence to know I will do all within my ability to seek to limit that amount, but that is not what this proposition is asking me to do.

[12:15]

It would be asking me to write an open cheque. It is not correct to say that this amendment limits that liability. The reason I feel sorry for Deputy Farnham is because he could have stood up and told us the amount that he thought, from the Santander paper, that we were going to require. He did not do that, he did not put the amount in. As he rightly says, he would have been criticised if he did and criticised he did not. The real reason is because he himself cannot quantify it. Therefore, if he cannot quantify it, I am not sure how I would be expected to quantify it. The other difficulty that I have, again, it comes back to Ministers and their officials ... my officials, you have heard me say in this Assembly many times, I always wish to be and to date I have been extremely fortunate to be surrounded by officials that are brighter than I am. The reason that is important is, for any leader - and I see the leader of Reform Jersey nodding his head, he probably agrees with me - is because you need to be challenged and you need all of the ideas to have been considered. Sometimes I get that

wrong. However, of course, my officials had already thought about if extra funding were provided what safeguards could we put in place. This particular safeguard of putting advisers on the board was considered and eliminated for all of the reasons that the Attorney General outlined. I could not, in all conscience, concede to the Assembly to put one of my officials in this position. I would be at a standoff with this Assembly and no Minister ever wants to be in that position. What the Assembly would be asking me to do is to knowingly - and I can think exactly of people who are skilled in this sort of work - put one of my officials in harm's way to create personal liability upon them. I could not do that and I would not do that to my officials. I find that it is a sadness that Jersey Reds find themselves in the place that they do. I also find that criticising Government and criticising the Reds does not help find a solution for the Reds. It seems to me, and it has seemed to me now for a little while, that a solution is for the Reds to seek ongoing private funding. If there can be confidence in this new R.F.U. proposal then private funding could carry them over. I do not want to get into the he said she said. I absolutely stand in support of my colleagues. It has been a difficult decision for the Council of Ministers. As I stand here, I believe it is the right decision. It would be the wrong decision, for all of the reasons that many Members have said, for the Assembly to support the proposition as it stands. That does not mean that it gives anyone pleasure to do that. We heard the mover of the proposition, Deputy Farnham, in an intervention about the possibility of a restructuring. That may be possible. That is not something for Government to get involved in. It is those sorts of things that might be part of the answer for Jersey Reds. I know it will not be easy for Members to vote against Deputy Farnham today. For my part, having been a long political supporter of Jersey Reds and having had attended matches from time to time in other political roles and enjoyed a Saturday afternoon there. My family enjoy supporting them and following them. Having done that and arrived at where we are today, I do not think there is any other option for the Assembly but to, with a heavy heart and being grateful to the Reds for all that they have done and the quality of sport that they have provided in Jersey, say we cannot accept this proposal today.

1.1.15 Deputy T.A. Coles of St. Helier South:

I am grateful for Deputy Gorst leaving me 10 minutes of the half an hour. I will be quick. We are hearing a lot about how Government should not give public money to private businesses that are losing money, that cannot stand on their own. However, we give money to private money to companies like these all the time. LibertyBus receives millions of pounds annually, because otherwise the service they offer would not work out financially. We support the bus service in Jersey because we choose to. We choose to offer something to Islanders so that they can get around. We offer this to tourists so they can see our Island. Jersey Arts Centre has received funding from government grants, because we want opportunities for people to experience performances and culture in different forms. Jersey Heritage receives grants from Government to preserve our iconic and historical identity. Let us not forget we pay to provide the swimming pool on the waterfront. All of these are also user-pay business models. The money is given with strings attached and because of the benefits to the Island's wider economy and our identity. We have to accept that as an Island we have to support businesses, both private and arm's length, that are lossmakers, because they provide something that we want or need. What we support is very much a political choice. We are hearing arguments of the risks to the individuals that Deputy Scott's amendment seeks to include. These risks have been somewhat mitigated by the requirements of Deputy Feltham's amendments that if a case is not good enough there is no funding. These actions for the Jersey Reds are similar to those of the Jersey Opera House. If Government had not stepped in in the 2000s we would not have the Opera House to be being refurbished right now. I look at our Island and its economy and its identity. I, from personal experience, and with extra money earned from working extra shifts with my previous employer allowed me to save more money that eventually allowed me to get a mortgage. It allowed me to be more comfortable in paying my mortgage, which allowed me to spend more money into our economy. I was one of many local workers that benefit and contributed back because of the Jersey Reds. In my time working there I met many people, both local and visitors. The locals were a diverse

lot; men, women, young, old, rich, poor. Many also had mobility issues, all of which were welcome and provided for within the club. The travelling supporters were always impressed by Jersey. Many were returning, not just because there was a game on that weekend, but because they came to Jersey on holiday and heard that there was a match on and decided to travel up and take in the game. Of course, many travelling supporters came just for the match, but decided to have a long weekend as part of a break. We also must consider what we want to offer Islanders that are here now, Islanders who leave for university and want to return, as well as those potential individuals we want to attract to become part of our local workforce. We are standing here now and might lose something else. I believe we cannot give up and we cannot lose something else from our Island without a fight.

The Bailiff:

Does any other Member wish to speak? If no other Member wishes to speak then I close the debate and call upon Deputy Farnham to respond.

1.1.16 Deputy L.J. Farnham:

Thank you to all of the 28 Members who spoke during the debate. Reading the room, my summing up is going to be quicker than I had anticipated. I want to first start by reminding Members that the aim of this proposition was solely to maintain and to save professional rugby from disappearing, to save professional rugby from losing the foundations that have been carefully built up over the last 17 to 18 years since Jersey Reds have become professional. It was not to save any particular organisation or structures that operate professional rugby. I believe the proposition allowed the Treasury plenty of scope to put in place a rescue package that would enable that to happen, notwithstanding the current challenges that the Jersey Reds Trading Limited are facing with a cashflow insolvency and have temporarily or possibly permanently now ceased trading. That is one of the reasons why I decided not to attempt to put a figure or a cap on the proposition because I could not because I did not have enough information to do that. That is why I asked the Minister for Treasury and Resources and his team and the Minister for Economic Development, Tourism, Sport and Culture and his team to ascertain exactly what figure was required. I believe the proposition was helped, was strengthened, by the amendment of Deputy Feltham. The amendment lodged by Deputy Scott was well-intentioned. It was meant to provide further governance. The spirit of the intention was good. I am sorry that the Attorney General's interpretation highlighted the potential weaknesses of that well-intentioned amendment. However, I am grateful to Deputy Mézec for looking carefully at the wording of the proposition to, in my opinion, rightly reminding Members that any funding to retain professional rugby through the Reds would be subject to them agreeing a sustainable business plan financial package. That significantly reduced the risk that anybody attending the board in whatever capacity would face. I am going to address a question some Members asked or mentioned about previous funding. First of all I will address the Constable of St. Lawrence's problem. I cannot remember, and I have not had a chance to look back or look at Hansard, but I did allude to the fact that previous funding had been delivered by Government on an ad hoc basis. I hold my hand up because I had been a Minister, this is provided funding or signed-off funding for Jersey Reds, always with the support, I believe, of Council of Ministers and Assistant Ministers. I said it was a shame it was done on an ad hoc basis because we tended to, if Jersey Reds needed some money for whatever reason, for whatever circumstances were thrown at them, they would approach funders in Government and we would deal with it on those situations.

[12:30]

I then went on to say, to provide some context, that it would perhaps, with hindsight, have been better to make a decision to fund professional rugby and plan for that and, as we do with Battle of Flowers and the air display and other important events, put that in the Government Plan, in the Budget, so we knew where we were, so there were no surprises. I hope that answers the Constable's question. We have to remember that, I think, when the last grant was made we were not in the grips of COVID and

we were not expecting the massive challenges that were coming to face us all at that time. I do remember saying at that time, with the support of officers and after a lot of research, that we could not continue to support them in this way and they had to look for independents, which they readily agreed and aimed to do. Of course we did not know that also on the back of COVID and the difficulties faced by the Rugby Football Union that there was going to be significant restructuring of the leagues and big reduction in the grant funding provided. The reason I only asked for this to run through for the season was to give time for the rugby union to announce their restructure and then we would know what the funding would be. I do not know an awful lot about the levels of funding provided in the past and what they are perhaps thinking about. The funding in the business plan is estimating an increase to £1 million. I would rather not comment, it could be right, it might not be right but we are not going to know until the R.F.U. announce their intentions, which is said to be happening in December. That is another reason why I thought it would be prudent to bide times because it is always more expensive to stop something halfway through or before it is completed because that means a lot of the money put in before is not wasted but it is always more expensive to start something up again. The £2.2 million that has been put in over the last 10 years is a lot of taxpayers' money but we have also had a lot of return for that. If you look at an estimate of costs of running the rugby club 11 years since 2012, based on the budgets we have seen and the figures we have seen in the past, it has got to be between £20 million and £30 million, of which we have provided less than 10 per cent of that. The rest has been provided by gate receipts, by bar take, corporate hospitality, donors, private money and sponsorships. Currently the Jersey Reds have approximately 40 sponsors raising in the region of £700,000 a year. It has been and, I think, still believe it has been a good example of a private/public partnership. I think when we have analysed some of the figures we have seen a return; there has been a good multiplier. It has not been money for nothing, we have seen a good financial and economic return, not to mention all of the other benefits. Deputy Bailhache, I think, asked whether the board - sorry, I am turning to Deputy Scott's amendment now - would accept Members to participate with them, whether it be in an observatory or advisory capacity. I spoke to the chair of the rugby club about this when Deputy Scott approached me with the amendment and he said that they would expect some extra level of diligence provided with any funding and would be happy to work with that. It is also possible that the Treasury officials, in carrying out the research and looking at any planning, might say it might be necessary not to utilise the existing structural companies and try and set it up in another way. That is why my proposition, I felt, left the scope for them to do that. It left plenty of leeway if there was a will for the Government and Treasury officials and government officials they could find a way to keep this sport running for the season. With hindsight, sorry, I did not put a figure in because I could not put a figure in. It would have been a guess and then I would have known some Members would have come back and said: "How do you know that is correct? How do you we will not exceed that?" We do all that work and then if I put a cap of £500,000 we might need £505,000 and then, technically, we would be in breach. It is a bit of a no-win situation but it was a well-meant proposition to save Jersey rugby; that is what it is. While I am pleased we have had some very good speeches, I do regret there have been some assertions and allegations that have not been, in my opinion, appropriate or relevant. It is a shame that there has been a rift created between the Jersey Reds organisation and the Government of Jersey. As the Minister for Treasury and Resources said, we do not want to get into the he said she said argument. But I think because of that, that the fact that there has been some tension there, has not helped either party in this endeavour to maintain professional rugby. I am sorry that the Constable of St. Brelade thought it appropriate to insinuate that the position of the Jersey Reds was down to me. I think that was inappropriate, I think it was unfair and I think he should withdraw that. I always stand by my responsibilities I have done as Minister and every time I act on behalf of this Assembly in whatever capacity I do it to the very best of my ability, always on advice and always with good intentions. There is no way that the financial position of the Jersey Reds can be blamed to any individual and I give way to the Constable.

The Connétable of St. Brelade:

I repeat my comment earlier that I have no intention of impugning the integrity of the Minister. My message was purely to say that the previous grants were given during his time as Minister of that department and that was simply my point. There is no intention to impugn on his integrity.

Deputy L.J. Farnham:

I will accept that and I thank the Constable for clarifying the position. There is evidence - there is clear evidence - that professional rugby, while challenging financially when it comes to putting taxpayers' money in, does bring us a considerable return. There is evidence, I believe, in the business plan presented that there is a chance, there is a business case to be made but that is a business case, on the back of Deputy Feltham's amendment, a much more detailed approach could be taken and I would expect that to be taken. Deputy Andrews, while I remember, especially thank Deputy Andrews for his contribution and he stated that he had asked a question on social media the night before. While we all keep an eye on social media because it can be a good barometer but it can also not be a good barometer and we should not run the Island on what we interpret social media to say. But I was surprised when he said he had asked 10 people because when I looked at his feed - and we all know Deputy Andrews is a master of survey, a question on Twitter, or X as it is called now - that the night before last he had put a Twitter up and it got a bonanza in the context of his usual responses to his surveys and had over 1,600 respondees to the survey, 64 per cent of which said they do support additional funding for the Jersey Reds; 28 per cent said no and 8 per cent were undecided. I think that is a much more representative sample than the 10 people that replied to him yesterday evening. But while we all participate in social media, I do not think we should always rely on that to guide our judgment in this Assembly. Even so I would say that the mood of the Island is definitely split on this, so it is hard to say and we have to base our decision today on the evidence and information in front of us. Again, I ask Members just to put aside any personal feelings or concerns they have with individuals or claims of over-extension in relation to payroll by the Jersey Rugby Club. I have looked at the payroll figures and the wage roll has increased roughly in line with inflation. Yes, with hindsight we could have said that perhaps we should have made some cuts and not employed new people. I do not know because I am not close enough to the business. But the bottom line is that professional rugby players are not overpaid and the staff and the Jersey Reds are not overpaid; they are paid modest fees. Any business plan would have to look at an element of cost-cutting and restructuring just to make it more realistic but I do not think it is fair to criticise the Jersey Reds for having the aspiration to win the league. I do not think while they might have spent a bit more than they perhaps could have done, I do not think their payroll is unreasonable and it sits, I think, second or third highest, if I am correct, in what other teams in the league pay. We have had a lot of sympathy, I think the whole Assembly has expressed sympathy to the club, but I am afraid sympathy will not cut it for the people that have lost their jobs. They want to see some action, they want to see some support. Potential sponsors want to see some support, some more support from the Government, and I respect that some Members think there has been enough support. I do respect that position but I feel, and other Members feel, we should put a bit more in to maintain the professional sport and all of the benefits that brings in the future, a potential of that because if it does go it will set us back a period of time and it will take us a lot longer to re-establish, I think, a professional team again. Because of course there will be challenges if the Rugby Football Union do not come up with a package that means professional rugby is viable because if they do not it will disappear, not just in Jersey but nationally. I know there are other options, there are other European leagues that perhaps we could look at, but I have had some parties saying to me, yes, they would embrace Jersey to enter and other parties saying to me, no, they are not interested in Jersey. I simply do not know what to believe. It is disappointing that there are so many factions out there with different interests and different views. I think that has also clouded or muddied the water out of the situation. I will just remind Members to remember the value, as well as remembering the cost. I know there were a lot more other questions and, potentially, I could talk for some period of time. I am sorry if I have not

been able to mention everybody's points. I respect everybody's contribution who have spoken and I thank them for allowing this debate to go ahead. Whatever happens today, I would like to finish just by saying thank you to everybody who have made the Jersey Reds story a success. Thank you for everything they have done, for their efforts, for their successes, for the pleasure they have brought to the many thousands of Islanders who have enjoyed watching professional sport over here at our own home ground. I would like to say thank you to the staff, to the players, to the donors and to the sponsors and to the fans and to that end I make the proposition, thank you, and I ask for the appel, please.

The Bailiff:

The appel is called for. Before I ask the Greffier to open the voting, Chief Minister, I took it from your declaration of interest that you will not be voting.

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter:

That is a matter for you, Sir. It is a minor interest in the light of the sum of money that is at stake and ...

The Bailiff:

It is, however, you declared it in these terms quite properly, this is not the slightest criticism: "I have a tenant who will be impacted by loss of earnings and, therefore, I am likely to experience a personal financial loss." If there is a personal financial loss involved then generally a vote should not be entered into. In those circumstances that must be my ruling on the matter. I ask the Greffier to open the voting.

[12:45]

If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The proposition has been defeated.

POUR: 13	CONTRE: 30	ABSTAIN: 1
Connétable of St. Helier	Connétable of St. Lawrence	Deputy C.D. Curtis
Connétable of St. Clement	Connétable of St. Brelade	
Connétable of St. Mary	Connétable of Trinity	
Deputy G.P. Southern	Connétable of St. Peter	
Deputy M. Tadier	Connétable of St. Martin	
Deputy C.S. Alves	Connétable of St. John	
Deputy L.J Farnham	Connétable of Grouville	
Deputy S.Y. Mézec	Connétable of St. Ouen	
Deputy T.A. Coles	Connétable of St. Saviour	
Deputy B.B.S.V.M. Porée	Deputy S.G. Luce	
Deputy M.R. Scott	Deputy L.M.C. Doublet	
Deputy L.V. Feltham	Deputy K.F. Morel	
Deputy R.S. Kovacs	Deputy M.R. Le Hegarat	
	Deputy S.M. Ahier	
	Deputy I. Gardiner	
	Deputy I.J. Gorst	
	Deputy P.M. Bailhache	
	Deputy D.J. Warr	
	Deputy J. Renouf	

		Deputy R.E. Binet		
		Deputy H.L. Jeune		
		Deputy M.E. Millar		
		Deputy A. Howell		
		Deputy T.J.A. Binet		
		Deputy M.R. Ferey		
		Deputy A.F. Curtis		
		Deputy B. Ward		
		Deputy K.M. Wilson		
		Deputy L.K.F Stephenson		
		Deputy M.B. Andrews		

ARRANGEMENT OF PUBLIC BUSINESS FOR FUTURE MEETINGS

The Bailiff:

We now come on to the arrangement of public business in the future.

2. Connétable K. Shenton-Stone of St. Martin (Chair, Privileges and Procedures Committee):

The arrangement of public business, at the moment there are only 6 items listed by next sitting on 17th October: the Reporting of Headcount and Vacancies; Draft Planning and Building (Commencement of No. 8 Amendment Law); Audit of Government Department Vacancies; Increase in Revenue Expenditure for Agriculture and Fisheries; Ethical Standards - States Members and Reform of the Composition of the States Assembly. Bearing in mind that one of the propositions is P.26/2023, Reform of the Composition of the States, I expect that we will be sitting on Tuesday and Wednesday and maybe on Thursday. As ever, please ensure that you keep the rest of the week free to attend States if needed. I propose the arrangement of business.

The Bailiff:

Are there any observations or comments on the arrangement of business? Those are seconded? **[Seconded]** Very well, those are the arrangements for public business and the Assembly's business is now concluded and stands adjourned until 17th October.

ADJOURNMENT

[12:48]