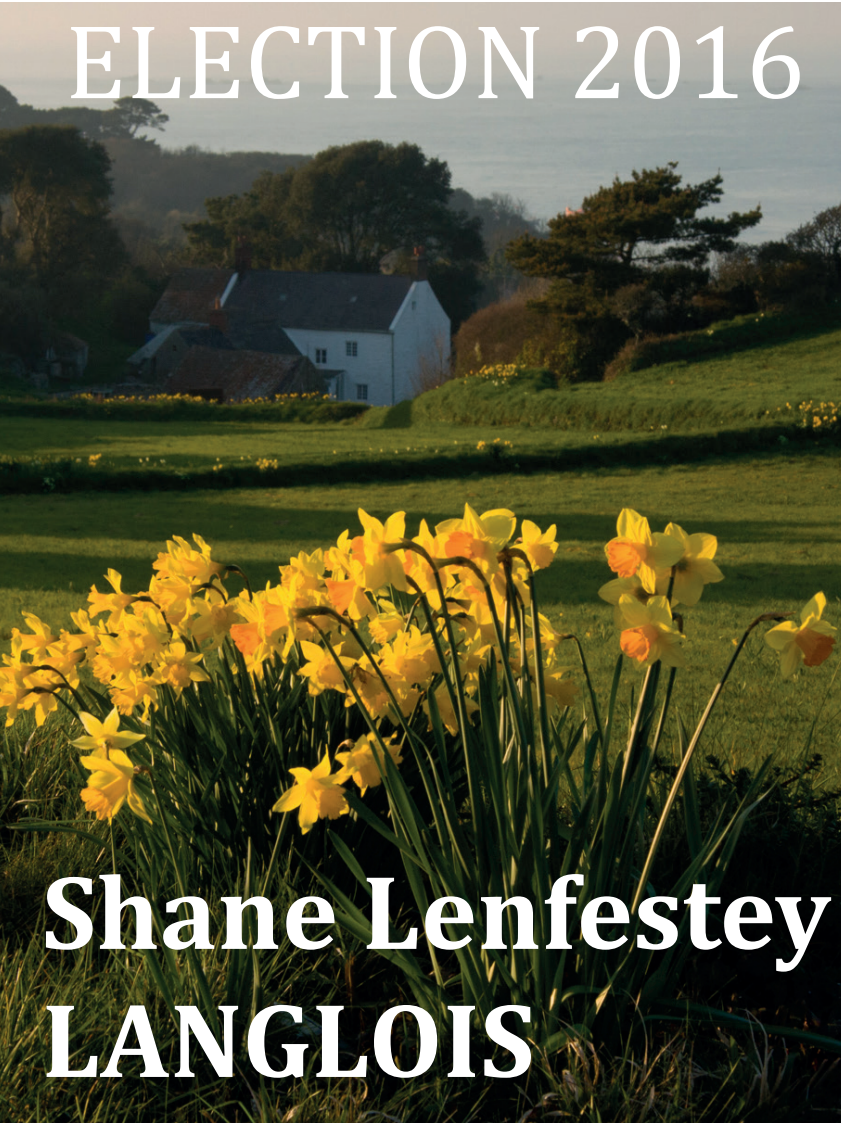


# ELECTION 2016



## Shane Lenfestey LANGLOIS



### Dear Voters of St Saviour, St Pierre Du Bois, The Forest and Torteval

I put my name forward as a prospective Deputy for the West because the Island needs a majority of States Members capable of making intelligent, objective decisions, rather than civil servants and consultants filling the vacuum. Such a majority, working together across all Departments, would provide the genuine, broad-based leadership required in the absence of a top-down, hierarchical Government.

The last States had many of its two predecessors' flaws. Flaws that include Deputies too often listening only to the most vocal groups, relying on their own prejudices or supporting last minute amendments when ignorant of the consequences. Exactly the opposite of what is required in our States.

Above all else the States cannot continue 'winging it', adding to social security contributions here, increasing property taxes there, threatening to withdraw universal benefits or to introduce a GST and so on. All without due consideration of the cumulative effect on individual islanders and on businesses. The next States has to develop principles on which to base a fairer, more sensible tax, pension and social security system. Also, as a given, it has to ensure the services we all rely on are delivered cost-effectively.

On the following pages I outline my beliefs and ideas on some of the issues to be taken into account when developing those principles and on the major services provided by the States such as healthcare, pensions and education.



## Controlling Spending Limits

Guernsey is 30% wealthier per head of population than the UK. That is good news but it has led the States to 'gearing up' its spending targets and limits by measuring them as percentages of that inflated figure.

In 2015 Deputies congratulated themselves on setting a maximum take of 28% of the Island's wealth ("GDP") in taxes, etc. However they were cutting themselves plenty of slack. That percentage would give the States the same income per head of population as the UK government receives. The States does not fund armed forces, an EU subscription or many other items the UK government does, so why is the States maximum income set so high?

It would be more prudent (and realistic) to deflate those percentages where possible. For instance rather than aiming to spend £60 million a year on capital projects (the States' current 3% of GDP target) the figure should be nearer £45 million.

## Why a GST cannot be justified

Many other jurisdictions have introduced a GST or VAT but there is a fundamental difference between most of them and Guernsey. They balance regressive taxes, such as a GST, unrelated to 'ability to pay' with progressive taxes, that is higher rate income tax bands and capital gains taxes. We have a flat income tax rate and no capital gains taxes. In those circumstances we cannot justify introducing a GST. Wisely in 2015 the States moved a GST onto the backburner but then it increased property taxes, after T&R admitted such taxes can be even more regressive than a GST.

'Widening our tax base', laudable in itself, has become simply a mantra to justify increasing the burden on low and middle income earners.

## Company Taxation

Before 2008 the tax on company profits provided 25% of the States total revenues (twice the percentage the UK derives from the tax plus commercial property rates). We will not return to those days but I support investigating whether a territorial system of company taxation could shift some of the tax burden from individuals and provide long-term fiscal stability for businesses.

## Identifying Stealth Taxes

There should be more transparency in the States' Budget and Accounts on both the cost of services and any stealth tax element in the charges. It is only too easy for a Department to increase a charge over and above the cost of the service, that is, to impose a stealth tax. An example is the gate fees at Mont Cuet, 20% of which went into the coffers of T&R and the Public Services Department, rather than towards our Waste Strategy.

The opposite of such stealth taxes are subsidies which lower charges. If, for whatever reason, it is decided any existing subsidy is to be reduced or withdrawn, resulting in higher or new charges for a service, the withdrawal has to be phased in, not introduced overnight.

## Maintaining Universal Benefits

Withdrawing universal benefits, for instance family allowances and primary healthcare subsidies, rather than clawing them back from the wealthiest through the income tax system is a retrograde step. Yet their withdrawal was a major plank in the last States' attempt to balance the books. The States' promise that they will be replaced by more targeted benefits is a false one. Firstly it implies means testing which as everybody knows is bureaucratic, expensive to administer and crude in its application. Secondly it is largely dependent upon introducing a GST.



## Ring fencing the funding for Health & Social Services and Long-Term Care

Just over 40% of income tax and 35% of social security contributions currently go towards health & social services and long-term care. This dual funding creates bureaucracy and opaqueness, obscuring the important debate on future health and social care provision.

We should investigate reducing both the income tax rate and social security contributions, substituting a ring-fenced public health & social care contribution, as some countries sensibly do. Amongst other things an insurance to replace the Reciprocal Health Agreement could be built into the benefits.

With a rational system in place we would not be in a situation where agreed strategies for helping the young, the elderly and the disadvantaged are starved of funding.

**Only one of the fourteen senior States positions, Minister of the Environment Dept, has been held by a Deputy for the West since 2008.**

## Protecting the States Pension

The States pension has suffered more than any other benefit in recent years. In particular the age it becomes payable is rising and the rate it will increase annually has been pegged back. It is supposed to be an insurance scheme so the question must be why were the premiums too low to build up an adequate fund? The answer is that the majority of social security contributions were insufficiently 'topped up' from general revenues (as had been originally intended). An example of past States ignoring the basics, then blaming 'demographic timebombs' and the like.

As with health and social care the sums involved are so large it would be beneficial to ring fence contributions to the States pension scheme rather than those contributions being lost in an increasingly complex and poorly scrutinised social security system. That is the base from which to consider any second States pension, not as a confusing add-on to the current States pension.

## Closing the Ports Holding Account

The link between the abandoned legal case to recover the costs of the PFOS contamination, the new cruise ship tender berth at the Albert Pier and the furore over marina charges is the Ports Holding Account (PHA) which includes the Airport. It is a separate fund, controlled by the Public Services Department, which has never come under the same scrutiny as the main States accounts. A throwback to the 19th Century when harbour revenues were paid to the Royal Court not to the States.

The 2008-12 T&R proposed closing the PHA but the States voted for an amendment to retain it. Over the last four years the PHA has increasingly proved to be an anachronism and it should be closed during the next States term.

## Affordable Housing

A 2003 report on the housing situation in Guernsey included the 'inconvenient truth' that increasing the supply of housing was necessary but not sufficient, one had to control demand as well.

The States largely ignored this because there are obvious conflicts, for instance between the population increase associated with our 'go for growth' policy and housing demand. However the refusal to address the difficult balance between supply and demand in the housing market is a primary reason why a home is unaffordable for many young islanders, even those in well-paid jobs. It has also boosted house prices on the way up which consequently will lead to bigger falls if the market stumbles.

The conclusions of the recently commissioned new report on housing, when published, will prove useful in restoring the necessary balance. In the meantime I support the work of the Guernsey Housing Association in developing partial ownership and rented accommodation.

## Education

The last States sunk to new lows when debating the future of La Mare de Carteret. It was the callousness with which decisions were made that finally justified the tag 'the worst States ever'.

We are almost fifteen years into a four school development plan and the three schools already built, on tight sites, were not designed to be extended. Yet many Deputies were willing to believe, with no evidence in front of them, that worthwhile savings could be made by extending and adapting the three existing schools instead of rebuilding the High School at La Mare.

If the last States has not reversed its decision and I am elected I will do everything I can to ensure the States fulfils its long-standing promise to rebuild La Mare. It would anyway prove more practical and no more expensive than any of the poorly thought through alternatives.

**Selection:** The Colleges do not segregate a quarter of their pupils from the remainder based on predicted academic performance. They find 'setting' perfectly adequate for mixed ability year groups. The public sector school system should be allowed to share the same ethos, treating pupils as individuals rather than segregating them, between 11 and 16, into two categories based on the results of a discredited test.

**Primary Schools:** I would always defend the right of our primary age pupils to be educated within the boundaries of the four Western parishes.

### A Few Personal Details

I was born in 1951, the eldest of six children, and educated at St Pierre du Bois primary school then Elizabeth College via the 11+. I graduated from Bristol University.

The families of both my parents have lived and worked in the Western parishes for at least eight generations. It was probably time for a break and I moved to London for some years, working there as an architect before returning to Guernsey.

I have been a Douzenier since serving as a Parish Constable from 2004-06. During my brief tenure as a Deputy from 2008-12 I was a member of T&R, of several Committees and, for the final six months, of the HSSD.

## Island Wide Voting

If I thought island-wide voting (IWV) would lead to any improvement in the competence or ability of the States I would be at the forefront of those demanding it. The truth is I do not believe IWV will prove the panacea many, disillusioned by the States performance, expect it to be and that will result in even more frustration. Also we might end up with a States more biased towards the heavily populated North and East of the Island.

To those who nevertheless wish to pursue IWV I recommend lobbying for the forthcoming, binding referendum to include electing half or a third of Deputies every two years on an IWV basis. That is the only remotely practical way of implementing IWV without doing a U-turn and bringing back Conseillers.



I hope to be able to meet you in the weeks before the election but please feel free to contact me to discuss any issues which concern you, either by;

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